

Document Type:	Conveyance of Land
Document Name:	Road Closure – Qualifying Land

## Introduction

This Document Guide Note explains how stamp duty is calculated on a document that effects the closure of a road or a portion of a road by a council and the transfer of that land to another party to merge with the transferee's land which is [Qualifying Land](#) and this is pursuant to a transaction entered into on or after 7 December 2015.

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.

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

- The document is usually titled 'Application for Document of Title under the *Roads (Opening and Closing) Act 1991*'
- RTC; and
- RTU

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

A road closure is deemed **suitable** for self-determination under this document type where the land the subject of the Road Closure will be merged with Qualifying Land.

The document can be self-determined on RevenueSA Online regardless of whether the parties are related or unrelated.

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

If the land the subject of the Road Closure is being transferred for consideration and is to be merged with residential land or primary production land, the document must be self-determined under the document type:

[Conveyance of Land | Road Closure](#)

If the road closure document is **between the same parties** the document must be self-determined under the document type:

[Not Chargeable | Road Closure - Same Parties, No Consideration](#)

## 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;
- evidence that a stamp duty determination has been made (i.e. Certificate of Stamp Duty, Document ID or stamped document);
- a copy of the contract for sale and purchase of the land (if applicable); and
- evidence of the market value of the interest being conveyed (where the parties are related).

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

- Section 60
- Section 60A(2)
- Section 71(1)

## What stamp duty is payable on this document?

The document is chargeable with the *ad valorem* conveyance rate of stamp duty. The stamp duty is calculated on either the **consideration** or **market value** of the interest being conveyed, **WHICHEVER IS THE GREATER**.

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

If the transaction is *bona fide* arm's length transaction between unrelated parties then pursuant to Section 60A(2) the consideration will be treated as the market value of the land.

### For consideration

Where a fractional interest is conveyed, the parties are related or the transaction is not at 'arm's length' you will need to obtain evidence of the market value of the land. For example:

- valuation from a suitably qualified valuer; or
- evidence of the current Valuer-General's value for the land (e.g. a copy of the relevant SAILIS print-out).

Where there is a dispute regarding the market value of the property for stamp duty purposes, the document must be **submitted to the Commissioner for assessment** with full details as to why the value is disputed.

## For no consideration

Where there is a dispute regarding the market value of the property for stamp duty purposes, the document must be **submitted to the Commissioner for assessment** with full details as to why the value is disputed.

Pursuant to Section 71(1), the market value of the interest being conveyed must be declared in the document.

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 Road Closure.

## Examples

### Road Closure – for consideration

The ABC Council has executed a road closure transfer to Bob for a consideration of \$2000 pursuant to a transaction entered into on 4 July 2016. The land will be merged with qualifying land owned by Bob.

This is an arm's length transaction between unrelated parties.

Pursuant to Section 60A(2) the consideration is accepted as the market value of the property, and stamp duty is charged at the *ad valorem* conveyance rate on the consideration of \$2000 and the appropriate reduction is applied.

### Road Closure – for no consideration

The XYZ Council has executed a road closure transfer to Jamie for no consideration and this was entered into on 4 July 2016. The land will be merged with Qualifying Land owned by Jamie.

The market value of the property is \$2500.

Pursuant to Section 71(1), a value of \$2500 has been declared as the market value of the property.

Stamp duty is charged at the *ad valorem* conveyance rate on the value of \$2500 and the appropriate reduction is applied.

## Version History

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