

AUSTRALIAN CAPITAL TERRITORY
TAXATION (ADMINISTRATION) ACT 1987
STAMP DUTIES (ACQUISITION OF BUSINESS)
DETERMINATION NO. 161 OF 1994
EXPLANATORY STATEMENT

The Taxation (Administration) Act 1987 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 Act. Section 99 empowers the Minister to determine these taxes, duties and fees.

One of the specified laws is the Stamp Duties and Taxes Act 1987, Part VIA of which deals with acquisition of businesses

This determination revokes Determination No 4 of 1990 which was amended by Determination No 89 of 1991. It clarifies the intention that transactions included in the acquisition of a business which are subject to duty under other Parts of the Stamp Duties and Taxes Act 1987, are assessed in accordance with those other Parts

The acquisition of a business may involve the conveyance of land, the transfer of motor vehicles or marketable securities. The original determination specified rates of duty for these transactions which were identical to those provided for in other sections of the Act. To ensure that parity is maintained both in the rates of duty and the methods of calculation, this determination refers to the sections that tax these transactions.

Transactions in marketable securities have been separately identified, and liability will be calculated by reference to the appropriate section of the Act. The previous determination provided a rate of 15 cents for each \$25-00 or part thereof, which was the relevant rate for marketable securities, and assets of the business other than land and vehicles.

Determination No 131 of 1994 altered the rate of duty for off market transactions in marketable securities to 60 cents for every \$100-00 or part thereof, which will now be reflected in this determination. This change was made to align all State/Territory jurisdictions for the purposes of the CHES (Clearing House Electronic Subregister System) provisions. The rate of duty for the net assets of a business will now also be 60 cents per \$100-00.

The rate of duty payable on sales of vehicles by licensed vehicle dealers was included in the previous determination (No 4 of 1990). It was amended by Determination No 90 of 1991, and therefore has not been repeated in this determination.

Authorised by the Chief Minister and Treasurer