

SOUTH AUSTRALIA



RevenueSA

Stamp Duties

Circular No. 207

**STAMP DUTIES (LAND RICH ENTITIES AND REDEMPTION)
AMENDMENT BILL 2000**

The *Stamp Duties (Land Rich Entities and Redemption) Amendment Bill 2000* was introduced into the House of Assembly today and deals with five separate stamp duty matters.

The purpose of this Circular is to alert taxpayers and their representatives to the fact that the provisions that operate to restore the status quo and accepted interpretation which existed prior to an appeal which ultimately led to the decision of the High Court of Australia in the case of *MSP Nominees Pty Ltd v Commissioner of Stamp Duties* ("the MSP case"), will apply from 8 November 2000 ("the MSP provisions"), subject to the amendments being passed by Parliament.

The High Court held in the MSP case that when two of three unit holders redeemed their units in a unit trust, there was no transaction subject to *ad valorem* conveyance duty, because the unit holders did not have any beneficial interest in the property owned by the Trust, rather they only had a right of due administration of the trust.

The MSP provisions will also operate retrospectively prior to 30 September 1999, except in situations where valid objections or appeals (that have yet to be determined) have been lodged within the legislatively prescribed timeframes.

This Circular is being issued at this time due to the circumstances that the amendments will in part operate from the date of introduction of the Bill into Parliament, and a further Circular explaining the full extent of the Bill will be issued once the amendments are passed by Parliament.

When this legislation is in force, any transaction dealing with the transfer, issue or redemption of units in private unit trusts will be caught by the *Stamp Duties Act 1923*.

The Bill deals with some complex issues and its precise operation can only be ascertained by a reading of its content.

The Bill will be available shortly from InformationSA, located at 77 Grenfell Street, Adelaide, who can be contacted on 8204 1900.

FURTHER INFORMATION

Location

RevenueSA
State Administration Centre
200 Victoria Square East
ADELAIDE SA 5000

Postal

Commissioner of State Taxation
RevenueSA
GPO Box 1353
ADELAIDE SA 5001

Telephone

(08) 8226 3676

Facsimile

(08) 8226 3788

Website

<http://www.treasury.sa.gov.au/revenuesa>

8 November 2000

COMMISSIONER OF STATE TAXATION

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