

STATUTES AMENDMENT AND REPEAL (TAXATION ADMINISTRATION) ACT 2008

BACKGROUND

On 14 October 2008, the *Statutes Amendment and Repeal (Taxation Administration) Act 2008* (the "Act") was passed by both Houses of Parliament. On 23 October 2008, the Act was assented to by His Excellency the Governor in Executive Council.

On 11 December 2008, His Excellency the Governor in Executive Council issued a Proclamation that the Act will come into operation on 1 January 2009 apart from Parts 2 and 3 which will come into operation on 1 July 2009.

On the same day His Excellency made the following regulations which are consequential to changes made in the Act:

- *Emergency Services Funding Revocation Regulations 2008*;
- *Land Tax Variations Regulations 2008*;
- *Stamp Duties Variations Regulations 2008*; and
- *Pay-roll Tax Variation Regulations 2008*.

DISCUSSION

The Act operates to amend the:

- the *Stamp Duties Act 1923*, the *Payroll Tax Act 1971* and the *Land Tax Act 1936* (and related regulations) to remove all redundant provisions;
- the *Emergency Services Funding Act 1998* (the "ESL Act") to align the administrative processes under the ESL Act with those contained in the *Taxation Administration Act 1996* (the "TAA") in the areas of:
 - administrative responsibility for the legislation;
 - secrecy provisions;
 - mechanisms for setting interest rates;
 - debt recovery and penalty provisions; and
 - powers of investigation.

and

- the TAA to:

- include provisions to enable taxation investigations to be undertaken beyond State borders (and consequentially to provide for the repeal of the *Taxation (Reciprocal Powers) Act 1989* (the “TRPA”); and
- set the market rate of interest payable on tax defaults and refunds to the average rate of the 90-day Bank Accepted Bill Rate prescribed by the Reserve Bank of Australia for the month of May preceding each financial year.

Operation Dates

The following Parts of the Act and Regulations will apply from **1 January 2009**:

- Part 1 – Preliminary
- Part 4 – Amendment of *Pay-roll Tax Act 1936* (repeal of redundant provisions)
- Part 5 – Amendment of *Stamp Duties Act 1923* (repeal of redundant provisions)
- Part 6 – Amendment of *Taxation Administration Act 1996* (inclusion of reciprocal powers provisions and methodology for setting a market rate of interest)
- Part 7 – Repeal of *Taxation (Reciprocal Powers) Act 1989* (repeal of Act)
- *Stamp Duties Variations Regulations 2008*
- *Pay-roll Tax Variation Regulations 2008*

The following Parts of the Act and Regulations will apply from **1 July 2009**:

- Part 2 – Amendment of *Emergency Services Funding Act 1998* (inclusion of administrative provisions and interest and penalty levy)
- Part 3 – Amendment of *Land Tax Act 1936* (increase in minimum tax from \$10 to \$20)
- *Emergency Services Funding Revocation Regulations 2008*
- *Land Tax Variations Regulations 2008*

Further information regarding this change can be obtained from RevenueSA.

Location

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