

## GOVERNMENT NOTICES (Continued)

### AUSTRALIAN CAPITAL TERRITORY

### TAXATION ADMINISTRATION ACT 1999

#### EXPLANATORY STATEMENT

The *Taxation Administration Act 1999* (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 1999* (Duties Act). Section 139 of the Tax Admin Act empowers the Minister to determine taxes, duties and levies.

The Duties Act imposes duty on a range of transactions at determined rates. 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 on 1 March 1999. Subsections 30 (3) and 31 (2) of the Duties (C&TP) Act provide that a determination made under the Duties (C&TP) Act of rates of duty may be revoked or varied by determination under section 139 of the Tax Admin Act.

The purpose of this determination is to:

1. revoke the determination made under subsections 30 (3) and 31 (2) of the Duties (C&TP) Act by notice published in Gazette No. 43 of 27 October 1999, and
2. determine, under the Tax Admin Act, rates of duty payable under various provisions 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.

This determination is necessary because paragraph 5(m) of the determination being revoked contains a rate of duty which, if applied, would result in an overcharge of duty of \$900 for transfers of vehicles valued in excess of \$45,000. In that determination, the rate of duty for the purposes of subsection 208 (2) of the Duties Act on the registration of a motor vehicle valued in excess of \$45,000 and designed to carry up to 9 passengers is:

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).

Duty on the first \$45,000 in value of such a vehicle should be the same as duty on a vehicle valued at up to \$45,000 and specified in paragraph 5 (l) of the determination, that is, \$3 for every \$100, or part of \$100, of the dutiable value. The correct rate is:

the amount of \$1,350 plus \$5 for every \$100, or part of \$100, of the dutiable value of the motor vehicle in excess of \$45,000 for the purposes of subsection 208 (2).

Taxpayers have never been charged the incorrect rate. The application of paragraph 5 (m) of this determination is made retrospective to 1 March 1999, the date of commencement of the Duties (C&TP) Act, to cover this situation.

This is the only alteration to the rates of duty set in the current determination. The corrected rate in this determination is at (iii) item (m) below:

**GOVERNMENT NOTICES (Continued)****(i) 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

**GOVERNMENT NOTICES (Continued)****(ii) Rates of duty for the purposes of section 141 of the 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
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) Rates of duty for the purposes of the provisions of the Duties Act as specified in paragraphs (a) through (m) hereunder:**

- (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);
- (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);
- (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;
- (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;
- (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);
- (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);
- (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;
- (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);
- (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);
- (j) the rate of 5% of the first year's premium for the rider for the purposes of subsection 185 (3);

## **GOVERNMENT NOTICES (Continued)**

- (k) the rate of 10% of the premium paid to effect the insurance for the purposes of subsection 185 (4);
- (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); and
- (m) the amount of \$1,350 plus \$5 for every \$100, or part of \$100, of the dutiable value of the motor vehicle in excess of \$45,000 for the purposes of subsection 208 (2).

Authorised by the Treasurer, Gary Humphries MLA