

## FROM THE EXECUTIVE DIRECTOR

The last edition of Rev-Q-News provided information on the development of the *Duties Bill 2001*, a rewrite of the *Stamp Act 1894* and the *Taxation Administration Bill 2001*, the legislation under which the Office of State Revenue will administer its taxation legislation in the future. I am pleased to advise that final drafting for both Bills is on target and will be completed shortly.

Once the Bills have been introduced, the Honourable the Treasurer, Terry Mackenroth, will decide a period to lapse before commencement. This time will allow for preparations to be completed by taxpayers and this Office. These preparations will include a client education program to be implemented by the Office and I suggest that you keep an eye on our website or other information from us as to details.

These new Bills will modernise and simplify the way the office administers its taxation legislation. They will also improve consistency across the tax laws, which will be of benefit to all concerned.

I would like to take this opportunity to thank the organisations and individuals who provided valuable feedback during the public consultation periods on the draft Bills.

The First Annual States' Taxation Conference, a joint initiative between The Taxation Institute of Australia and all State and Territory Revenue Offices, was held in Sydney on 26 and 27 July.

The conference provided the opportunity for practitioners and senior members of the Revenue Offices to discuss, debate and exchange ideas on State taxation issues. Our office had several senior officers in attendance. Queensland Office of State Revenue officers chaired the debates in a number of the workshops held. Our presentation by Allan Mason, Deputy Commissioner, Policy and Legislation, provided an overview of the progress by each State in the rewrite of their stamp duties legislation as well as an update on progress with the *Duties Bill*, summarising the improvements and new provisions contained in it.

James Green

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## ... A BIT OF TRIVIA ...

1792

THE GUILLOTINE WAS INTRODUCED DURING THE FRENCH REVOLUTION BY JOSEPH IGNACE GUILLOTIN

1912

NEW DELHI REPLACED CALCUTTA AS THE CAPITAL OF BRITISH INDIA

1991

STAMP DUTIES & LAND TAX OFFICES COMBINED TO BECOME OFFICE OF STATE REVENUE

## **ABOLITION FROM 1 JULY 2001 OF STAMP DUTY ON QUOTED SECURITIES**

Under the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (IGA), signed by all Australian Governments, Queensland stamp duty on transfers of marketable securities and rights in respect of shares quoted on the Australian Stock Exchange Limited (ASX) or another recognised exchange was abolished from 1 July 2001.

The recognised stock exchanges in addition to the ASX are:-

- ✦ Bendigo Stock Exchange Ltd (BSX)
- ✦ Stock Exchange of Newcastle Ltd (NSX)
- ✦ A stock exchange that is a member of Federation Internationale des Bourses de Valeurs (FIBV)

Queensland stamp duty will continue to apply to transfers of marketable securities and rights in respect of shares which are not quoted on a recognised stock exchange. Examples of transactions which will remain dutiable after 30 June 2001 include-

- ✦ transfers of shares in private companies;
- ✦ transfers of shares in public companies if the shares are not quoted on a recognised stock exchange;
- ✦ transfers of units in public unit trusts if the units are not quoted on a recognised stock exchange;
- ✦ allotments, redemptions and transfers of units in unit trusts which are not public unit trusts;
- ✦ allotments, redemptions and transfers of shares in trustee companies to which section 56C of the *Stamp Act 1894* applies; and
- ✦ relevant acquisitions under the land rich company provisions if the company is not listed on a recognised stock exchange.

Mortgage duty may still apply to securities over marketable securities and rights in respect of shares regardless of whether the securities or rights are quoted on a recognised stock exchange.

For more information, refer to Practice Direction Stamp Duty 108.1 - *Abolition of Stamp Duty on Transfers of Marketable Securities quoted on a recognised Stock Exchange*.

### **IT STRATEGIC PLANNING GROUP**

The Office of State Revenue recently undertook an IT strategic planning project, engaging Unisys as a partner in this process to produce an IT Strategic Plan and framework for addressing the following strategic priorities through a series of projects over a 5 year period:

1. Replacement of ageing and disparate legacy business systems;
2. Implementation of systems to support effective information management; and
3. Development of e-Business capability for improved client service.

## ***THE ESTABLISHMENT OF THE GRANTS AND SUBSIDIES DIVISION***

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The Queensland Office of State Revenue (OSR) is positioning itself to realise its vision to be the “leading revenue office ready to meet any challenge”. A significant step in achieving this goal was the establishment of the Grants and Subsidies Division (GAS) earlier this year.

GAS was established in order that OSR could effectively administer the Fuel Subsidy Scheme (FSS) and the First Home Owner Grant Scheme (FHOGS). Previous to the establishment of GAS, two Divisions within OSR were separately responsible for the administration of FSS and FHOGS. The schemes were operated at a branch level within separate divisions with each branch being accountable for both the associated operational and compliance functions.

It was recognised during the development of the new Fuel Subsidy Scheme that there would be need for the development of new computer systems and administrative practices and procedures for its effective operations. The development and implementation of new business practices and computer systems were seen to be more achievable with the one division administering the operations of both schemes.

The Division has an Operations Branch and a Compliance Branch to separately administer each of those aspects of the grants and subsidy schemes. Recognition of the ability of the Division to undertake additional operations is evidenced by the fact that it is now responsible for the administration of the Low Alcohol Liquor Subsidy.

These new business operations will significantly broaden OSR’s horizons and provide a platform upon which the organisation can develop and maintain a skilled workforce ready to meet current and future challenges.

## ***COURT OF APPEAL RULES ON PROFESSIONAL WORK IN PROGRESS***

There has been uncertainty in recent times as to whether work in progress of a professional practice is property for the purposes of the *Stamp Act 1894*. The Court of Appeal has clarified this issue in its recent decision of *Roche & McGown v The Commissioner of Stamp Duties* (Judgment handed down on 22 June 2001).

The case concerned the assignment of a retiring partner’s one-third share in the partnership to the two continuing partners. The main issue was whether work in progress was property of the partnership for assessing stamp duty on the transaction.

The Court unanimously held that work in progress formed part of the partnership property. Accordingly, the value of the work in progress on the firm’s balance sheet could be taken into account in determining the full unencumbered value of the partnership interest being transferred.

# RECENTLY RELEASED REVENUE RULINGS AND PRACTICE DIRECTIONS

## Revenue Rulings (*Stamp Duty*):

- SD 53.2** 29/06/01 Stamp Duty on Conveyances or Transfers of Property subject to GST  
**SD 57.1** 19/01/01 Exemption from stamp duty on de facto relationship instruments under the *Property Law Act 1974*

## Revenue Rulings (*First Home Owner Grant*):

- FHOG 2.1** 29/06/01 Eligible transactions under the *First Home Owner Grant Act 2000* - Oral Contracts

## Practice Directions (*Fuel Subsidy*):

- NFSS 1.2** 02/05/01 Information for Bulk End Users requesting a variation to claim period  
**NFSS 6.1** 30/04/01 Compliance Remedies - Prosecutions  
**NFSS 7.1** 10/04/01 Guidelines for Retailers - action to be taken where retailers fail to lodge their claims on time  
**NFSS 8.1** 30/04/01 Compliance Remedies - Interest and Penalties  
**NFSS 9.1** 24/05/01 Diesel Engine Road Vehicles - Entitlement to a Fuel Subsidy

## Practice Directions (*Stamp Duty*):

- PD 18.2** 10/04/01 Car Parking Licences - Liability to Stamp Duty  
**PD 66.2** 31/07/01 Mortgage duty relief on the refinancing of certain rural loans  
**PD 84.2** 10/04/01 Rescission of Contracts and *Barob Pty Ltd V Commissioner of Stamp Duties (Qld)*  
**PD 106.1** 27/04/01 Principal Place of Residence Concession - Signing of an approved form by a person other than the applicant  
**PD 107.1** 10/04/01 Stamp Duty liability on instruments effecting both a distribution under a will or intestacy and also a gift or a sale  
**PD 108.1** 31/07/01 Abolition of stamp duty on transfers of marketable securities quoted on a recognised stock exchange

## Practice Directions (*Pay-roll Tax*):

- PY 5.1** 19/07/01 Nomination of a designated group employer and associated deduction

## Practice Directions (*First Home Owner Grant Scheme*):

- FHOG 1.1** 24/04/01 Signing a first home owner grant application by a person other than the applicant



## **CHANGE OF NEXUS FOR DUTY ON OFF-MARKET SHARE DEALINGS**

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Until 15 July 2001, each State and Territory administered its own *Corporations Law* enacted on uniform terms with reciprocal arrangements. Corporations were therefore incorporated or registered under State or Territory law. Under Queensland's *Stamp Act 1894*, the State or Territory of incorporation applied as the nexus for both conveyance and mortgage stamp duty on dealings in shares and rights of corporations (special rules apply to on market transfers).

Effective from 15 July 2001, States referred to the Commonwealth certain of their powers to make laws with respect to corporations. Following the referral, the Commonwealth enacted national corporations legislation, the *Corporations Act 2001*. The referral was to remove uncertainty concerning the constitutional validity of the existing legislative scheme governing corporations.

Under the new *Corporations Act 2001*, companies will no longer be incorporated in a particular State or Territory. Consequently, amendments to the *Stamp Act 1894* were required to establish a new stamp duty nexus to replace the current "State of incorporation" nexus.

State and Territories agreed to adopt a uniform replacement nexus. The *Corporations Act 2001* deems new corporations to be registered in the State or Territory specified in the application lodged with the Australian Securities and Investments Commission (ASIC) to register the company. Existing corporations will be taken to be registered in the State or Territory under whose *Corporations Law* they were registered immediately before commencement of the new national legislation.

Consequential amendments to the *Stamp Act 1894* to adopt this new "place of registration" nexus and make other consequential changes were made by the *Corporations (Ancillary Provisions) Act 2001*. The new arrangements are aligned as closely as possible with the current rules.

### **Have you Changed your Address?**

**Please contact the Office if your details need updating  
email - [ClientEducation@osr.treasury.qld.gov.au](mailto:ClientEducation@osr.treasury.qld.gov.au)  
or fax - (07) 3836 0442**

**Please quote the reference number on the envelope.**

# Contact Directory

## OFFICE HOURS

8.00 am - 5.00 pm	Counter Services & Telephone Enquiries
8.00 am - 4.00 pm	Cashiers
4.00 pm - 4.45 pm	Cashiers - Single Transactions (Brisbane only)

## REGIONAL OFFICES

### Rockhampton

General Address:	Level 3, State Government Building 209 Bolsover Street, Rockhampton
Postal Address:	PO Box 1276, Rockhampton Qld 4700
Telephone:	1300 301 571 (within Qld) (07) 4938 4776
Facsimile:	(07) 4938 4912

### Townsville

General Address:	Level 1, State Government Building 187-209 Stanley Street, Townsville
Postal Address:	PO Box 988, Townsville Qld 4810
Telephone:	1300 301 573 (within Qld) (07) 4760 7630
Facsimile:	(07) 4721 1976

### Cairns

General Address:	Level 9, Cairns Corporate Tower 15 Lake Street, Cairns
Postal Address:	PO Box 2378, Cairns Qld 4870
Telephone:	1300 301 572 (within Qld) (07) 4048 1177
Facsimile:	(07) 4031 2170

## BRISBANE OFFICE

Address:	Level G2, 200 Mary Street, Brisbane
General Postal Address:	GPO Box 2593 Brisbane Qld 4001
Email:	Enquiries@osr.treasury.qld.gov.au

## STAMP DUTY

### General Stamp Duty

Address:	GPO Box 2593, Brisbane Qld 4001
Email:	StampDuty@osr.treasury.qld.gov.au
Telephone:	1300 301 342 (within Qld) (07) 3227 8733
Facsimile:	(07) 3227 7037

### Stamp Duty Returns (Brisbane Registrations)

Address:	GPO Box 2475, Brisbane Qld 4001
Email:	Returns@osr.treasury.qld.gov.au
Telephone:	1300 301 549 (within Qld) (07) 3224 8776
Facsimile:	(07) 3227 7871

## LAND TAX

### General Land Tax

Address:	GPO Box 2476, Brisbane Qld 4001
Email:	LandTax@osr.treasury.qld.gov.au
Telephone:	1300 301 547 (within Qld) (07) 3227 6044
Facsimile:	(07) 3227 7577

### Land Tax Clearances

Telephone:	1300 301 548 (within Qld) (07) 3227 6039
Facsimile:	(07) 3227 6783

## PAY-ROLL TAX

Address:	GPO Box 2248 Brisbane Qld 4001
Email:	PayrollTax@osr.treasury.qld.gov.au
Telephone:	1300 301 546 (within Qld) (07) 3227 8903
Facsimile:	(07) 3227 6822

## FIRST HOME OWNER GRANT

Address:	GPO BOX 2593 Brisbane Qld 4001
Email:	FirstHomeOwnerGrant@osr.treasury.qld.gov.au
Telephone:	1300 300 118 (within Qld) (07) 3404 3956
Facsimile:	(07) 3227 8292

## DEBITS TAX

Address:	GPO Box 2475 Brisbane Qld 4001
Email:	DebitsTax@osr.treasury.qld.gov.au
Telephone:	1300 301 549 (within Qld) (07) 3227 7416
Facsimile:	(07) 3227 7871

## FUEL SUBSIDY

Address:	GPO Box 953 Brisbane Qld 4001
Email:	FuelSubsidy@osr.treasury.qld.gov.au
Telephone:	1800 814 657 (within Aust) (07) 3227 8769

## INVESTIGATIONS

Address:	GPO Box 955 Brisbane Qld 4001
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Facsimile:	(07) 3227 7706



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