

## The Newsletter of the Queensland Office of State Revenue

### FROM THE EXECUTIVE DIRECTOR

The Office of State Revenue (OSR) is looking forward to the commencement of the *Duties Act 2001* and *Taxation Administration Act 2001* on 1 March 2002.

For the Office, this sees the culmination of an immense amount of work over several years, intensifying over the last few months. In a career spanning I hate to think how many pieces of new legislation, I have never seen more thorough preparations and I would like to recognise and congratulate OSR staff on their efforts.

As our clients, you will be beneficiaries of all this work. An article in this edition of Rev-Q-News has more tips for information but here are a few for managing the transition to the new legislation:

- All information is being posted on our website, so stay in touch with "What's New" at [www.osr.qld.gov.au](http://www.osr.qld.gov.au);
- Download new forms, Rulings, Practice Directions and Information Sheets from our website;
- Register for one of our workshops being held between 14 February and 4 March, our website has details;
- Organise for your returns staff to attend one of our information sessions scheduled for March;
- Contact our new Client Contact Centre with all your initial enquiries call on 1300 300 734;
- Remember that unpaid tax interest will be payable if there are late lodgements or late payments, unpaid tax interest runs from the due date, calculated in accordance with the *Taxation Administration Act 2001*;
- Downloadable calculators are available at [www.osr.qld.gov.au/calculators.htm](http://www.osr.qld.gov.au/calculators.htm) to assist you in determining liability;

OSR looks forward to working with our clients to ensure a smooth transition.

James Green

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

#### 1859

BIG BEN - THE 14-TON BELL IN THE CLOCK TOWER OF THE PALACE OF WESTMINSTER (LONDON), NAMED AFTER SIR BENJAMIN HALL, COMMISSIONER OF WORKS WHEN THE CLOCK WAS INSTALLED

#### 1952

THE THEORY THAT THE UNIVERSE IS EXPANDING WAS FIRST CONFIRMED BY EDWIN HUBBLE

#### 2002

EURO DOLLAR (•) WILL BE USED IN 12 EUROPEAN COUNTRIES, REPLACING THEIR NATIONAL CURRENCY

# *IMPLEMENTATION OF THE DUTIES ACT AND TAXATION ADMINISTRATION ACT*

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Over the past 12 months or so, OSR has developed a strategy for the implementation of the new legislation to ensure transition to the Duties Act and Taxation Administration Act is as smooth as possible. Some of the initiatives that have been undertaken are:

- Development of new Approved Forms;
- Production of Information Sheets that explain the main changes or provide general information about particular topics;
- Development of Frequently Asked Questions that deal with common questions about the new legislation and how it operates in practice;
- A review of all issued Revenue Rulings and Practice Directions and the conversion of these to suit the changed terminology and section numbers of the Duties Act;
- Development of new Revenue Rulings and Practice Directions;
- Development of new calculation packages.

All of these can now be found on the OSR website – [www.osr.qld.gov.au](http://www.osr.qld.gov.au).

A key component of our implementation strategy is our new Client Contact Centre (1300 300 734) which will enable us to cope with the expected increase in calls on the new legislation. The Centre commenced operations on 4 February 2002. Centre staff are trained to handle the more routine and straight forward questions.

Existing contact arrangements will also be maintained through the implementation period to ensure a smooth transition. However, we will be encouraging callers to utilise the Client Contact Centre on future calls to take advantage of the new arrangements which have been put in place to deal with enquiries of that type.

To ensure that all issues are resolved promptly, an escalation process has been developed to deal with interpretational and more complex issues which cannot be resolved by the Client Contact Centre. A similar process has been put in place to deal with administrative or process issues. The details of these new arrangements have been published on our Website.

We are also mindful of the need to monitor the progress of implementation and to obtain feedback from our clients on how the new system is working. Therefore, a number of Client Liaison Officers have been allocated to key industry and professional groups. Their role will be to keep in regular contact with their group to obtain feedback on any issues with our implementation processes. While they are not responsible for dealing directly with individual members of the industry or professional group, or for personally resolving issues, the officers' input will be vital in enabling us to ensure that our systems and process are working as planned by providing a conduit for timely feedback, and to make adjustments where necessary. They will be able to report back to their group on the issues and how they will be dealt with.

So while there is significant change underway, we are confident that the implementation strategy and new client contact arrangements will result in a smooth transition to the new legislative environment.

## ***APPROVED FORMS - DUTIES ACT 2001***

The *Duties Act 2001* identifies that in order for a person to meet their obligations under the legislation, they are required to complete certain forms.

These forms must be approved by the Commissioner for use.

OSR has developed the new forms with an emphasis on them being user friendly and drafted in plain English. In many cases, the forms have accompanying explanatory notes to assist in their completion. In the development process, input was sought from the public on a number of forms to ensure they best met their needs.

All forms are available to be downloaded from OSR's website ([www.osr.qld.gov.au](http://www.osr.qld.gov.au)). A feature of the forms is that a person can input information on-screen, then print the form. Please note that this facility will only be available from 1 March 2002 when the forms are officially approved. Until this date, the forms have been approved "in principal".

It is recognised that some persons may wish to incorporate forms on their own systems. OSR will continue its long established practice of allowing a person to set up their own version of OSR forms for use on their word processing systems. All that is required is OSR approval to be obtained for these forms before they are put into use.

Please note that only very limited stocks of the forms will be available from OSR. It is recommended that you access OSR's website to obtain the form you require.

Some of the more regularly used approved forms are shown below. A full list is available on OSR's website ([www.osr.qld.gov.au](http://www.osr.qld.gov.au)). (The first number of the form matches the chapter of the *Duties Act 2001* to which it applies).

- 2.1 Home/First Home Concession
- 2.2 Dutiable Transaction – Transfer Duty
- 2.3 Transfer Duty Statement
- 4.1 Lease Statement – Ascertainable Amount
- 4.2 Lease Statement – Unascertainable Amount
- 5.1 Home/First Home Mortgage Concession
- 5.2 Home Refinance Mortgage Concession
- 6.1 Credit Card Return
- 6.3 Credit Business Duty - Residence Exemption
- 6.4 Credit Business Duty Return
- 7.1 Hire Duty Return
- 8.1 Insurance Return



**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.**

## *DUTY - A BRIEF HISTORY*

Duty (or stamp duty as it was known) is our oldest State tax. It was originally a tax on certain commercial documents. As a tax type, it has a long and colourful history.

Although the existence of a form of stamp duty can be traced back to Roman times, most historians agree that, in its current form, it originated in the Netherlands in 1624. This was as the result of a competition to find a new form of tax. There is no record of the inventor's name but the winning idea required that certain legal documents be written on stamped paper.

In 1694, England introduced a tax on vellum, parchment and paper to fund the war against France. The tax was to be imposed for four years, however it proved so successful that it was continued (The Inland Revenue celebrated the 300<sup>th</sup> anniversary of stamp duty in 1994).

Stamp duty also played a role in the American War of Independence, uniting the colonists against the Empire and encouraging the forging of their own sense of identity.

Stamp duty was among the first forms of direct taxation adopted by the fledgling Australian colonies as a means of supplementing indirect taxes. Despite the North American experience 100 years previously, the then Queensland Government displayed an enthusiastic approach for duty when it introduced the tax in Queensland for the first time in 1866. (Fortunately, the first Qld Act was not followed by similar events to those in North America in 1765!)

The first Queensland Stamp Act was followed by the *Stamp Act 1894*, which remains in operation until its repeal on 1 March 2002 when the new *Duties Act 2001* commences.



## CHANGES TO FIRST HOME OWNER GRANT

OSR has recently implemented changes to the First Home Owner Grant in line with Federal Government changes to the scheme. The Prime Minister announced the phase-down of the additional \$7,000 First Home Owner Grant for new homes to \$3,000 for contracts made between 1 January 2002 and 30 June 2002 (inclusive). These grants are in addition to the \$7,000 base grant.

Extended time periods now also apply in relation to commencement and completion requirements for contracts to build a new home. For building contracts entered into between 9 October 2001 and 30 June 2002 construction must commence within 26 weeks of entering into a comprehensive building contract and completion must be within 18 months of commencement. The commencement and completion requirements for building contracts entered into between 9 March 2001 and 8 October 2001 retain the original commencement and completion requirements in that construction must commence within 16 weeks of entering into a comprehensive building contract and completion must occur within twelve months of commencement.

OSR has developed brochures, information notices and a new application form for the additional \$3,000 grant and these are available from our website ([www.osr.qld.gov.au](http://www.osr.qld.gov.au)) or by phoning the First Home Owner Grant Hotline on 1300 300 118.

### Need more information?

Further particulars regarding the scheme can be obtained by contacting:

Office of State Revenue  
First Home Owner Grant  
GPO Box 2593  
Brisbane QLD 4001

Telephone: 1300 300 118 (toll free within Qld)

Facsimile: (07) 3227 8292

Email: [FirstHomeOwnerGrant@osr.treasury.qld.gov.au](mailto:FirstHomeOwnerGrant@osr.treasury.qld.gov.au)

Website: [www.osr.qld.gov.au](http://www.osr.qld.gov.au)

### INTERNET SUBSCRIPTION SERVICE

OSR offers, free of charge, a subscription service that automatically notifies subscribers of newly issued rulings, practice directions and other publications on our website.

If you wish to register to receive automatic notification of changes to OSR's Website via Email, send a blank email message (subject and body not required) to

[whatsnew-subscribe@osr.qld.gov.au](mailto:whatsnew-subscribe@osr.qld.gov.au)



You will be sent a confirmation message which you must reply to so that the subscription service can confirm that you want to join the list. Once confirmed, you will receive a welcome message.

## ***FUEL SUBSIDY SCHEME - DO YOU HAVE CLIENTS THAT ARE COMMERCIAL CONSUMERS OF OFF-ROAD DIESEL FUEL?***

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### **Did you know?**

The Queensland Government's fuel subsidy is only available for diesel which is used to run vehicles designed solely or principally for transporting persons, goods or animals by road.

Vehicles including buses, road trains and 4WDs and the like are eligible to benefit from the subsidy for fuel and for on-road use. The subsidy applies to these vehicles because they are designed mainly for use on-road.

However, mobile cranes, tractors, earthmoving and road construction equipment, generators and other off-road vehicles and equipment are not entitled to benefit from the State's subsidy scheme because they are designed mainly for off-road purposes, although they may also travel on road to some extent.

Queensland abolished its diesel fuel subsidy for off-road use on 1 July 2000. From that date the Commonwealth assumed full responsibility for all off-road diesel subsidies.

Anyone who purchased subsidised diesel from a retailer from 10 July 2000 and then used that diesel for an off-road purpose are required to advise the Office of State Revenue and repay the subsidy benefit [8.354 cents per litre]. (Private off-road use of fuel does not trigger the repayment obligations).

The changes to the scheme were advised to registered distributors, licensed retailers, off-road diesel users and bulk end users. Scheme participants and relevant industry groups were provided with information bulletins concerning these changes. These actions alerted many off-road diesel consumers to changes in the subsidy arrangements and many have voluntarily repaid subsidy improperly received since July 2000.

In addition, advertisements were published in major Brisbane and regional newspapers advising of the changes to the subsidy arrangements (ie. new retailer and bulk end user scheme changes).

A three month amnesty from interest and penalty concluded on 30 November 2001. The amnesty was also advertised in major Queensland newspapers and advised to all current scheme licensees and relevant industry groups.

### **What now?**

Enforcement action has now commenced and off-road diesel users will be progressively audited.

There are a number of actions that may be taken to ensure compliance with the fuel subsidy scheme, including the imposition of penalties and interest. Each case is considered on its particular merits and the circumstances in which the Commissioner may consider whole or partial remission of penalties and/or interest are set down in Practice Direction NFSS 8.1. Up to 90 per cent of penalties may be remitted in circumstances where a voluntary disclosure is made prior to the off-road diesel user being notified of an intention to audit.

### **Need more information?**

Further particulars regarding the scheme can be obtained by contacting:

Office of State Revenue

Fuel Subsidy Scheme

GPO Box 953

BRISBANE Q 4001

Telephone: 1800 814 657

Facsimile: (07) 3227 8769

E-mail: [fuelsubsidy@osr.treasury.qld.gov.au](mailto:fuelsubsidy@osr.treasury.qld.gov.au)

Website: [www.osr.qld.gov.au](http://www.osr.qld.gov.au)

## *IMPROVEMENTS TO THE FUEL SUBSIDY SCHEME*

### **Increase in payments of subsidy in advance under the Bulk End User scheme from \$500 to a maximum of \$1,000 a year**

Generally, bulk end users (BEUs) licensed under the *Fuel Subsidy Act 1997* are required to purchase fuel at the unsubsidised price and then claim a subsidy, in arrears, directly from the Office of State Revenue for the BEU fuel used. The BEU is required to submit a three monthly claim and an annual return.

An up-front subsidy payment of up to \$500 was introduced, and the three monthly claim requirement removed, for the 2001/02 financial year for qualifying BEUs. This was a significant improvement to the fuel subsidy scheme, streamlining the claim process and reducing paper work for eligible users. Eligibility conditions require BEUs to have been licensed and to have established a claiming pattern for a full financial year prior to receiving the provisional payment. These conditions ensure that BEUs may qualify for the provisional subsidy by establishing a history of compliance with the scheme.

The maximum \$500 up-front payment has now been increased to a maximum of \$1,000, following a review of the operation of the pre-payment scheme. More licensed BEUs, many of them primary producers, will now be able to take advantage of the provisional payment. The increase takes effect for the 2002/03 financial year, with eligible BEUs to receive payment by 1 October 2002. This means eligible BEUs will have access to their subsidy at least nine months in advance and their paperwork will be reduced because they will only be required to lodge an annual return to reconcile the payment in advance with actual usage during the year. No separate claim form will be necessary. The qualifying conditions have not changed.

An information bulletin explaining the changes will be distributed to all licensed BEUs.

Licensing, claims and annual return requirements for BEUs not qualifying for the provisional payment in advance remain unchanged.

### **Need more information?**

Further particulars regarding the scheme can be obtained by contacting:

Office of State Revenue  
Fuel Subsidy Scheme  
GPO Box 953  
BRISBANE Q 4001

Telephone: 1800 814 657  
Facsimile: (07) 3227 8769

E-mail: [fuelsubsidy@osr.treasury.qld.gov.au](mailto:fuelsubsidy@osr.treasury.qld.gov.au)  
Website: [www.osr.qld.gov.au](http://www.osr.qld.gov.au)

### **REV-Q-FAX**



For the cost of a local telephone call, you can obtain information about OSR from our faxback service, Rev-Q-Fax. Using your touchtone phone, call 1300 300 089 (within Qld) and follow the voice prompts to receive up-to-date facts regarding State taxation. (This information is also available free of charge on our website: [www.osr.qld.gov.au](http://www.osr.qld.gov.au).)

## RECENTLY RELEASED REVENUE RULINGS

### Revenue Rulings (General):

**GEN 7.2** 22/11/01 Application of GST to certain taxes, fees and charges

### Draft Revenue Rulings (General):

**GEN 1.3** 21/12/01 Revenue ruling system: explanation and status

**GEN 2.2** 21/12/01 Exempt institutions and exempt charitable institutions

**GEN 3.2** 21/12/01 Relief of poverty

**GEN 4.2** 21/12/01 Public benevolent institutions

**GEN 5.2** 18/01/02 Guidelines as to charitable object or an object promoting the public good



### Draft Revenue Rulings (Duties Act & Taxation Administration Act):

**DA 1.1** 18/01/02 Concession for homes - residential purposes

**DA 2.1** 18/01/02 Concession for homes - occupancy requirements

**DA 3.1** 18/01/02 Concession for homes - inclusion of chattels in acquisition of home or first home

**DA 4.1** 18/01/02 Reassessment - non-complying use by primary producer

**DA 5.1** 18/01/02 Lodgement of alternative documents for reassessment purposes where the original instrument or written statement is not available

**DA 6.1** 21/12/01 Insurance duty on policies of general insurance subject to GST

**DA 7.1** 21/12/01 Insurance duty on policies of accident insurance under the *WorkCover Queensland Act 1996* subject to GST

**DA 8.1** 21/12/01 Vehicle registration duty on the registration or transfer of vehicles subject to GST

**DA 10.1** 21/12/01 Nominee agreements - under an agency agreement

**DA 12.1** 18/01/02 Extension of time to lodge an agreement transferring dutiable property

**DA 13.1** 18/01/02 Hire duty on the hire of goods subject to GST

**DA 14.1** 18/01/02 Transfer duty - cancelled agreements

**DA 15.1** 21/12/01 Concession for particular investment schemes

**DA 16.1** 18/01/02 Private rulings on unexecuted instruments or proposed transactions

**DA 18.1** 21/12/01 Objections and appeals against assessments of duty

**DA 23.1** 21/12/01 Reassessment of transfer duty due to a withdrawal of a home concession

**DA 26.1** 21/12/01 Transfer duty on instruments pursuant to section 36 and 39A to 39D of the *Succession Act 1981*

## IMPORTANT NOTICE

As previously publicised, from Monday 28 January 2002 changes were made to:

- (a) Opening hours for service by cashiers;
- (b) Individual cashier services; and
- (c) Ticketing systems to reflect individual cashier services

**OPENING HOURS FOR CASHIER SERVICES**  
**8.30am to 4.30pm**

Enquiries may still be made between the hours of  
8.00am to 5.00pm

## RECENTLY RELEASED PRACTICE DIRECTIONS

### Practice Directions (*Stamp Duty*):

- SD 110.1 22/11/01 Stamp duty on transfers of land to local governments
- SD 112.1 25/10/01 New nexus for duty on dealings in marketable securities and share rights
- SD 114.1 14/12/01 Upstamping of instruments securing foreign currency advances

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

- FHOG 2.1 31/10/01 Instalment contract

### Draft Practice Directions (*General*):

- GEN 1.1 21/12/01 Practice direction system: explanation and status
- GEN 2.3 21/12/01 Legal professional privilege reference to legal advice
- GEN 4.2 21/12/01 Management of file records
- GEN 6.2 21/12/01 Subpoenas and warrants directed to the Commissioner

### Draft Practice Directions (*Duties Act*):

- DA 2.1 21/12/01 Treatment of barter or trade dollars
- DA 3.1 21/12/01 Variations to agreements for the transfer of land by deed or by exchange of solicitors' letters or other correspondence
- DA 5.1 21/12/01 Marine liability insurance and hull insurance
- DA 6.1 21/12/01 Sale of retirement village businesses - inclusion of contingent liabilities to determine value of consideration paid
- DA 7.1 21/12/01 Liability for transfer duty in relation to a transfer of dutiable property
- DA 9.1 21/12/01 Land rich duty - issue of shares in a public float - related persons
- DA 10.1 21/12/01 Car parking licences - liability to lease duty
- DA 12.1 21/12/01 Form 1 transfer signed under a power of attorney
- DA 13.1 21/12/01 Treatment of transfers and agreements for transfer of land which are not registered
- DA 14.1 21/12/01 Guidelines for administering section 148(1)(c) of the *Duties Act 2001*
- DA 15.1 18/01/02 Concession for dutiable transactions for particular family businesses - descendent who is a minor
- DA 17.1 21/12/01 Amalgamation of trade unions transfer duty on transfer of property
- DA 18.1 21/12/01 Application of land rich provisions to company title units
- DA 19.1 18/01/02 Amounts payable by a purchaser under a special condition of an agreement which are in addition to the purchase price
- DA 20.1 18/01/02 Distribution in the estate of deceased person - power to appropriate
- DA 23.1 18/01/02 Vehicle registration transfers between family members (including de facto relationships)
- DA 24.1 18/01/02 Concession for homes - signing of an approved form by a person other than the applicant
- DA 25.1 21/12/01 Assessment of transfer duty on transfers of crown leases that can be converted to freehold title
- DA 27.1 18/01/02 Transfer duty on transfers of land to local government



# 10 Reasons to Visit the Office of State Revenue's Website



## 1 State Taxation Information

A webpage for each state tax, containing:

- explanation of each tax stream;
- when the tax is chargeable;
- who is liable to pay; and
- brochures & information bulletins with additional information.

## 2 Grants & Subsidies

- First Home Owner Grant
- Fuel Subsidy
- Low Alcohol Liquor Subsidy

## 3 Revenue Rulings

Revenue Rulings publish decisions on the interpretation of the laws administered by the Office of State Revenue.

## 4 Practice Directions

Practice Directions provide a guide for OSR staff to determine taxation liability and office practice on specific matters. They are published to increase certainty for taxpayers as to the operation of Queensland's revenue laws.

## 5 Legislation

The webpage contains information on new and amended taxation legislation, including the *Duties Act 2001* and *Taxation Administration Act 2001* and a link to the actual legislation.

## 6 Forms

OSR's Forms, categorised by tax stream and available in Portable Data Format (PDF).

## 7 About OSR

Learn about our Vision, Mission, Values and key issues facing the Office.

## 8 Contact details

Client Contact Centre, Service Centre contact details, business hours, postal addresses, telephone & facsimile numbers and enquiry email addresses.

## 9 What's New

Latest developments within OSR. Register to receive automatic notification of changes to OSR's Website.

## 10 Taxpayer Charter

This Charter deals with your rights and obligations and the level of service you will receive in your dealings with the Office of State Revenue. The Charter confirms our commitment to satisfying your enquiries and to successfully resolving your complaints.

[www.osr.qld.gov.au](http://www.osr.qld.gov.au)