

Document Type:	Conveyance of Land
Document Name:	Lease Premium

Introduction

This Document Guide Note explains how stamp duty is calculated on a lease premium in respect of a lease over [residential land](#) or [primary production land](#) as part of a lease where there is a consideration passing between the parties.

The lease premium will be in addition to the rental specified in the lease and is usually a 'one off' payment payable by the lessee to the lessor.

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

The document can be in the form of:

- a lease; or
- any document evidencing or acknowledging the lease premium.

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

A lease premium is deemed **suitable** for self-determination under this document type where:

- there is a consideration passing between the parties; and
- the lease is for residential land or primary production land.

The document can be self-determined under this heading where the:

- parties are related or unrelated.

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; and
- evidence that a stamp duty determination has been made (i.e. Certificate of Stamp Duty, Document ID or stamped document).

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

- Section 64
- Schedule 2, Conveyance on Sale

What stamp duty is payable on this document?

The document is chargeable with *ad valorem* conveyance stamp duty. The stamp duty is charged on the **consideration** for the lease premium.

Example

Premium on a lease

ABC Pty Ltd has entered into a lease to rent a residential home. In addition to the annual rental specified in the lease, ABC Pty Ltd are required to pay a premium of \$100 000.

As the lease document includes a separate consideration for the premium, this is chargeable with *ad valorem* duty and self-determined under this document type.

The premium is liable to stamp duty on the consideration of \$100 000, i.e. duty of \$2830.

Version History

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