

SOUTH AUSTRALIA**STATE TAXATION OFFICE****Stamp Duties****Circular No. 24****FIRST HOME CONCESSION****REVISED CONCESSION AMOUNT**

By Stamp Duties (Rates) Amendment Act, 1992, the Stamp Duties Act was amended to limit the maximum stamp duty concession to first home buyers purchasing homes with a value of \$80,000 or less. In addition the concession payable on first homes with a purchase price or value in excess of \$80,000 but not exceeding \$130,000 will receive a reduced concession.

BASIS OF CALCULATING THE CONCESSION

Properties under \$80,000 will receive the full concession of \$2,130 and no stamp duty will be payable. No concession will be available on properties with a purchase price or value in excess of \$130,001. The examples below illustrate the concession and duty payable for properties with a purchase price or value between \$80,001 and \$130,000.

Purchase Price	Normal Duty	Concession	Duty Payable
\$80,000	\$2,130.00	\$2,130.00	Nil
\$90,000	\$2,480.00	\$1,710.00	\$770.00
\$100,000	\$2,830.00	\$1,290.00	\$1,540.00
\$110,000	\$3,230.00	\$870.00	\$2,360.00
\$120,000	\$3,630.00	\$450.00	\$3,180.00
\$130,000	\$4,030.00	\$30.00	\$4,000.00
\$140,000	\$4,430.00	Nil	\$4,430.00

A guide chart for calculating the stamp duty payable on first home concessions is available from the Stamp Duties Office.

$$\text{Duty Payable} = A - (\$2,130 - \frac{(42(X - \$80,000))}{1000})$$

Where

A is the amount of duty payable apart from this section and

X is the amount by reference to which duty would, apart from this section, be calculated (subject to the qualification that any fractional part of \$1,000 will be rounded up to the next multiple of \$1,000).

Example:- Purchase price or value of property is \$90,000.

$$\begin{aligned} \text{Duty payable} &= \$2,480 - (\$2,130 - \frac{(42(\$90,000 - \$80,000))}{1000}) \\ \text{(using above formula)} & \\ &= \$2,480 - \$1,710 \\ &= \$770 \end{aligned}$$

DATE OF OPERATION

Contracts entered into on or after 1 September, 1992 by persons meeting the requirements of Section 71c of the Stamp Duties Act will be exempt from stamp duty up to \$80,000 on the purchase price, thereafter the amount of concession will be reduced as per the formula above.

Contracts entered into prior to 1 September, 1992 will receive up to the \$2,130 concession applying under the legislation in force prior to 1 September, 1992.

NEW APPLICATION FORM

A new application form has been prepared to reflect the above changes. New forms are available from the Stamp Duties Office and should be used for contracts entered into on or after 1 September, 1992. Old forms should not be used.

OFFENCE PROVISIONS

Applicants are reminded that there are offence provisions for persons who make false or misleading statements in a first home concession application. The penalty under Section 71c(b) is \$5,000.

This Office will actively pursue cases that fall into this category.

COMPLIANCE MONITORING

To ensure that the concession is only being received by first home owners who meet the requirements of the legislation, this Office will continue inspection programmes to ensure maximum compliance. This will involve contact with the persons receiving the concession and the person lodging the application for concession. Inspectors from this Office may also visit properties to ensure that the applicant is residing in the property.

Any enquiries should be directed to the first home concession officer on telephone (08) 226 3720.

1 September, 1992

COMMISSIONER OF STAMPS

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