

AUSTRALIAN CAPITAL TERRITORY

STAMP DUTIES AND TAXES (AMENDMENT) ACT (NO. 3) 1996

DETERMINATION NO. 1 OF 1997

EXPLANATORY STATEMENT

The *Stamp Duties and Taxes Act 1987* (the Principal Act) was amended by the *Stamp Duties and Taxes (Amendment) Act (No. 3) 1996* (the Amendment Act) to provide for stamp duty on hiring arrangements by the introduction of Part VIB

The Amendment Act contains an interim determination in section 7 which sets hiring duty payable on and from 1 October 1996. By virtue of this section

- the amounts of duty for
 - i) the hire of goods not involving an equipment financing arrangement, and
 - ii) an equipment financing arrangement,
- and the duty-free threshold for i) above

were taken to have been determined by the Minister under subsection 99(1) of the *Taxation (Administration) Act 1987* (the Tax (Admin) Act).

The Tax (Admin) Act deals with the administration of various tax laws relating to the imposition and collection of certain taxes, duties and fees. These tax laws are specified in section 3 of the Tax (Admin) Act, and include the Principal Act. Subsection 99 (1) of the Tax (Admin) Act is the provision which normally empowers the Minister to determine these taxes, duties and fees.

This determination, however, is made under subsection 7(3) of the Amendment Act. Its purpose is to replace the interim determination set in the legislation, and to allow the Minister to make future determinations of these percentages and the duty-free threshold amount under the Tax (Admin) Act to facilitate their revocation or variation.

Subsection 7 (5) of the Amendment Act specifies that this determination is not a disallowable instrument for the purposes of section 10 of the *Subordinate Laws Act 1989*. This is principally because the determination does not alter the percentages or amount of the duty free threshold from those set in the interim determination, which remain at

- 1.5% of the hiring charge for the hire of goods not involving an equipment financing arrangement, on the total value of hiring charges in excess of \$6,000 per month, and
- 0.75% of the hiring charge for an equipment financing arrangement.

All future determinations for the purposes of paragraphs 64G (1) (a) and 64G (1) (b) of the Principal Act, as amended by the Amendment Act, will be made under section 99 of the Tax (Admin) Act, and will be disallowable instruments for the purposes of section 10 of the *Subordinate Laws Act 1989*.

Authorised by the Treasurer, Kate Carnell MLA