

Revenue Ruling

Stamp Duties Act 1923

SDA008

RETROSPECTIVE AMENDMENTS TO SECTION 60A(1) OF THE *STAMP DUTIES ACT 1923*

Preamble

On 16 December 2013, Cabinet approved retrospective amendments to Section 60A(1) of the *Stamp Duties Act 1923* (the "Act"), to confirm within the Act an interpretation of this section that has been applied by RevenueSA for over 20 years.

The relevant legislative provisions

Section 60A of the Act, entitled 'Value of property conveyed or transferred', outlines how the value of property transferred is to be determined for the purposes of calculating the amount of stamp duty payable.

Sections 60A(1)(a) and 60A(2) of the Act provide that in the case of a conveyance on sale (i.e. a transfer of property for consideration), the value of the property transferred is the greater of the consideration for the sale or the market value of the property as at the 'date of the sale'.

Section 60A(1)(b) of the Act provides that in any other case the market value of the relevant property is the 'date of the conveyance'.

RevenueSA has always interpreted the 'date of the sale' to mean the date the property in question is conveyed or transferred.

In the context of real property (or land), this has meant that the 'date of the sale' is the date the Memorandum of Transfer is executed.

Therefore, in all situations, whether in the case of a conveyance on sale or in any other case, the 'date of the conveyance' has been the only date used by RevenueSA when determining the market value of property.

Ruling

To resolve any potential ambiguity or disagreement regarding the application of Section 60A(1) of the Act, Cabinet has approved retrospective amendments to this section that confirm and reflect RevenueSA's long-standing interpretation of this section.

Following the assent of the amendments, instruments found to have been processed via RevNet using an alternative interpretation of this section will be assessed appropriately.

Further Information

Further information can be obtained from RevenueSA.

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History

This Revenue Ruling is effective from 17 December 2013.

This is the first Revenue Ruling issued on this topic.

Mike Walker
COMMISSIONER OF STATE TAXATION
17 December 2013