

AUSTRALIAN CAPITAL TERRITORY**DUTIES (CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) ACT 1999****EXPLANATORY STATEMENT**

The *Duties (Consequential and Transitional Provisions) Act 1999* (Duties (C&TP) Act) contains certain transitional provisions in consequence of the enactment of the *Duties Act 1999* (Duties Act) on 1 March 1999. The Duties Act imposes duty on a range of transactions at determined rates. Sections 30 and 31 of the Duties (C&TP) Act contain interim determinations of rates of duty for various dutiable transactions. These set duty payable, from the date of enactment of the Duties Act, by specifying:

- the ranges of dutiable amounts of dutiable transactions and the corresponding rates of duty payable for each range;
- the ranges of total cost of a lease and the corresponding rates of duty payable for each cost range; and
- the rates of duty payable on certain other specified dutiable transactions.

Those ranges and rates of duty were taken to have been determined by the Minister under section 139 of the *Taxation Administration Act 1999* (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 levies. These tax laws are specified in section 4 of the Tax Admin Act, and include the Duties Act. Section 139 of the Tax Admin Act is the provision which normally empowers the Minister to determine taxes, duties and levies.

This determination, however, is made under subsections 30 (3) and 31 (2) of the Duties (C&TP) Act. Its purpose is to replace the interim determinations. This will allow the Minister to make subsequent determinations of these variable ranges and rates under the Tax Admin Act to facilitate their revocation or variation.

Subsections 30 (6) and 31 (4) of the Duties (C&TP) Act specify 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 ranges or rates of duty provided for in the Tables, or certain other rates of duty specified in paragraphs 31 (1) (a) through 31 (1) (m) of the Duties (C&TP) Act, from those set in the interim determinations and shown at (i) to (iii) below:

(i)

TABLE in subsection 30 (1) of Duties (C&TP) Act**RATES OF DUTY FOR THE PURPOSES OF SECTION 31 OF THE DUTIES ACT**

Column 1	Column 2	Column 3
Item	Range of dutiable amounts of dutiable transactions	Rate of duty
1	Not more than \$14,000	\$1.25 for every \$100, or part of \$100, of the dutiable value or \$20, whichever is the greater
2	More than \$14,000 but not more than \$30,000	\$175 plus \$1.50 for every \$100, or part of \$100, by which the dutiable value exceeds \$14,000
3	More than \$30,000 but not more than \$60,000	\$415 plus \$2 for every \$100, or part of \$100, by which the dutiable value exceeds \$30,000
4	More than \$60,000 but not more than \$100,000	\$1,015 plus \$2.50 for every \$100, or part of \$100, by which the dutiable value exceeds \$60,000
5	More than \$100,000 but not more than \$300,000	\$2,015 plus \$3.50 for every \$100, or part of \$100, by which the dutiable value exceeds \$100,000
6	More than \$300,000 but not more than \$1,000,000	\$9,015 plus \$4.50 for every \$100, or part of \$100, by which the dutiable value exceeds \$300,000
7	More than \$1,000,000	\$40,515 plus \$5.50 for every \$100, or part of \$100, by which the dutiable value exceeds \$1,000,000

(ii)

TABLE in subsection 30 (2) of Duties (C&TP) Act**RATES OF DUTY FOR THE PURPOSES OF SECTION 141 OF DUTIES ACT**

Column 1	Column 2	Column 3
Item	Total cost of lease	Rate of duty
1	Not more than \$14,000	\$1.25 for every \$100, or part of \$100, of the total cost or \$20, whichever is the greater
2	More than \$14,000 but not more than \$30,000	\$175 plus \$1.50 for every \$100, or part of \$100, by which the total cost exceeds \$14,000

Column 1	Column 2	Column 3
Item	Total cost of lease	Rate of duty
3	More than \$30,000 but not more than \$60,000	\$415 plus \$2 for every \$100, or part of \$100, by which the total cost exceeds \$30,000
4	More than \$60,000 but not more than \$100,000	\$1,015 plus \$2.50 for every \$100, or part of \$100, by which the total cost exceeds \$60,000
5	More than \$100,000 but not more than \$300,000	\$2,015 plus \$3.50 for every \$100, or part of \$100, by which the total cost exceeds \$100,000
6	More than \$300,000 but not more than \$1,000,000	\$9,015 plus \$4.50 for every \$100, or part of \$100, by which the total cost exceeds \$300,000
7	More than \$1,000,000	\$40,515 plus \$5.50 for every \$100, or part of \$100, by which the total cost exceeds \$1,000,000

(iii) Certain other rates of duty, as specified in section 31 of the Duties (C&TP) Act, for the purposes of various sections of the Duties Act:

- (a) the rate of 60 cents for every \$100, or part of \$100, of the dutiable value of the marketable securities for the purposes of subsection 32 (1) of the Duties Act;
- (b) the rate of 30 cents for every \$100, or part of \$100, of the dutiable value of the marketable securities for the purposes of subsection 32 (2) of the Duties Act;
- (c) the rate of 60 cents for every \$100, or part of \$100, of the dutiable value of the property the subject of the transaction, insofar as it is property to which subsection 33 (1) applies, for the purposes of that subsection of the Duties Act;
- (d) the rate of 50 cents for every \$100, or part of \$100, of the total cost of the lease for the purposes of section 140 of the Duties Act;
- (e) the rate of 0.75% of the total amount of the hiring charges of the equipment financing arrangement for the purposes of subsection 159 (1) of the Duties Act;
- (f) the rate of 1.5% of the total amount of the hiring charges of the ordinary hire of goods for the purposes of subsection 159 (2) of the Duties Act;
- (g) the rate of 10% of the amount of the premium paid in relation to a contract of general insurance for the purposes of section 178 of the Duties Act;
- (h) the rate of—
 - (i) \$1 on the first \$2,000, or part of \$2,000, of the sum insured; and

- (ii) 20 cents for every \$200, or part of \$200, in excess of the first \$2,000 of the sum insured;
for the purposes of subsection 185 (1) of the Duties Act;
- (i) the rate of 5% of the first year's premium for the temporary or term insurance policy for the purposes of subsection 185 (2) of the Duties Act;
- (j) the rate of 5% of the first year's premium for the rider for the purposes of subsection 185 (3) of the Duties Act;
- (k) the rate of 10% of the premium paid to effect the insurance for the purposes of subsection 185 (4) of the Duties Act;
- (l) the rate of \$3 for every \$100, or part of \$100, of the dutiable value of the motor vehicle for the purposes of subsection 208 (1) of the Duties Act; and
- (m) the rate of \$5 for every \$100, or part of \$100, of the dutiable value of the motor vehicle for the purposes of subsection 208 (2) of the Duties Act.

All subsequent determinations for the purposes of the following sections and subsections of the Duties Act will be made under section 139 of the Tax Admin Act, and will be disallowable instruments for the purposes of section 10 of the *Subordinate Laws Act 1989*:

- sections 31, 140, 141 and 178; and
- subsections 32 (1), 32 (2), 33 (1), 159 (1), 159 (2), 185 (1), 185 (2), 185 (3), 185 (4), 208 (1), and 208 (2).

Authorised by the Treasurer, Gary Humphries MLA