

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

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 [residential land](#) or [primary production land](#) either for consideration or no consideration.

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:

- an Agreement that evidences the conveyance of an equitable interest in a contract for the sale and purchase of residential land or primary production land;
- a Deed that evidences the conveyance of an equitable interest in a contract for the sale and purchase of residential land or primary production land; or
- any other document that evidences the conveyance of an equitable interest in a contract for the sale and purchase of residential land or primary production 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 residential land or primary production land is deemed **suitable** for self-determination under this document type where:

- there is a consideration or no consideration passing from the assignee to the assignor.

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.

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

An assignment of interest in a land contract for qualifying land, refer to the document type:

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

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 residential land or primary production land

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

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

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 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.

For no consideration

Where the deposit in the contract for sale and purchase of the land is secured by a bank guarantee **and** the assignment document is drawn in Agreement or Deed, form and the assignment is for no consideration - the assignment is chargeable on a nominal **value** of \$1. The document is self-determined under these document types.

Examples

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

Pam contracts to sell residential 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 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 | Residential Land/Primary Production Land](#)

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

Megan contracts to sell residential 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 (i.e. \$280 stamp duty).

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 | Residential Land/Primary Production Land](#)

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

Lisa contracts to sell Primary Production 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 (i.e. \$80 stamp duty).

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 | Residential Land/Primary Production Land](#)

Assignment of an interest in a contract for no consideration.

Frank contracts to sell residential land to purchaser 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 (i.e. \$100 stamp duty).

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 | Residential Land/Primary Production Land](#)

Multiple assignments resulting from the same contract

Ann contracts to sell 10 separately titled residential 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 \$5 000
- Allotment 10, consideration is \$130 000, assigned for \$45 000

Duty is calculated as follows:

- 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.
- 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.
- 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.
- 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.

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 residential 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 (i.e. \$280 stamp duty).

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 (i.e. \$180 stamp duty).

Assignment secured by a deposit guarantee

Greg contracts to sell residential 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. This must be self-determined under the document type:

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

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 an interest in a contract for no consideration

Pam contracts to sell residential 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 (i.e. \$100 stamp duty). The assignment of interest in the contract is 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](#) | [Residential Land/Primary Production Land](#)

Assignment of a half interest for no consideration

Lisa contracts to sell residential 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 (i.e. \$40 stamp duty).

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 | Residential Land/Primary Production Land](#)

Multiple assignments resulting from the same contract

Ann contracts to sell 10 separately titled residential 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 \$8000 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 is \$13 000.

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 Primary Production 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 (i.e. \$100 stamp duty).

Dave then assigns his interest to Helen for **no** consideration, *ad valorem* voluntary conveyance stamp duty is charged on the value (\$10 000) (i.e. \$100 stamp duty).

Version History

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