

SOUTH AUSTRALIA



RevenueSA

Stamp Duties

Circular No. 228

STAMP DUTIES (*RENTAL BUSINESS AND CONVEYANCE RATES*) AMENDMENT BILL 2002

BACKGROUND

Your attention is drawn to the *Stamp Duties (Rental Business and Conveyance Rates) Amendment Bill 2002*, which was introduced into Parliament today. The Bill amends the *Stamp Duties Act 1923* to give effect to the 2002/2003 State Budget announcements.

RENTAL DUTY

With effect from 1 January 2003:-

- The rental duty base will be broadened to include hire purchase arrangements. The rate of rental duty is unchanged.
- The monthly rental threshold above which stamp duty applies will increase from \$2,000 to \$6,000 (\$72,000 per annum).
- Duty is to be calculated on the amount received **exclusive** of any GST component. (prior to 1 January 2003 rental duty is calculated on the total amount received during the previous month in respect of rental business **inclusive** of any GST component).

The two concessions will apply to the return required to be lodged by 21 January 2003. The base broadening measure will apply to the 21 February 2003 return.

TAX RATE CHANGE

The rate of stamp duty payable on conveyances of property valued in excess of \$200,000 will be increased as follows:

- Where the value of the property exceeds \$200,000 but does not exceed \$250,000 it will be taxed at a rate of 4.25% instead of 4.0%;
- Where the value of the property exceeds \$250,000 but does not exceed \$300,000 it will be taxed at a rate of 4.75% instead of 4.0%;
- Where the value of the property exceeds \$300,000 but does not exceed \$500,000 it will be taxed at a rate of 5.0% instead of 4.0%;
- Where the value of the property exceeds \$500,000 will be taxed at a rate of 5.5%.

The above indicates the marginal rate of duty within each of those ranges.

To determine the actual duty on a particular value, reference should be made to Schedule 2 to the *Stamp Duties Act*.

The new rates will apply to documents lodged for stamping on or after the date of assent of the amending legislation (which occurs subsequent to passage of the Bill through both Houses of Parliament). However, where the Commissioner of State Taxation is satisfied that an instrument lodged for stamping gives effect to a written agreement entered into on or before the date of the Budget, ie, 11 July 2002, the instrument will be chargeable with duty at the old rates.

FURTHER INFORMATION

Location

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11 July 2002

COMMISSIONER OF STATE TAXATION