

**MINUTES OF THE  
SA STATE TAXES LIAISON GROUP MEETING  
HELD ON WEDNESDAY 7 DECEMBER 2016 AT 4:00PM  
TRAINING ROOM, LEVEL 1, STATE ADMINISTRATION CENTRE,  
VICTORIA SQUARE, ADELAIDE**

**1 ATTENDANCE / APOLOGIES**

**1.1 PRESENT FOR REVENUESA**

Graeme Jackson (Chair), Mark Christmas, Kristy Ferguson, Matthew Fraser, Ian Grimshaw, Paul Maxwell, Ian Morris and Adam Pamula.

**1.2 PRESENT FOR INDUSTRY GROUPS**

Amy Bishop (The Law Society of South Australia), Rebecca Hayes (Australian Institute of Conveyancers (SA Division) Inc), Paul Ingram (The Tax Institute), Marc Romaldi (Property Council of Australia), Kate Southcott (Real Estate Institute of South Australia) and John Tucker (Law Council of Australia).

**1.3 APOLOGIES**

Sandy Donaldson (The Law Society of South Australia), Phil Dorman (Institute of Public Accountants), Peter Slegers (Business SA), Jeff Stevens (Australian Institute of Conveyancers (SA Division) Inc), Paul Tanti (Institute of Chartered Accountants), Bernie Walrut (Law Council of Australia) and Alan Yates (CPA Australia).

Graeme Jackson welcomed Amy Bishop and John Tucker to the meeting.

**2 BUSINESS ARISING**

**2.1 REVNET**

Ian Morris advised that RevNet was unavailable over the weekend due to an upgrade of RevenueSA's core operating system. When RevNet came back on line on Monday, there was an issue identified with the system not direct debiting users for RevNet certificates (land tax and ESL). The issue does not affect any outstanding liability information required by practitioners and it was anticipated that there would be a solution identified sometime today.

Graeme Jackson further advised that the upgrade has been an 11 to 12 month process and that the upgrade had gone very well.

**2.2 UPDATE ON REVIEW OF REVENUESA PUBLICATIONS (SEE ATTACHMENT A)**

Adam Pamula advised that with respect to the "Stamp Duty – Transfer of units in a unit trust scheme which holds land" and "Stamp Duty on Business Sales post 18 June 2015" publications, that RevenueSA is considering comments provided by members of the Group before circulating a further draft publication.

A general discussion followed about whether the "Stamp Duty – Transfer of units in a unit trust scheme which holds land" and "Stamp Duty – Unit

Trust: Issues And Redemptions” publications should be combined. It was agreed to revisit this proposal out of session and Marc Romaldi offered to be involved.

Adam Pamula advised that “Circular 19 – Transfers to correct an error” has been amended and will be circulated by the end of next week and Information Circular 97 “Stamp Duty - Foreign Currency Transactions” was published this week.

### **2.3 RULINGS SUB-COMMITTEE**

Adam Pamula advised that the Rulings Sub-Committee met last week to discuss the “Valuation of Land Issues” and “Section 13(4) of the *Land Tax Act 1936*” publications. The meeting was productive and RevenueSA is taking on board the feedback provided. The Valuation publication will be prioritised and hopefully finalised within the next couple of weeks. In light of information contained in “Circular 27 – Charge for making a valuation” and “Circular 166 – Valuations” being addressed in the Valuation publication, these Circulars will become obsolete once the Valuation publication is released.

Paul Ingram asked that the “Stamp Duty – Conveyance by Direction” publication be prioritised for consideration. Graeme Jackson agreed and thanked the members attending for their contributions at the Sub-Committee meeting.

### **2.4 UPDATE ON STATE TAX APPEALS**

Paul Maxwell advised that RevenueSA presently has five appeals in the Supreme Court, with:

- the Business SA payroll appeal being set down for trial in the week beginning 19 December 2016;
- a land tax minor interest appeal being set down for trial in April 2017; and
- three land tax appeals, concerning (i) minor interests, (ii) primary production and (iii) section 13(4) of the *Land Tax Act 1936*, being in the discovery stage.

### **2.5 STATE BUDGET 2016-17**

Adam Pamula advised that the State Budget 2016-17 Bill passed both Houses of Parliament last week and is scheduled to receive assent on Thursday 8 December 2016. Adam thanked all who provided feedback on the Bill, which resulted in certain amendments being made to the Bill.

### **2.6 OTHER TAXATION ISSUES**

#### **2.6.1. STATUTES AMENDMENT AND REPEAL (SIMPLIFY) BILL 2016**

Adam Pamula advised that the *Statutes Amendment and Repeal (Simplify) Bill 2016* was introduced into Parliament on 15 November 2016 as part of Simplify Day, a parliamentary sitting day which has been set aside to repeal out-dated and redundant legislation. With respect to state taxation, the Bill:

- repeals the *Debits Tax Act 1994*, the *Gift Duty Act 1968* and the *Financial Institutions Duty Act 1983*; and
- removes a range of redundant provisions from the *Stamp Duties Act 1923* (relating to rental businesses, the gaming machine surcharge, mortgages, financial products and personal property).

It is proposed that Simplify Day will be an annual event going forward.

Graeme Jackson and Ian Morris advised that RevenueSA welcomed any further suggestions for proposed changes at any time in advance of next year's Simplify Day.

#### **2.6.2. SECTION 102A(7) OF THE STAMP DUTIES ACT 1923**

Adam Pamula advised that he had spoken with Bernie Walrut shortly after the last meeting about whether a landholder duty calculator to be published on RevenueSA's website was necessary. It was agreed that given the amendments included in the 2016-17 Budget Bill, which include amendments to section 102A(7) of the *Stamp Duties Act 1923* that remedy issues with the refund of duty paid elsewhere under the Act, that a calculator was no longer necessary.

#### **2.6.3. THE COMMISSIONER'S REQUIREMENT THAT A CONTRACT OF SALE OF LAND WITH OTHER PROPERTY WILL REQUIRE IN THE CONTRACT AN ITEMISATION OF THE CONSIDERATION THAT IS RELEVANT TO THE LAND AND OTHER PROPERTY FOR STAMP DUTY PURPOSES**

Ian Grimshaw advised that both he and Lee Jurga met with Jeff Stevens and Bernie Walrut on 19 October 2016 to discuss this matter.

In summary, it was agreed that where a contract refers to land and other property (e.g. chattels, plant & equipment, livestock, water licences, goodwill, intellectual property) being transferred but does not apportion the consideration between the land and the other property, RevenueSA will only assess duty on the Valuer-General's capital value for the land which will include any fixtures to the land as well (assuming that the capital value is lower than the total consideration), with the other property being otherwise exempt. RevenueSA will make appropriate amendments to the applicable RevNet Guide Notes and the Valuation of Land Issues publication to reflect this.

#### **2.6.4. CLARIFICATION ON THE OPERATION OF SECTION 31(3)(A) OF THE TAXATION ADMINISTRATION ACT 1996**

Adam Pamula advised that following on from the last meeting, RevenueSA has undertaken to make clear in its letters as to when a taxpayer is subject to an audit for the purposes of the *Taxation Administration Act 1996*.

Graeme Jackson advised that RevenueSA is continually trying to improve on the information available to the public and how best to communicate it. Graeme advised that he will be writing to all of the Group member organisations in 2017 to arrange one-on-one meetings to discuss what issues there are, with the ultimate aim being to have as many taxpayers as possible meet their taxation obligations upfront, rather than following a compliance audit.

### **3 NEW BUSINESS**

None

Graeme Jackson closed the meeting and thanked the Group participants for their attendance and contributions throughout the year.

### **4 NEXT MEETING**

Wednesday 8 March 2017, 9:30 am

Training Room, Level 1, State Administration Centre.

The meeting closed at 4:20 pm.

Signed as a true and correct record of proceedings.

  
Graeme Jackson  
CHAIRPERSON

6 / 1 / 2017

## ATTACHMENT A – REVENUESA PUBLICATIONS

1. Draft publications released for consultation
  - 1.1. Stamp Duty – Transfer of units in a unit trust scheme which holds land
  - 1.2. Stamp Duty – Stamp Duty on Business Sales post 18 June 2015
  - 1.3. Circular 19 – Transfers to correct an error
  - 1.4. Circular 20 – Foreign Currency Transactions
2. Draft publications to be considered by the Rulings Sub-Committee
  - 2.1. Stamp Duty – Partnership Interests
  - 2.2. Valuation of Land Issues
  - 2.3. Section 13(4) of the *Land Tax Act 1936*
3. New potential publications for consideration
  - 3.1. Section 71(6) of the *Stamp Duties Act 1923*
  - 3.2. Stamp Duty – Conveyance by Direction
  - 3.3. Stamp Duty – Unit Trust: Issues And Redemptions
  - 3.4. Early Engagement and Alternative Dispute Resolution
  - 3.5. Stamp Duty – Deeds of Rectification
4. Other existing publications requiring review
  - 4.1. Circular 27 – Charge for making a valuation
  - 4.2. Circular 61 – Section 71E of the *Stamp Duties Act 1923*. Obligation of a person to lodge a statement with the Commissioner
  - 4.3. Circular 103 – *Stamp Duties Act 1923* - Section 71(5)(e), (f), (g) and (i) - requirement that there be duly stamped instruments
  - 4.4. Circular 109 – *Stamp Duties (Concessions) Amendment Act 1994* - Family Farm Transfers
  - 4.5. Circular 156 – Access to documents held by solicitors and legal professional privilege - Guidelines
  - 4.6. Circular 166 – Valuations
  - 4.7. Circular 265 – Stamp Duty – Sale of Retirement Villages
  - 4.8. Circular 282 – Domestic Partners