

Tax Alert December 2008

Changes to NSW stamp duty fees, land tax and land dealings fees now law

The revenue measures announced in the NSW Government's Mini-budget on 11 November 2008 became law on 10 December 2008. This Alert highlights the most significant changes to stamp duty, land tax and land dealings fees.

Stamp duty changes

The nominal or flat-rate duties on a range of documents will increase, the abolition of certain duties will be deferred, and a new exemption from duty for vesting of land as a consequence of termination of a strata scheme or similar scheme has been introduced.

Increase in duties

	Current	From 1/1/09
Flat rate duty		
Establishing trusts over unidentified property or non-dutiable property	\$200	\$500
Transfer of dutiable property in connection with persons changing superannuation funds	\$200	\$500
Transfer of dutiable property between trustees and custodians of complying superannuation funds and pooled superannuation trusts	\$200	\$500
Nominal duty increases include		
Duplicates of instruments on which ad valorem duty had been paid, or where the minimum duty of \$2 currently applies	\$2	\$10
Transactions relating to deceased estates, and collateral mortgages	\$10	\$50

Abolitions deferred to 1 July 2012

The abolition of the following duties that were due to begin on 1 January 2009 is now deferred to 1 July 2012:

- > duty on all transfers of marketable securities and commercial fishery shares
- > duty on dutiable entitlements arising from capital reductions or rights alterations
- > mortgage duty

New exemption from duty for vesting of land

Two new exemptions from duty apply to the vesting of an estate or interest in land as a consequence of the termination of a strata scheme, or of a scheme under the *Community Land Development Act 1989* (NSW).

Land tax

The new premium rate threshold applying from the 2009 land tax year is \$2.25m. That threshold is the amount at which the premium rate of 2% will apply and will be indexed annually for the 2010 and later land tax years.

The 1.6% rate continues to apply to taxable value above \$368,000 but below \$2.25m for the 2009 land tax year.



New fees for certain dealings in land

New fees for the following dealings in land will apply from 10 December 2008:

- > \$92 for lodgement of transfers that do not change the ownership of an estate in land, namely where:
 - a mortgagee discharges a mortgage by transferring the property back to the mortgagor
 - a joint tenant transferring his/her interest in the land that is the subject of the tenancy, to unilaterally sever the joint tenancy
 - transferring an estate in land that changes the tenancy, or shares of the tenants

- > \$184 for lodging a transfer of ownership of land, or a dealing to create an easement or profit à prendre affecting land
- > \$184 for lodging an application to dispose of Crown land arising from the closing of a public road.

Beating the duty increases

For those intending to do any of the transactions mentioned above, you can beat the tax increases by acting as soon as possible before 1 January 2009.

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