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**MINUTES OF THE
SA STATE TAXES LIAISON GROUP MEETING
HELD ON WEDNESDAY 10 MARCH 2021 (9:30AM)
TRAINING ROOM, LEVEL 1, STATE ADMINISTRATION CENTRE**

1. ATTENDANCE/APOLOGIES

PRESENT FOR REVENUESA

Julie Holmes (Chair), Lisa Smith, Kelly Tattersall, Mark Christmas, Joshua Giorgio, Ian Grimshaw and Lee Bartlett (minutes).

PRESENT FOR INDUSTRY GROUPS

Paul Ingram (The Tax Institute), Daniel Marateo (Business SA), Paul Tanti (Chartered Accountants Australia and New Zealand), Julie Van der Velde (CPA Australia), Barry Money (Real Estate Institute of South Australia) and Bernie Walrut (Law Council of Australia).

APOLOGIES

Will Fennell (Law Society of Australia), Paul Maxwell (RevenueSA), Carmel Noon (Australian Institute of Conveyancers (SA Division) Inc.), Peter Slegers (Business SA), Marc Romaldi (Property Council of Australia) and Jeff Stevens (Australian Institute of Conveyancers (SA Division) Inc.)

Julie Holmes welcomed REISA's new representative, Barry Money (who replaces Andrew Shields) to the meeting.

2. BUSINESS ARISING

2.1 UPDATE ON ACTION REGISTER

With regard to Action Item 27, Bernie Walrut requested a status update on the review of Circular No. 265 – Stamp Duty – Sale of Retirement Villages. In particular, whether it could be progressed rather than being incorporated as part of the Stamp Duties Rewrite Project, as currently planned.

Action: RevenueSA to consider whether Circular No. 265 can be progressed ahead of the Stamp Duty Rewrite Project. This will require consideration (refer existing Action Item 27).

With regard to Action Item 2020-10 and enhancing communication with the Valuer-General's Office and State Taxes Liaison Group ("STLG") member organisations, there was further discussion around Land Use Codes. This matter is ongoing.

With regard to Action Item 2020-21, it was agreed that RevenueSA will recirculate responses to agenda items raised by the Law Council of Australia

Action: RevenueSA to recirculate the responses to agenda items raised by the Law Council of Australia (refer Action Item 2020-21).

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With regard to Action Item 2020-22 and Land Tax Register LTAR-3 – further discussion ensued around RevenueSA’s position on the issue of the status of pre-17 October 2019 land affected by either a subsequent subdivision or amalgamation of the relevant title and the impact on nominating a beneficiary. Some STLG members called for greater clarity to be provided by way of examples.

Some members raised an issue in relation to whether the examples in the Guide to Land Tax Legislation and Guide to Land Tax Changes are consistent, particularly in relation to how to deal with a life interest.

Action: RevenueSA to consider the need to provide greater clarity of the land tax provisions to pre-17 October land with title changes and those relating to nominating a beneficiary, with specific consideration of the providing of additional examples (Refer Action Item 2020-22).

Action: RevenueSA to review the examples in the Guide to Land Tax Legislation and the Guide to Land Tax Changes for consistency and update if necessary (refer Action Items 2020-22 and LTAR-3).

2.2 UPDATE ON REVENUESA PUBLICATIONS AND RULINGS SUB-COMMITTEE

No meeting of the sub-committee has been held.

2.3 COMMISSIONER’S UPDATE

2.3.1 Land Tax Reform Measures

Julie Holmes advised that land tax billing is in progress. Mass billing has been completed.

Julie Van der Velde raised the scenario where a taxpayer makes a mistake when entering their details into the land tax portal and didn’t realise until they got their Land Tax Assessment and how this would be handled. Julie Holmes advised that this will be looked into on a case by case basis and that in such circumstances taxpayers should contact RevenueSA, as soon as practical after becoming aware of the error, to explain the situation and circumstances of the error.

Julie Holmes also advised that the Government is giving consideration to extending the date for land tax transition fund relief applications (which is currently 31 March 2021), given that not all 2020-21 Land Tax Assessments will be issued by this date.

2.3.2 Stamp Duty Rewrite

Ian Grimshaw advised that on 10 February 2021 representatives from RevenueSA including himself, Julie Holmes, Lisa Smith, Paul Maxwell, and Lynsey Mitchell and stakeholder representatives Paul Ingram, Peter Slegers, John Tucker and Bernie Walrut met with Richard Dennis to discuss the Duties Bill and key matters that had been raised in submissions received during consultation.

The main items discussed were:

- The scope and objective of the Rewrite Project were reaffirmed;

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- The approach adopted with regard to the structure and modernisation /simplification of the Duties Bill;
- The approach adopted with regard to items considered to policy changes as opposed to the adoption/clarification of current administrative views and practices of RevenueSA;
- Provisions with no interstate counterpart, focusing on whether they provided intended clarity or added unnecessary complexity;
- Perceived anti-avoidance review focus; and
- Effective date of the new Duties Act (prospective) and appropriate transitional provisions.

During the meeting it was also noted that a draft Duties Bill, incorporating consideration of submissions and feedback received by RevenueSA prior to the 10 February meeting, is currently with the Treasurer for his consideration.

As an outcome of the meeting, it was agreed that further review and consideration of a small number of key items could potentially provide greater clarity and improve the Duties Bill. These matters related to:

- Provisions relating to the territorial application of the Duties Bill (for example, whether equivalent provisions to existing sections 2(2) and 3A are required);
- Transitional provisions and ensuring transactions assessed under the existing *Stamp Duties Act 1923* are not also inadvertently assessable under the Duties Bill (for example Clause 31(1)(a) of the Duties Bill and the retention of words 'duly stamped' as opposed to 'on which duty has been paid' and how that might apply to exempt transfers);
- Trust vestings and clarity around criteria for exemption, particularly with regard to not being for monetary consideration/commercial dealing/sale (refer Clauses 31 and 32 of the Duties Bill);
- Transfers by executor, administrator or trustee (section 71A of the current *Stamp Duties Act 1923*), and in particular whether the proposed changes may inadvertently catch a broader range of transaction that intended (STLG members were to consider and provide any identified examples for consideration); and
- Exemption for charitable purposes (Clause 49 of the Duties Bill/Exemption 33 of the *Stamp Duties Act 1923*) and whether rewording could provide greater clarity.

RevenueSA agreed to further consider the outstanding matters with the external consultant, Richard Dennis, and will prepare further instructions for Parliamentary Counsel as required.

Julie Holmes advised it is intended that an updated/final draft Duties Bill will be circulated to the STLG.

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The presentation slides from the 10 February 2021 meeting will be circulated to all STLG members.

It was also noted that RevenueSA is awaiting feedback from the Treasurer before setting up agreed feedback meetings with those who provided submissions during the consultation process.

Action: Ian Grimshaw to circulate slides from the meeting with Richard Dennis regarding the Stamp Duty Rewrite to the group (Action Item 2021-1).

2.3.3 HomeBuilder

Julie Holmes advised that due to the large amount of applications received, the HomeBuilder Grant team is being resourced from other areas in RevenueSA.

2.3.4 Upcoming Payroll Tax Annual Reconciliation Changes

Julie Holmes advised that due to COVID-19 relief measures, and the consequential need to collate wage information for different periods throughout the financial year, changes are required to be made to the Payroll Tax Annual Reconciliation. Julie also advised that the 2020-21 Annual Reconciliation will now be due on 28 July 2021 in lieu of 21 July 2021. This (1 week) extension has been made in response to the NSW PRT Administration review and will be consistently applied in future years.

2.3.5 21st Annual TIA State Taxes Conference

Julie Holmes advised that the 21st Annual TIA State Taxes Conference will be held in Adelaide (at Adelaide Oval) on Thursday 29 July 2021 and Friday 30 July 2021.

2.4 UPDATE ON STATE TAX APPEALS

Lisa Smith advised that since the last meeting there has been two new appeals lodged. One is in relation to stamp duty (landholder provisions) and the other is in relation to the HomeBuilder Grant and the market value of the property in question.

3. NEW BUSINESS

N/A

4. ANY OTHER BUSINESS

N/A

5. NEXT MEETING

Wednesday 7 July 2021

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ATTACHMENT A – ACTION REGISTER

Item	Date of Meeting	Action	Who	Status	Due Date
2.	05/09/2018	“Section 71(6) of the <i>Stamp Duties Act 1923</i> ” – content of the draft publication to be instead added to website (and also addressed in the rewrite of the <i>Stamp Duties Act 1923</i>)	B Walrut	On hold	To be considered as part of the Stamp Duties rewrite
6.	06/03/2019 04/09/2019 11/3/2020	RevenueSA to update the draft Early Engagement and Dispute Resolution publication and re-circulate to the State Taxes Liaison Group for consideration and indications of interest in discussing at a meeting of a sub-group. Given the passage of time it was agreed that the publication / content for the website would be recirculated. On 20 August 2020, Paul Maxwell emailed the STLG the publication for its consideration and comments.	P Maxwell	To be published after this meeting	31/12/2020
19.	04/09/2019 11/3/2020	Payroll Tax – excluded contractors – publication of information circular. Bernie Walrut to discuss with Paul Maxwell out of session. Noted action remains outstanding	B Walrut / P Maxwell	RevenueSA to give further consideration to this matter, though notes that any publication would likely need the agreement and involvement of other States and Territories.	Ongoing
24	04/12/2019 [Historical Action Item]	Publication: Stamp Duty – Residential land used for long term accommodation and discretionary trusts that are foreign trusts. To include consideration of the scope of the meaning of “a person who takes capital of the trust property in default”	RevenueSA	On hold	To be considered as part of the Stamp Duties rewrite
25	04/12/2019 [Historical Action Item]	Publication: Circular 61 – Section 71E of the <i>Stamp Duties Act 1923</i> . Obligation of a person to lodge a statement with the Commissioner	RevenueSA	On hold	To be considered as part of the Stamp Duties rewrite
26	04/12/2019 [Historical Action Item]	Publication: Circular 109 – Stamp Duties (Concessions) Amendment Act 1994 – Family Farm Transfers	RevenueSA	On hold	To be considered as part of the Stamp Duties rewrite

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27	04/12/2019 [Historical Action Item]	Publication: Circular 265 – Stamp Duty – Sale of Retirement Villages	RevenueSA	On hold RevenueSA to consider whether Circular 265 can be progressed ahead of the Stamp Duty Rewrite. This will require consideration	Consideration to be given to finalising the review of this circular in advance of the Stamp Duties rewrite
28	04/12/2019 [Historical Action Item]	Publication: Circular 282 – Domestic Partners	RevenueSA	On hold	To be incorporated as part of the Stamp Duties rewrite
29	04/12/2019 [Historical Action Item]	Publication under consideration by RevenueSA: Circular 156 – Access to documents held by solicitors and legal professional privilege – Guidelines.	RevenueSA	On hold	To be prioritised
30	4/12/2019 11/3/2020	RevenueSA to draft a new Revenue Ruling in regard to Exemption 33 for consideration by the Rulings Sub-Committee.	RevenueSA	On hold	To be incorporated as part of the Stamp Duties rewrite
33	04/12/2019 [Historical Action Item]	Guidance to be provided in respect of Part 4 of the <i>Stamp Duties Act 1923</i> regarding: <ul style="list-style-type: none"> • the manner of calculation of stamp duty, principally the order in which duty is calculated; and • grouping. 	RevenueSA	On hold	To be incorporated as part of the Stamp Duties rewrite
35	04/12/2019 [Historical Action Item]	Clarification regarding section 60(2) of the <i>Stamp Duties Act 1923</i> as raised by Bernie Walrut.	RevenueSA	On hold	To be incorporated as part of the Stamp Duties rewrite
36	04/12/2019 [Historical Action Item]	Section 71E of the <i>Stamp Duties Act 1923</i> – to consider whether a threshold amount could be introduced which would need to be exceeded before a Statement is required.	RevenueSA	On hold	To be incorporated as part of the Stamp Duties rewrite
2020-3	11/03/2020	Information Circular No: 1 ‘RevenueSA Publication Process’ to be added to the list of publications under review and RevenueSA to consider what other Revenue offices do in this regard.	RevenueSA	Pending	To be prioritised

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2020-10	16/9/2020	RevenueSA and Office of the VG to meet to discuss communication between STLG member organisations, RevenueSA and the Valuer-General's Office, and to explore opportunities for potential future enhancements	RevenueSA	Ongoing Enhancing communication with the Valuer-General and STLG member organisations	To be prioritised
2020-16	02/12/2020	RevenueSA to circulate the Valuer-General's presentation slides.	RevenueSA	Complete Presentation slides emailed on 22 December 2020	31/12/2020
2020-18	02/12/2020	Julie Holmes to speak to Richard Dennis regarding meeting with the STLG to discuss the Stamp Duty Rewrite.	RevenueSA	Complete	31/12/2020
2020-19	02/12/2020	Stamp Duty Project debrief meetings to be arranged with all parties who provided submissions during the consultation process.	RevenueSA	Pending Debrief meetings to be arranged once the Treasurer has considered policy papers Meeting to be scheduled once the Treasurer has considered the policy papers.	31/12/2020
2020-20	02/12/2020	RevenueSA to email link to the new RevenueSA test website to STLG members to have a look at and provide any comments and feedback.	RevenueSA	Complete	31/12/2020
2020-21	02/12/2020	RevenueSA to circulate responses to agenda items raised by the Law Council of Australia.	RevenueSA	To be circulated again	30/04/2021
2020-22	02/12/2020	RevenueSA to review its position on the issue of the status of pre-17 October 2019 land affected by either a subsequent subdivision or amalgamation of the relevant title.	RevenueSA	RevenueSA to consider the need to provide greater clarity of the land tax provisions to pre-17 October land with title changes and those relating to nominating a beneficiary with specific consideration of the provision of additional examples	30/06/2021
2020-23	02/12/2020	Bernie Walrut to email to RevenueSA his ideas regarding the elements of a Taxpayer Charter that are not currently reflected in RevenueSA's existing Charter of Service (or other guidance).	Bernie Walrut	Pending	29/01/2021

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2021-101	10/03/2021	Ian Grimshaw to circulate slides from the meeting with Richard Dennis regarding the Stamp Duty Rewrite to the group	Ian Grimshaw	New	30/04/2021
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Land Tax Action Register

Item	Date of Meeting	Action	Who	Status	Due Date
LTAR-1	24/06/2020	RevenueSA to consider the requirement for trustee information to be provided again even in circumstances where it has already been provided.	RevenueSA	Complete The trusts information RevenueSA has historically put in its systems does not include all the information relevant to the new land tax changes, particularly the different trust types (e.g. excluded trusts, trusts liable to the surcharge) and current details of the beneficiaries/unitholders. To ensure they are assessed correctly, it is advisable that trustees that have not already done so, provide the information via the RevenueSA Online Land Tax Portal.	10/07/2020
LTAR-2	24/6/2020	RevenueSA to review its position on the issue of the status of pre-17 October 2019 land affected by either a subsequent subdivision or amalgamation of the relevant title.	RevenueSA	Complete Where land is subdivided or amalgamated, a new certificate of title is issued for each new parcel of land. The new certificate describes the land therein and gives certainty concerning the identity of the land the subject of the land tax. As such, subdivided or amalgamated land constitutes new land under both the <i>Real Property Act 1886</i> , and the <i>Land Tax Act 1936</i> for land tax purposes. It is also the case that each new parcel has a new site value ascribed to it, rather than merely reflecting a proportionate amount of the pre-subdivided land's site value, which when aggregated together would exceed the pre-subdivided land's site value. Land tax is then imposed on each new parcel of land (other than where exempt from land tax). The above is supported by the recent Supreme Court of South Australia decision in <i>Takhar v Commissioner of State Taxation</i> [2020] SASC 119, particularly paragraphs 274 to 288 under the heading "One parcel or three parcels?"	31/07/2020

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ATTACHMENT B – REVENUESA PUBLICATIONS AND UPDATES

1. Publications to form part of the Stamp Duties Rewrite
 - 1.1. Stamp Duty – Residential land used for long term accommodation and discretionary trusts that are foreign trusts
 - 1.2. Section 71(6) of the *Stamp Duties Act 1923*
 - 1.3. Stamp Duty – Unit Trust: Issues And Redemptions
 - 1.4. Circular 61 – Section 71E of the *Stamp Duties Act 1923*. Obligation of a person to lodge a statement with the Commissioner
 - 1.5. Circular 109 – Stamp Duties (Concessions) Amendment Act 1994 – Family Farm Transfers
 - 1.6. Circular 265 – Stamp Duty – Sale of Retirement Villages
 - 1.7. Circular 282 – Domestic Partners
2. New potential publications for consideration
3. Draft publications on hold
4. Other existing publications under consideration by RevenueSA
 - 4.1. Circular 156 – Access to documents held by solicitors and legal professional privilege – Guidelines
 - 4.2. Review of Information Circular 1 – RSA Publication Process
5. Recent Updates
 - 5.1. 2020-21 Emergency services Levy Rates and Certificate Fees – published June 2020
 - 5.2. 2020-21 Land Tax Thresholds – published June 2020
 - 5.3. 2020-21 Guide to Legislation: Land Tax – published July 2020
 - 5.4. Guide to Legislation: Land Tax changes for joint owners, land held on trust & related corporations – Version 2 - published July 2020
 - 5.5. 2020-21 Guide to Legislation: Payroll Tax – published July 2020
 - 5.6. [Land Tax Transition Fund – published September 2020](#)
 - 5.7. [Affordable Housing Land Tax Concession \(ex gratia\) Guidelines and Application form – published September 2020](#)
 - 5.8. [Affordable Community Housing Land Tax Exemption Pilot \(ex gratia\) – published September 2020](#)