

Changes to transfer duty from 1 July 2008

On 3 June 2008, the Honourable the Treasurer announced changes to transfer duty rates and transfer duty relief for home buyers (home concession) and first home buyers (first home concession).

Where a liability to transfer duty arises on or after 1 July 2008, new rates of transfer duty will apply. The threshold for the transfer duty home concession and first home concession will also increase from \$320,000 to \$350,000, where the liability to transfer duty arises on or after 1 July 2008.

In addition, from 1 September 2008, the first home concession will be increased where the value of the residential land is less than \$550,000.

New Transfer duty rates

Transfer duty is calculated based on the dutiable value of a dutiable transaction. The transfer duty rate changes also apply for land rich duty and corporate trustee duty. The table below sets out the new transfer duty rates.

Rates of Transfer duty	
Dutiable value	Rate of duty from 1 July 2008
Not more than \$5000	Nil
More than \$5000 but not more than \$75000	\$1.50 for each \$100, or part of \$100, by which the dutiable value is more than \$5000
More than \$75000 but not more than \$540000	\$1050 plus \$3.50 for each \$100, or part of \$100, by which the dutiable value is more than \$75000
More than \$540000 but not more than \$980000	\$17325 plus \$4.50 for each \$100, or part of \$100, by which the dutiable value is more than \$540000
More than \$980000	\$37125 plus \$5.25 for each \$100, or part of \$100, by which the dutiable value is more than \$980000

Transfer duty relief for home buyers from 1 July 2008

Under the new home concession arrangements, the ceiling for the concessional duty rate for all home buyers is increased from \$320,000 to \$350,000.

Transfer duty relief for first home buyers from 1 July 2008 until 31 August 2008

The table below sets out the first home concession rebates from 1 July 2008.

Purchase price/ value	Concession amount
Not more than \$359,999.99	\$3,500
\$360,000 to \$369,999.99	\$3,200
\$370,000 to \$379,999.99	\$2,900
\$380,000 to \$389,999.99	\$2,600
\$390,000 to \$399,999.99	\$2,300
\$400,000 to \$409,999.99	\$2,000
\$410,000 to \$419,999.99	\$1,700
\$420,000 to \$429,999.99	\$1,400
\$430,000 to \$439,999.99	\$1,200
\$440,000 to \$449,999.99	\$1,000
\$450,000 to \$459,999.99	\$800
\$460,000 to \$469,999.99	\$600
\$470,000 to \$479,999.99	\$400
\$480,000 to \$489,999.99	\$200
\$490,000 to \$499,999.99	\$100
\$500,000 or more	Nil

Transfer duty relief for first home buyers from 1 September 2008

The table below sets out the first home concession rebates from 1 September 2008.

Purchase price/ value	Concession amount
Not more than \$504,999.99	\$8,750
\$505,000 to \$509,999.99	\$7,875
\$510,000 to \$514,999.99	\$7,000
\$515,000 to \$519,999.99	\$6,125
\$520,000 to \$524,999.99	\$5,250
\$525,000 to \$529,999.99	\$4,375
\$530,000 to \$534,999.99	\$3,500
\$535,000 to \$539,999.99	\$2,625
\$540,000 to \$544,999.99	\$1,750
\$545,000 to \$549,999.99	\$875
\$550,000 or more	Nil

What happens if my client defers their purchase until after 1 July 2008?

An anti-avoidance provision will apply to overcome arrangements designed to defer the purchase of a home or first home until after the new transfer duty concessions start. For example, where an option to purchase a home or first home is granted **before** 1 July 2008 but exercised **after** that date to take advantage of the new concessions, the new concession will not apply to the purchase. Instead, the lower rate of duty - \$1 for each \$100, or part of \$100 – will continue to apply only to the first \$320,000 of the cost or value of the home.

Will there be any changes for self assessors?

There are no changes to approved forms or processes and procedures for return stamping. However, updated transfer duty calculators and information sheets will be available on the OSR website www.osr.qld.gov.au from 1 July 2008.

Where can I read the legislation relating to these changes?

The Revenue and Other Legislation Amendment Act 2008 may be viewed on the Office of the Queensland Parliamentary Counsel website at: www.legislation.qld.gov.au

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