

SOUTH AUSTRALIA**STATE TAXATION OFFICE****Stamp Duties****Circular No. 59****TO ALL CLIENTS OF THE STAMP DUTIES OFFICE**

The coming months will see the implementation of a significant change process in the Stamp Duties Office that will impact upon users of the Office and taxpayers.

The changes will be both administrative and legislative.

This notice is intended to cover only the administrative changes in relation to procedures for lodgement for assessing. Legislative changes that are currently before Parliament will be covered in stamp duty circulars once they become law.

The administrative changes to be implemented are as follows:-

NEW STAMPING AND CASH RECEIPTING SYSTEM

The Office has developed an improved assessing and cash receipting system.

In relation to work currently processed over the counter, the new system will allow for determination of duty, payment and stamping to be performed at the lodgement counter. Thus once a client presents an instrument for payment, the duty on the instrument will be delivered and stamped by the staff member at the counter who will also take the payment of duty.

The system will involve the use of leading edge (Windows based) software and equipment that will operate both as a network system and in standalone mode should this be required.

A feature of the system is that all calculations of duty will be made by the computer system by reference to programmed rate tables. Our staff will still be required to scrutinise the documentation to determine the liability for duty and key in consideration amounts, etc.

We have met with a cross section of current users of the system to consider their views in relation to the new process and believe the system caters for users' needs as well as our own. These changes to over the counter stamping will be progressively implemented toward the end of January, 1993 with extensive testing currently being carried out.

FORMAL ASSESSMENT AND NEW OPINION FORM

Instruments lodged for the opinion of the Commissioner in relation to duty payable will soon be formally assessed and a written advice of the assessment will be provided to the lodging party.

The information required to be submitted on the opinion form is similar to that presently required but has been modified to eliminate the need for reference back to lodging parties for more information in some areas. In addition, client identification numbers and bar coding have been added to assist with the processing and tracking of the instrument through the assessment process.

Provision has also been made for the lodging party to provide its estimate of duty. This will assist stamp duty assessors to identify cases where there is potential for disputation and will allow a "second look" at the instrument should there be a significant difference in the lodging party's estimate of duty and the calculation of duty by the Stamp Duties Office.

It is anticipated that the issue of a formal assessment of duty payable will provide lodging parties with more accurate and timely information in relation to duty payable and assist practitioners not regularly visiting the Stamp Duties Office to be informed that assessments have been made and provide more precise detail of duty payable.

REVISED PENALTY PROCEDURES

While it is anticipated that through the process of providing a formal assessment, duty will be collected in a more timely manner, the notice of assessment will advise lodging parties of the duty and any penalty. This assessment of duty and penalty will stand for a period of 21 days.

This administrative practice will only apply with respect to instruments lodged for opinion assessment. This practice is to assist lodging parties collect stamp duty from taxpayers and make payment within a reasonable time period without the imposition of further penalties and the need to refer back to their clients for additional penalty duty. This practice will operate from 4 January, 1993 and Circular No. 4 in relation to stamp duty penalties will be redrawn to cover the new arrangements.

INTRODUCTION OF A LODGEMENT FORM

To assist with the processing of over the counter stamping, a lodgment form is to be required for all non-opinion work. The form allows the lodging party to provide transaction details and an estimate of duty payable.

This will require lodging parties to provide more information at lodgement but will assist this Office with streamlining the process and reduce the level of checking that exists in the current process.

The transaction details will be recorded (after hours by Office staff) and used in compliance programmes. This will reduce the number of instances of inspectors requiring clients to produce evidence of stamping after the instrument has been stamped, as the State Taxation Office's database will be more complete.

The lodgement form will be required for all lodgements after 4 January, 1993. Supplies of the form are currently available from the Stamp Duties Office.

IMPROVED DOCUMENT DELIVERY AND TRACKING

Over the coming months, new procedures will be implemented in relation to the return of documents lodged for opinion.

The Office is moving away from a system of filing work according to lodging party's name and towards a system of allocating unique lodgement numbers for each opinion form (bundle) lodged for assessment.

The reasons for the change are many and include:-

- . elimination of problems of misplacing files;
- . lack of lodging party's name on files;

- . damage to retained documents through continuous handling; and
- . the resources required to staff the current document centre.

The new system will record the progress of each opinion form through the assessment process through bar coding of all opinion forms. When a lodging party wishes to check the status of work, an enquiry will be made on a computer terminal by the lodging party and details of documents awaiting payment and amount of duty assessed will be available to the lodging party without Office staff being required to check delivery boxes, etc. as is currently the case.

Appropriate training in the use of enquiry terminals and password protection for each lodging party will be provided.

Locked delivery boxes (similar to those used in the Lands Titles Office) for stamp duty notices of assessment and letters of requisition will provide for written correspondence to be available to lodging parties. These will be available at a cost of \$50 per box per annum for the smaller size. Large legal firms and financial institutions may require larger boxes.

Work awaiting payment or satisfying requisitions will not be held in these boxes but in a central document store with the opinion form and filed numerically according to the lodgement number (bundle).

The change to the document delivery system will be phased in over the period January to April, 1993.

MORE INFORMATION

Should you require more information in relation to any of the above matters, enquiries can be directed to any of the steering committee for this change process listed below or myself.

Andrew Negus - Deputy Commissioner - Phone 226 3791

Paul Haylock - Assistant Commissioner - Phone 226 3829

Ray Barnes - Manager, Stamp Duty Assessing - Phone 226 3716

Jim Welsh - Manager, Taxpayer Services - Phone 226 3718

Sue Forder - Manager, Returns - Phone 226 3701

Emilio Fantasia - Manager, Information Technology - Phone 226 3817

In addition, it is planned to present several "Open Inspections" for you to have an opportunity to view the system before we go live.

I look forward to your support with the change process.

20 October, 1992

COMMISSIONER OF STATE TAXATION

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