

Australian Capital Territory

# Taxation Administration (Amounts Payable –Duty) Determination 2007 (No 1)

Disallowable instrument DI2007–167

made under the

*Taxation Administration Act 1999*, s 139 (Determination of amounts payable under tax laws)

## EXPLANATORY STATEMENT

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### Purpose

1. This Instrument commences on 1 July 2007. Its purpose is to:
  - (a) revoke the current determination, DI2006-109, notified on 22 June 2006; and
  - (b) determine the rates of duty payable under various provisions of the *Duties Act 1999* (Duties Act) by specifying:
    - (i) the ranges of dutiable amounts of dutiable transactions and the corresponding rates of duty payable for each range;
    - (ii) the rates of duty payable on the relevant amount of certain other specified transactions.

### Summary

2. The *Taxation Administration Act 1999* (TAA) deals with the administration of various tax laws relating to the imposition and collection of certain taxes, duties and licence fees. These tax laws are specified in section 4 of the TAA and include the Duties Act, which imposes duty on a range of transactions at determined rates.
3. Section 139 of the TAA empowers the Minister to determine the amount of taxes, duties and licence fees payable under a tax law, including the Duties Act. This determination is a Disallowable Instrument.

### Changes in this Determination

4. Under the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* (the IGA), it was agreed to abolish certain state and territory taxes, and to review the need to retain others by 2005. Following the ACT Government's review of the remaining IGA taxes, a timetable for abolition was announced as part of the 2005-06 ACT Budget.

5. The Duties Amendment Act 2006 (No 2) gave effect to the ACT Government's decision to abolish Hiring Duty by 1 July 2007. As a result, references to the duty rates for hiring and equipment arrangements have been removed from the previous instrument.
6. The other change to this determination is the removal of references to sections 141 (General rate - long term leases) and 141A (General rate - franchise arrangements) of the Duties Act. These sections were omitted by the *Duties Amendment Act 2006 (No 2)*, which made long term leases and long term franchise arrangements dutiable property under Chapter 2 of the Duties Act. As such, the rates of duty applied to long term leases and long term franchise arrangements are unchanged.
7. All other rates of duty have been redetermined without change.