

FROM THE EXECUTIVE DIRECTOR

As for others in the business and Government community, the first six months of 2000 has been a busy time for the Office of State Revenue, with initiatives relating to National Tax Reform being undertaken in addition to usual business operations.

This issue of Rev-Q-News contains some information about the initiatives arising out of National Tax Reform that the Office has undertaken. These include clarification of the impact of the Commonwealth's tax reforms, in particular the GST, on State taxes and the implementation of the new First Home Owner Grant Scheme. The latter represents a significant development in simplification of administration for the Office. In particular, a co-operative approach has been taken with other jurisdictions and industry so that as far as possible, there is consistency across the jurisdictions and applications for the grant may be made in conjunction with the usual loan application processes of approved financial institutions.

Turning to business operations, this issue of Rev-Q-News also reports on the results of the Client Satisfaction Survey that was conducted during 1999. The Survey has provided valuable feedback for staff and management on Office business operations and will provide a useful measure for the success of future business improvement initiatives. Overall the Survey results were pleasing, and I would like to take this opportunity to thank those who participated in the Survey.

James Green

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...A Bit of Trivia...

1926 - CASH REGISTERS WERE
INSTALLED AT THE STAMP DUTIES
OFFICE IN BRISBANE

1938 - LAZLO BIRO (HUNGARIAN)
INVENTS THE BALL-POINT PEN

1971 - STAMP DUTY REVENUE WAS
\$28,378,209

Survey shows clients are satisfied with OSR services

Late last year the Office of State Revenue conducted a Client Satisfaction Survey to help us better understand your needs. The survey was designed to identify what your expectations are when dealing with the Office and how satisfied you are with the service you have received. This allowed us to focus on what matters most to you while identifying priorities for improvement.



Overall, the results were positive, and we thank all those who participated. Your feedback is appreciated and valued.

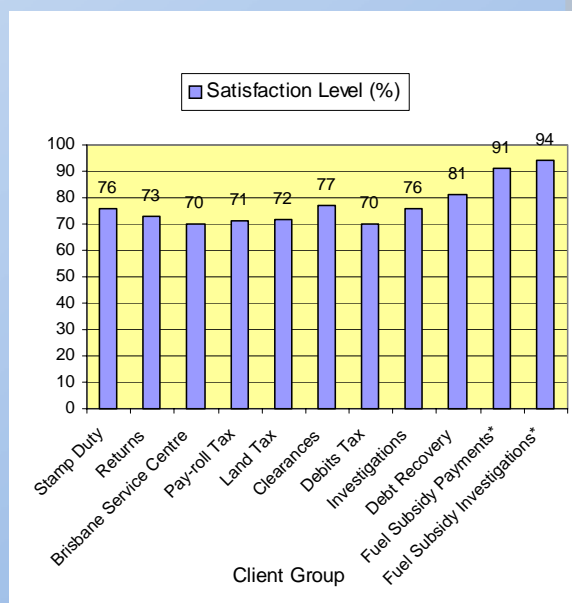
The Survey

The 1999 Client Satisfaction Survey was the first carried out by OSR and will be conducted annually as part of the Office's performance measurement system. Last year's results will be used as a benchmark for measuring the success of future service improvement strategies.

Clients were randomly selected to take part and asked to complete a questionnaire, which was tailored to each of OSR's major client groups. The survey was divided into two sections covering the same topics, and respondents were asked firstly to indicate how important each item is and, secondly, how satisfied they are with the office's performance on each. A *Satisfaction Index* has been calculated for each group, taking account of the importance and satisfaction level for each issue.

Key Findings

Overall, the Office received a satisfaction score of 77%, a good result for a taxation authority. Each client group scored a satisfaction level equal to or greater than 70%, the target set by OSR for 1999-2000. Congratulations to the Debt Recovery team and Fuel Subsidy Branch, which achieved overall scores of over 80%.



* Different survey methodology used.

Respondents indicated that clear and consistent advice is the single most important issue for them, strongly signalling that clients want to feel confident about the advice they are given. It is noteworthy that this issue rated well in terms of satisfaction across all groups.

Survey shows clients are satisfied with OSR services (con't)

One of the most rewarding results was that respondents believe OSR's strength lies in our human resources. Personal attributes such as professionalism, impartiality and helpfulness rated well across all groups.

Clients also indicated they were particularly satisfied with the accuracy of assessments and Land Tax clearance advices, the time taken to process returns and the general enquiries telephone services for all revenue streams.

"In comparison to other government departments, OSR is the best for accuracy of assessment, promptness in assessment, helpfulness and professionalism," one respondent wrote.

Equally importantly, clients provided valuable feedback on areas where they feel our service could be improved. Clients indicated that they would like queries and objections to be resolved faster, greater consultation with pay-roll tax clients about changes and new rulings and staff to be better informed about revenue laws.

Where to from here?

These findings will be further analysed and the results used in future strategic and business planning processes. Updates will be provided in future editions of *Rev-Q-News*. If you would like further information about the survey, please contact the Project Services Group on 07 3227 6281.

Introducing the First Home Owner Grant Scheme



The First Home Owner Grant Scheme was introduced on 1 July 2000 to assist affordability for persons buying or building their first home upon the introduction of the Goods and Services Tax. Eligible applicants will be entitled to a one-off payment of up to \$7000. The grant is not means tested.

In Queensland, the grant is administered by the Commissioner of Stamp Duties.

Applications for the grant should be made on the application form, available from the Office of State Revenue, the Office's website or approved agents listed on the website.

For further information about the grant enquiries may be directed to:

Telephone Toll free: 1300 300 118 (within Qld only)
OR (07) 3404 3956

Internet www.osr.qld.gov.au

Email FirstHomeOwnerGrant@osr.treasury.qld.gov.au

NATIONAL TAX REFORM, STATE TAXES AND GST

The Office has received a range of enquiries concerning the impact of the Commonwealth's tax reforms on State taxes after 1 July 2000 when the GST commences to apply.

In this article, we provide answers to the most commonly asked questions.

1. How do the Commonwealth's tax reform proposals affect State taxes?

The Commonwealth Government's national tax reform package was originally released in August 1998 in *Tax Reform: Not a New Tax, a New Tax System* and included proposals for reform of Commonwealth-State financial arrangements.

Under these proposals, the Commonwealth introduced the GST but will pass over all of the revenue raised to the States and Territories. In exchange, the Commonwealth sought the agreement of the States and Territories to relinquishing a number of their existing revenue sources including a range of State taxes and a share of Commonwealth income tax revenues.

The Commonwealth later altered the proposals relating to State taxes following its decision to exempt certain food from the GST.

The final proposals for State taxes are now set out in the Intergovernmental Agreement signed by the Commonwealth and all State and Territory Governments. A copy of the Agreement is published on the Commonwealth Treasury website at: www.treasury.gov.au

2. What's happening with State taxes after 1 July 2000 under the Intergovernmental Agreement?

All taxes and duties administered by the Office of State Revenue continue to be payable after 1 July 2000 except Bookmaker's Turnover Tax which was abolished on that date.

Stamp duty on transfers of quoted marketable securities will be abolished from 1 July 2001. Some other stamp duties are to be reviewed by 2005.

Debits tax will cease to apply by 1 July 2005, subject to review.

Land tax, pay-roll tax and stamp duties on residential conveyances, insurance policies and motor vehicle registration transactions were never part of the Commonwealth package and will continue to apply.

3. Why isn't stamp duty being abolished on 1 July 2000 as originally proposed by the Commonwealth?

The Commonwealth's decision to exempt certain food from the GST meant that GST revenues available to the States and Territories will be significantly reduced. To ensure that States and Territories were no worse off as a result of the exemption, the Commonwealth decided to alter its proposals for abolition of State taxes.

States and Territories will need to continue to rely on these revenues for some time due to the reduction in GST revenue.

4. Will State tax rates or OSR fees and charges increase after 1 July 2000 to include GST?

No. General Revenue Ruling 7.1 “Application of GST to Certain Taxes, Fees and Charges” has been publicly released, explaining the position and is available on the OSR website.

5. Will OSR issue tax invoices for assessments after 1 July 2000 including an Australian Business Number (ABN)?

No. General Revenue Ruling 7.1 also covers this.

6. Will stamp duty be calculated on GST-inclusive amounts and values?

The following stamp duty rulings explaining how to calculate stamp duty on documents and transactions which attract GST have been published on the Office website and faxback service.

Date Issued	Title	Ruling Reference
19/04/00	Stamp Duty on Policies of General Insurance Subject to GST	52.1
23/06/00	Stamp Duty on Leases subject to GST	54.1
23/06/00	Stamp Duty on Applications for Registration or Application for Transfer of Registration of a Motor Vehicle where GST Applies to the Transaction to which the Application Relates.	56.1
29/06/00	Stamp Duty on Conveyances or Transfer of Property Subject to GST	53.1
29/06/00	Stamp Duty on Policies of Accident Insurance Under the Work Cover Queensland Act 1996 Subject to GST	58.1
30/06/00	Stamp Duty on Rental Business Subject to GST	55.1
30/06/00	Stamp Duty on Instalment Purchase Agreements Subject to GST	50.1
21/07/00	Stamp Duty on Hiring Agreements Subject to GST	59.1

Additionally, a Revenue Ruling has been issued providing information on Pay-roll Tax on Taxable Wages that include a GST Component (Pay-roll Tax Ruling PY6.1).

7. Will GST apply to the stamp duty-inclusive amount?

Enquiries concerning the application of GST should be referred to the Australian Taxation Office which administers GST.

8. How do I obtain other information on GST?

The Office of State Revenue administers Queensland State taxes. GST is a Commonwealth tax administered by the Australian Taxation Office. GST enquiries should therefore be referred to the ATO.

If you have any further questions about these or other tax reform related matters, please contact the Legislation Policy Team, Policy & Legislation Division on (07) 3227 8733.

LAND TAX CLEARANCES

LAND TAX

DO YOU KNOW.....

- ◆ That more than one block of land can be searched on a single application form (one fee) as long as the parties, the seller and buyer or mortgagor and mortgagee, are identical.
- ◆ That only one copy of the application needs to be lodged.
- ◆ That further information and relevant forms are available on our Web site, www.osr.qld.gov.au.

The Department of Natural Resources (DNR) provides land valuations to the Office of State Revenue (OSR) for land tax assessment purposes. OSR is not authorised to release these values for any other purpose. Any queries regarding land valuations should be directed to DNR as the valuing authority.

RECENTLY RELEASED REVENUE RULINGS AND PRACTICE DIRECTIONS

Revenue Rulings (Stamp Duty):

- SD 39.1 30/06/00 Section 53 – Aggregation of Consideration Regarding Conveyances of Property – Contract Splitting
- SD 44.1 19/06/00 ASIC approved Deeds of Cross Guarantee
- SD 46.1 05/04/00 Declaration of Trust and Transfers to Trustees
- SD 50.1 30/06/00 Stamp Duty on Instalment-Purchase Agreements Subject to GST
- SD 51.1 19/04/00 Interpretation of ‘Liquidation’ Under S.49C(4) & (6AA)
- SD 52.1 19/04/00 Stamp Duty on Policies of General Insurance Subject to GST
- SD 53.1 29/06/00 Stamp Duty on Conveyances or Transfers of Property Subject to GST
- SD 55.1 30/06/00 Stamp Duty on Rental Business Subject to GST
- SD 58.1 29/06/00 Stamp Duty on Policies of Accident Insurance Under the Workcover Queensland Act 1996 Subject to GST
- SD 59.1 21/07/00 Stamp Duty on Hiring Agreements Subject to GST

Revenue Rulings (Pay-roll Tax):

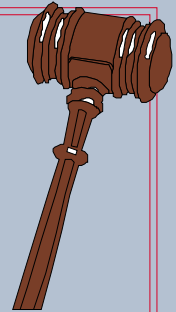
- PY 6.1 19/07/00 Pay-roll Tax on taxable wages that include a GST component

Revenue Rulings (Fuel Subsidy):

- FS 1.1 11/11/99 Guidelines for Remission of Penalties Imposed under Sections 165 and 166 and Interest Imposed under Section 190 - *Fuel Subsidy Act 1997*

Revenue Rulings (General):

- G 7.1 29/06/00 Application of GST to Certain State Taxes, Fees and Charges



Practice Directions (Stamp Duty):

- PD 10.3 19/04/00 Adjudication Fees
- PD 70.1 03/02/00 Credit Card Business Duty – Prescribed Cardholder’s Bank
- PD100.1 03/02/00 Treatment of an Acquisition of a Statutory Business Licence under S.49C
- PD 103.1 02/03/00 Assignment of Expectancies

Practice Directions (General):

- GN 5.1 05/04/00 Service of Documents in Legal Proceedings on the Commissioner

Practice Directions (Land Tax):

- LT 8.1 16/11/99 Deduction for the Business of Agriculture, Pasturage or Dairy Farming - Forestry

Practice Directions (Fuel Subsidy):

- FS 2.2 08/02/00 Subsidy Scheme for Licensed Off-Road Diesel Consumers - On-Road use of Diesel

Practice Directions (Pay-roll Tax):

- PY 3.1 24/03/00 Trade Unions & Unions of Employers - Grouping Provisions



ARE YOUR DETAILS CORRECT?

Please contact the office if your details need updating.

Please quote the reference number on the label/s.

email - ClientEducation@osr.treasury.qld.gov.au

or fax - (07) 3836 0442