

Document Type:	Conveyance of Land
Document Name:	Assignment Land Contract – Qualifying Land

Introduction

This Document Guide Note explains how stamp duty is calculated on an assignment of an equitable interest in a contract for the sale and purchase of an interest in [Qualifying Land](#) on or after 7 December 2015 either for consideration or no consideration.

Qualifying Land means land that is being used for any purpose other than:

- land that is taken to be used for residential purposes; and
- land that is taken to be used for primary production.

The value of the assignment for stamp duty purposes is, usually at the least, the amount of the deposit paid as at the date of the assignment.

More than one assignment can arise out of a contract, or the same interest can be assigned more than once. Where this occurs, each assignment is to be self-determined separately.

Note: The Transfer should recite the total purchase price as expressed in the contract for sale and purchase of the land, and not a consideration less the amount paid in the assignment of interest in a land contract – refer [Section 68\(5\)](#).

What documents can I self-determine under this document type?

The document can be in the form of:

- Agreement that evidences the conveyance of an equitable interest in a contract for the sale and purchase of Qualifying Land;
- Deed that evidences the conveyance of an equitable interest in a contract for the sale and purchase of Qualifying Land; or
- any other document that evidences the conveyance of an equitable interest in a contract for the sale and purchase of Qualifying Land.

What types of transactions can I self-determine under this document type?

An assignment of interest in a contract for the sale and purchase of Qualifying Land is deemed **suitable** for self-determination under this document type where the assignment is pursuant to a contract for the sale and purchase of the land dated on or after 7 December 2015.

The document can be self-determined under this document type regardless of whether:

- the parties are related or unrelated; and/or
- the assignment is for a full interest or a fractional interest.
- there is consideration or no consideration passing from the assignee to the assignor.

The following similar transactions cannot be self-determined under this document type:

If the assignment of interest relates to residential land or primary production Land, refer to the document type:

[Conveyance of Land](#) | [Assignment Land Contract](#)

What evidence do I need to retain for audit purposes?

For audit purposes, you will need to retain the following documentation either in paper form or electronic form:

- a copy of the documents that assigns the interest in the land contract;
- evidence that a stamp duty determination has been made (i.e. Certificate of Stamp Duty, Document ID or stamped document); and
- copy of the relevant contract for the sale and purchase of the Qualifying Land.

What Section(s) of the *Stamp Duties Act 1923* applies?

- Section 2
- Section 60
- Section 60A
- Section 68(5)
- Section 71(3)

What stamp duty is payable on this document?

The assignment is chargeable with *ad valorem* conveyance stamp duty. The stamp duty is charged on either the **consideration** or **value** of the interest being assigned, WHICHEVER IS THE GREATER. Usually, the value of the assignment is, at least, the amount of the deposit paid as at the date of the assignment.

If the transfer is for no consideration, stamp duty is calculated on the **market value**.

The assignment document should state (if applicable) if the assignment consideration includes the amount of the deposit.

Where no deposit is paid and the contract is assigned for consideration, the stamp duty is charged on the consideration using the *ad valorem* conveyance rate of stamp duty.

If the deposit in the contract for sale and purchase of the Qualifying Land secured by a bank guarantee **and** the assignment document is drawn in Deed form, and the assignment is for no consideration, the document must be self-determined under this document type.

If the deposit in the contract for sale and purchase of the land is secured by a bank guarantee and the contract is now being assigned for a consideration, the stamp duty is charged on the consideration.

The document is chargeable with *ad valorem* conveyance stamp duty subject to the Qualifying Land stamp duty reduction. The stamp duty is charged on the **consideration** for the assignment to purchase land.

The relevant stamp duty reduction is applied:

Date contracted entered into	Stamp duty Reduction
on or before 6 December 2015	No reduction
Between 7 December 2015 and 30 June 2017	1/3 reduction
Between 1 July 2017 and 30 June 2018	2/3 reduction
From 1 July 2018	Full reduction

Application of the stamp duty reduction is based on the date of the Assignment.

Examples

Assignment of an interest in a contract for a consideration same as the deposit

Pam contracts to sell Qualifying Land to Jim for \$120 000 and a deposit of \$10 000 is paid.

Jim then assigns his interest in the contract to Bob for a consideration of \$10 000.

Stamp duty is calculated on the greater of the value of the deposit or the consideration. With this transaction, the value of the deposit is equal to the consideration of \$10 000 (i.e. \$100 stamp duty), i.e. the contract is being assigned for an amount equal to the deposit. The assignment of interest in the contract is self-determined under this document type and the relevant stamp duty reduction is applied.

At settlement, Bob pays Pam \$110 000 and the Transfer states \$120 000 in the consideration panel as per the contract. Stamp duty is charged on \$120 000 and the document is self-determined under the document type

[Conveyance of Land | Qualifying Land](#)

Assignment of an interest in a contract for a consideration greater than the value of the deposit

Megan contracts to sell Qualifying Land to John for \$260 000 and a deposit of \$10 000 is paid.

John then assigns his interest in the contract to Fred for a consideration of \$20 000, which includes the deposit of \$10 000

As the consideration paid for the assignment is **greater** than the value of the deposit, *ad valorem* conveyance stamp duty is charged on \$20 000 and the relevant stamp duty reduction is applied.

At settlement, Fred pays Megan \$250 000 and the Transfer states \$260 000 in the consideration panel as per the contract. Stamp duty is charged on \$260 000 and the document is self-determined under the document type:

[Conveyance of Land | Qualifying Land](#)

Assignment of an interest in a contract for less than the deposit

Lisa contracts to sell Qualifying Land to Pam for \$85 000 and a deposit of \$8000 is paid.

Pam then assigns her interest in the contract to Tom for \$2000.

Stamp duty is calculated on the value of the deposit, (\$8000). As this is **greater** than the consideration, *ad valorem* conveyance stamp duty is charged on \$8000 and the relevant stamp duty reduction is applied.

At settlement, Tom pays Lisa \$77 000 and the Transfer states \$85 000 in the consideration panel as per the contract. Stamp duty is charged on \$85 000 and the document is self-determined under the document type:

[Conveyance of Land | Qualifying Land](#)

Assignment of an interest in a contract for no consideration.

Frank contracts to sell Qualifying Land to Michael for \$385 000 and a deposit of \$10 000 is paid.

Michael then assigns his interest in the contract to Tom for no consideration.

Stamp duty is calculated on the value of the deposit, (\$10 000). As this is **greater** than the consideration, *ad valorem* conveyance stamp duty is charged on \$10 000 and the relevant stamp duty reduction is applied.

At settlement, Tom pays Frank \$375 000 and the Transfer states \$385 000 in the consideration panel as per the contract. Stamp duty is charged on \$385 000 and the document is self-determined under the document type:

[Conveyance of Land | Qualifying Land](#)

Multiple assignments resulting from the same contract

Ann contracts to sell 10 separately titled Qualifying Land allotments to Bob for \$1 200 000 and pays a deposit of \$120 000 i.e.10%. Bob then assigns each allotment to 10 separate unrelated purchasers.

- Allotments 1 to 7, consideration is \$120 000 each, assigned for \$12 000 each
- Allotment 8, consideration is \$150 000 assigned for \$20 000
- Allotment 9, consideration is \$80 000, assigned for \$5000
- Allotment 10, consideration is \$130 000, assigned for \$45 000

Duty on the assignments for allotments 1-7 is calculated on the consideration of \$12 000 as this is equal to the value of the assigned interest and the relevant stamp duty reduction is applied.

Duty on the assignment for allotment 8 is calculated on the consideration of \$20 000 as this is greater than the assigned value i.e.10% of \$150 000 is \$15 000 and the relevant stamp duty reduction is applied.

Duty on the assignment for allotment 9 is calculated on the value of \$8000 i.e. 10% of \$80 000 is \$8000, as this is greater than the consideration and the relevant stamp duty reduction is applied.

Duty on the assignment for allotment 10 is calculated on the consideration of \$45 000 as this is greater than the assigned value i.e.10% of \$130 000 is \$13 000 and the relevant stamp duty reduction is applied.

Section 67 does **not** apply to either the assignments or the transfers of land, **providing** the Commissioner is satisfied that there is no arrangement or understanding between the assignees/transferees to use any of the allotments together (i.e. this is not considered to be substantially one transaction or one series of transactions).

Note: The value for each assignment is calculated as a proportion of the total deposit paid compared to the consideration paid for the particular allotment.

The amounts recited in the consideration panel of each of the 10 transfers must add up to the contract consideration.

Series of Assignments resulting from the same contract

Jo contracts to sell Qualifying Land to Fred and a deposit of \$10 000 is paid.

Fred assigns his interest in the contract to Dave for a consideration of \$20 000. As the consideration is **greater** than the value, stamp duty is charged on \$20 000 using the *ad valorem* conveyance rate of stamp duty and the relevant stamp duty reduction is applied

Dave then assigns his interest to Helen for a consideration of \$15 000, *ad valorem* conveyance stamp duty is charged on the consideration of \$15 000 and the relevant stamp duty reduction is applied.

Assignment secured by a deposit guarantee

Greg contracts to sell Qualifying Land to Mark for \$555 000 and agrees to a deposit of \$55 000. Mark secures this deposit by way of a deposit guarantee.

Mark assigns his interest in the contract to Tracy.

As no monetary deposit has been paid, the assignment is chargeable with \$1 stamp duty. Enter a nominal consideration of \$100 or less in RevenueSA Online (but not \$0). The contract is deemed to have a nominal value and cannot have a nil value.

Note: Deposit guarantee is also known as a bank guarantee or similar.

Assignment of a half interest in a contract

Lisa contracts to sell Qualifying Land to Pam for \$85 000 and a deposit of \$8000 is paid.

Pam then assigns a half interest in the contract to Tom for \$2000.

Stamp duty is calculated on the value of half of the deposit, (\$8000). As this is greater than the consideration, *ad valorem* conveyance stamp duty is charged on \$4000 and the relevant stamp duty reduction is applied

At settlement, Tom pays Lisa \$77 000 and the Transfer states \$85 000 in the consideration panel as per the contract. Stamp duty is charged on \$85 000 and the document is self-determined under the document type:

[Conveyance of Land | Qualifying Land](#)

Assignment of an interest in a contract for no consideration

Pam contracts to sell Qualifying Land to Jim for \$120 000 and a deposit of \$10 000 is paid.

Jim then assigns his interest in the contract to Bob for **no** consideration.

Stamp duty is calculated on the value of the deposit (\$10 000) using the *ad valorem* voluntary conveyance rate of stamp duty and the relevant stamp duty reduction is applied. The assignment of interest in the contract is self-determined under this document type.

At settlement Bob pays Pam \$110 000 and the Transfer states \$120 000 in the consideration panel as per the contract. Stamp duty is charged on \$120 000 and the document is self-determined under the document type:

[Conveyance of Land | Qualifying Land](#)

Assignment of a half interest for no consideration

Lisa contracts to sell land to Pam for \$85 000 and a deposit of \$8000 is paid.

Pam then assigns a half interest in the contract to Tom for **no** consideration.

Stamp duty is calculated on the value of half of the deposit (\$4000) using the *ad valorem* voluntary conveyance rate of stamp duty and the relevant stamp duty reduction is applied.

At settlement Tom and Pam pay Lisa \$77 000 and the Transfer states \$85 000 in the consideration panel as per the contract. Stamp duty is charged on \$85 000 and the document is self-determined under the document type:

[Conveyance of Land | Qualifying Land](#)

Multiple assignments resulting from the same contract

Ann contracts to sell 10 separately titled allotments to Bob for \$1 200 000 and pays a deposit of \$120 000, i.e. 10%. Bob then assigns each allotment to 10 separate unrelated purchasers for no consideration.

- Allotments 1 to 7, consideration is \$120 000 each, assigned for no consideration.
- Allotment 8, consideration is \$150 000 assigned for no consideration.
- Allotment 9, consideration is \$80 000, assigned for no consideration.
- Allotment 10, consideration is \$130 000, assigned for no consideration.

Duty is calculated as follows:

- Duty on the assignments for allotments 1-7 is calculated on \$12 000 as this is the value of the assigned interest, i.e. 10% of \$120 000.
- Duty on the assignment for allotment 8 is calculated on \$15 000 as this is the value of the assigned interest, i.e. 10% of \$150 000.
- Duty on the assignment for allotment 9 is calculated on \$8 000 as this is the value of the assigned interest, i.e. 10% of \$80 000.
- Duty on the assignment for allotment 10 is calculated on \$13 000 as this is the value of the assigned interest, i.e. 10% of \$130 000.

Note: the value of the assigned interests totals \$120 000 which is equivalent to the deposit.

The value for each assignment is calculated as a proportion of the total deposit paid compared to the consideration paid for the particular allotment.

Section 67 does **not** apply to either the assignments or the transfers of land, **providing** the Commissioner is satisfied that there is no arrangement or understanding between the assignees/transferees to use any of the allotments together (i.e. this is not considered to be substantially one transaction or one series of transactions).

Note: The amounts recited in the consideration panel of each of the 10 transfers must add up to the contract consideration.

Series of Assignments resulting from the same contract

Jo contracts to sell land to Fred and a deposit of \$10 000 is paid.

Fred assigns his interest in the contract to Dave for **no** consideration. Stamp duty is payable on the value (\$10 000) using the *ad valorem* voluntary conveyance rate of stamp duty and the relevant stamp duty reduction is applied.

Dave then assigns his interest to Helen for **no** consideration, *ad valorem* voluntary conveyance stamp duty is charged on the value (\$10 000) and the relevant stamp duty reduction is applied.

Version History

Version No.	Release Date
1	May 2018
2	November 2018
3	July 2019