

**SOUTH AUSTRALIA**



**STATE TAXATION OFFICE**

**Stamp Duty**

**Circular No. 10**

**PROPOSED AMENDMENTS TO THE ANNUAL LICENCE  
PROVISIONS OF THE STAMP DUTIES ACT, 1923**

The 1990/91 Budget handed down by the Treasurer on 23 August, 1990 contained details of proposed amendments to the Stamp Duties Act, 1923. The main focus of the annual licence amendments is to introduce monthly returns for those insurers conducting general insurance business.

The following provides an overview of the annual licence amendments proposed in the Stamp Duties Amendment Bill (No. 4) which was introduced into Parliament on 23 August, 1990:-

- 1 A company, person or firm of persons who carries on any assurance or insurance business in South Australia will be required to take out an annual licence.
- 2 A company, person or firm of persons who carries on general insurance business in South Australia will be required to lodge a monthly return with the Commissioner of Stamps containing particulars of premiums received or chartered in respect of general insurance business in the previous month.

Returns, together with the appropriate duty, will be required to be lodged not later than the fifteenth day of the month following each month in which general insurance business is conducted.

“General insurance business” is defined as any assurance or insurance business not relating to life insurance policies. General insurance business includes policies relating to personal accident and policies complying with Part IV of the Motor Vehicles Act, 1959.

- 3 When the amending Act comes into force, a company, person or firm of persons who carried on general insurance business in South Australia on or after 1 July, 1990 will be required to lodge monthly returns in respect of general insurance, as if the amending Act was in force on 1 July, 1990.
- 4 Sufficient books and records to enable all premiums and other amounts required for accurately calculating duty on an annual licence or monthly return will be required to be kept

and available for inspection, together with all working papers used in calculating the duty, for a period of five years.

- 5 The Commissioner may make an assessment of the amount of duty that is payable where he has reason to believe or suspect that a company, person or firm of persons:-
- has failed to lodge an application for an annual licence or a monthly return, or
  - has failed to pay any duty, or has paid insufficient duty, on an annual licence or a monthly return.

Further duty, by way of penalty, of an amount up to or equal to the assessed duty, may also be payable.

- 6 Penalty duty may be assessed where a late payment of duty is made. Equally, where duty has been overpaid, a refund may be made.
- 7 For general insurance business, commissions and discounts will no longer be deductible.
- 8 The rate of duty applicable to premiums for insurance complying with Part IV of the Motor Vehicles Act, 1959 will (with effect from 1 July, 1990) be increased to 8%.

A draft return to be completed by Insurance Companies has been referred to the Insurance Council of Australia for comment. Once a "final" has been settled these will be forwarded to your organisation.

The procedures and manner of payment for life insurance premiums remain unchanged.

28 September, 1990

**COMMISSIONER OF STAMPS**