

2012

**The Legislative Assembly for
Australian Capital Territory**

Duties Amendment Bill 2012

Explanatory Statement

**Circulated by authority of
Treasurer
Andrew Barr MLA**

Duties Amendment Bill 2012

Summary

This Bill amends the *Duties Act 1999*.

Overview

A land rent lease is a lease over a parcel of land with the condition that the lessee pays rent on the land, rather than 'purchase' a crown lease in the usual way.

At the time of granting a land rent lease, duty is assessed and charged on the value of the lease as with a normal Crown lease. When a land rent lease is transferred from one lessee to another, its value for duty purposes is the consideration paid for it, or the unencumbered value as determined by valuation – whichever is greater.

The ACT Revenue Office has received a small number of land rent leases for transfer for assessment of duty, where the taxpayers have claimed that both the dutiable value and the consideration paid is minimal.

The Bill makes amendments to the *Duties Act 1999* to clarify the intent of the original policy – that duty is imposed on the transfer of a land rent lease at a value consistent with that of a normal Crown lease which doesn't have a land rent condition attached to it.

Commencement Date

The Bill's amendments will be effective from the day after its notification.



Details of the Duties Amendment Bill 2012

Clause 1 – Name of Act

This clause provides that the Act is named the *Duties Amendment Act 2012*.

Clause 2 – Commencement

This clause provides that the Act commences on the day after its notification day.

Clause 3 – Legislation amended

This clause provides that the Act amends the *Duties Act 1999*.

Clause 4 – What is the dutiable value of dutiable property?

New section 20 (1) (b) (ii)

This clause inserts a new section that clarifies that the dutiable value of a land rent lease is consistent with that of a ‘normal’ Crown lease.

Clause 5 – Section 20 (5), new definition of land rent lease

This clause inserts a definition of *land rent lease*.