

**MINUTES OF THE
SA STATE TAXES LIAISON GROUP MEETING
HELD ON WEDNESDAY 6 SEPTEMBER 2017 AT 9:30 AM
TRAINING ROOM, LEVEL 1, STATE ADMINISTRATION CENTRE,
VICTORIA SQUARE, ADELAIDE**

1 ATTENDANCE / APOLOGIES

1.1 PRESENT FOR REVENUESA

Graeme Jackson (Chair), Mark Christmas, Matthew Fraser, Ian Grimshaw, Paul Maxwell, Ian Morris and Lisa Smith.

1.2 PRESENT FOR INDUSTRY GROUPS

Sandy Donaldson (The Law Society of South Australia), Rebecca Hayes (Australian Institute of Conveyancers (SA Division) Inc), Paul Ingram (The Tax Institute), Peter Slegers (Business SA), Paul Tanti (Chartered Accountants Australia and New Zealand), Julie Van der Velde (CPA Australia) and Bernie Walrut (Law Council of Australia).

1.3 APOLOGIES

Phil Dorman (Institute of Public Accountants), Kristy Ferguson (RevenueSA), Marc Romaldi (Property Council of Australia), Kate Southcott (Real Estate Institute of South Australia), Jeff Stevens (Australian Institute of Conveyancers (SA Division) Inc) and Alan Yates (CPA Australia).

Graeme Jackson welcomed Lisa Smith, Deputy Commissioner of State Taxation, to her first meeting of the Group.

2 BUSINESS ARISING

2.1 UPDATE ON REVIEW OF REVENUESA PUBLICATIONS AND RULINGS SUB-COMMITTEE (SEE ATTACHMENT A)

Paul Maxwell advised that the Rulings Sub-Committee met last week. With respect to the RevenueSA Publications set out in Attachment A of the Agenda:

- 1.1 and 1.2 – RevenueSA is considering the feedback provided on the publications and will provide further drafts shortly;
- 1.3 – Bernie Walrut will make further submissions on this publication; and
- 2.1 and 2.2 can be considered once the two stamp duty publications (1.1 and 1.2) are released.

2.2 UPDATE ON STATE TAX APPEALS

Paul Maxwell advised that:

- Business SA's payroll tax charitable purposes exemption appeal was dismissed by the Supreme Court;

- a Housing Construction Grant appeal was dismissed by the SACAT;
- there are three First Home Owner Grant appeals to be heard by the SACAT;
- a decision is pending with respect to one minor interest land tax appeal; and
- a primary production land tax appeal has been set down for trial in March 2018.

A general discussion regarding the SACAT and alternative dispute resolution followed.

2.3 STATE BUDGET

Paul Maxwell advised that the *Budget Measures Bill 2017* was passed by the Lower House on 10 August 2017, which included amendments moved by the Treasurer as a result of submissions from The Tax Institute. The Upper House will consider the Bill in late September following the winter recess.

Bernie Walrut advised that the Opposition has sought submissions on the Bill which they will be providing. Paul Maxwell advised that RevenueSA is drafting guidance on the operation of the foreign purchaser surcharge.

2.4 SIMPLIFY DAY

Paul Maxwell advised that the *Statutes Amendment and Repeal (Simplify No 2) Bill 2017* was introduced into Parliament on 10 August 2017. This Bill proposes to extend the family farm exemption provisions under section 71CC of the *Stamp Duties Act 1923* to include transfers to or from companies. Bernie Walrut and Peter Slegers advised that they will be providing submissions on the Bill.

2.5 DUTY CALCULATIONS UNDER PART 4 OF THE STAMP DUTIES ACT 1923

Paul Maxwell advised that RevenueSA circulated a draft publication to the Group which addresses the application of any rebates and reductions in the calculation of duty under Part 4 of the *Stamp Duties Act 1923*.

Bernie Walrut advised that the calculations were discussed at the Rulings Sub-Committee meeting, particularly with regards to an example included in the draft publication "Stamp Duty – Transfer of units in a unit trust scheme which holds land". RevenueSA is considering the submissions made.

A general discussion followed regarding RevenueSA providing further guidance on the grouping provisions under Part 4 of the *Stamp Duties Act 1923*. Graeme Jackson advised that RevenueSA would give further consideration to the issue.

2.6 THIRD PARTY REPORTING

Paul Maxwell advised that:

- Whilst initially optional for both vendors and purchasers, the provision of data in the Portal became mandatory for purchasers from 4 September 2017.
- Communications were issued to remind RevNet users and a reasonable number of users commenced providing the Portal data during the week prior to in order to prepare for future settlements.
- Reminder emails have been implemented to coincide with the activation of the mandatory requirement and these have been successful in prompting users to complete their workspaces.
- Although the Portal is not mandatory for vendors, a number of vendors are choosing to provide the data voluntarily.
- RevenueSA will continue to monitor feedback and address any user concerns as RevenueSA continues to develop the complete online integrated system.

A general discussion followed regarding how law firms are setting up their systems internally in the coming months.

3 NEW BUSINESS

3.1 LAND USE CODES

Bernie Walrut advised that land use codes (LUC) are becoming more significant in a number of areas. A general discussion followed as to what can be objected to, be it the value only or the LUC assigned as well. Graeme Jackson advised that he would discuss the issue with the Valuer-General.

Graeme Jackson advised that his meetings with various member organisations have been productive and looked forward to ongoing discussions.

4 NEXT MEETING

Wednesday 6 December 2017, 4:00 pm

Training Room, Level 1, State Administration Centre.

The meeting closed at 10:01 am.

Signed as a true and correct record of proceedings.

A handwritten signature in black ink, appearing to be 'G. Jackson', written in a cursive style.

Graeme Jackson
CHAIRPERSON

11 / 10 / 2017

ATTACHMENT A – REVENUESA PUBLICATIONS

1. Draft publications for the Rulings Sub-Committee
 - 1.1. Section 13(4) of the *Land Tax Act 1936*
 - 1.2. Stamp Duty – Transfer of units in a unit trust scheme which holds land
 - 1.3. Stamp Duty – Conveyance by Direction
2. New potential publications for consideration
 - 2.1. Section 71(6) of the *Stamp Duties Act 1923*
 - 2.2. Stamp Duty – Unit Trust: Issues And Redemptions
 - 2.3. Early Engagement and Alternative Dispute Resolution
3. Draft publications on hold
 - 3.1. Stamp Duty – Duty arising from changes in partnership interests
4. Other existing publications requiring review
 - 4.1. Circular 61 – Section 71E of the *Stamp Duties Act 1923*. Obligation of a person to lodge a statement with the Commissioner
 - 4.2. Circular 109 – Stamp Duties (Concessions) Amendment Act 1994 – Family Farm Transfers
 - 4.3. Circular 156 – Access to documents held by solicitors and legal professional privilege – Guidelines
 - 4.4. Circular 265 – Stamp Duty – Sale of Retirement Villages
 - 4.5. Circular 282 – Domestic Partners