

TAXATION AND RELATED LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL 2011

SECOND READING SPEECH

Mr Speaker

The Taxation and Related Legislation (Miscellaneous Amendments) Bill 2011 amends the *Duties Act 2001*, the *First Home Owner Grant Act 2000*, the *Land Tax Act 2000* and the *Payroll Tax Act 2008*.

Taxation legislation often requires amendments to address issues that evolve over time. The Government wants to maintain fairness and equity for taxpayers and grant applicants by eliminating opportunities for tax avoidance and enhancing clarity and certainty of taxation law.

The amendments contained in this Bill aim to clarify existing provisions, improve the equity of application, maintain interjurisdictional consistency and provide certainty for taxpayers.

The amendments are all minor in nature.

Duties Act

Mr Speaker, duty on agreements for sale was abolished from 1 July 2009. This measure made it simpler for taxpayers and their representatives to determine when the duty liability arises, and prevents the application of double duty in certain circumstances where the parties to the contract are not the same as the parties listed on the transfer.

At that time, the Government introduced “sub-sale provisions” in order to collect duty where a genuine sub-sale occurs between the signing of the contract and the eventual transfer of the property.

The Duties Act is to be amended to ensure that the sub-sale provisions are not unintentionally triggered where a transferee reimburses the purchaser under the contract for incidental costs, such as legal costs.

The Duties Act is also to be amended to ensure that, where a sub-sale does occur, the dutiable value is to be determined only to the extent of the additional interest being acquired.

The Duties Act provides exemptions for the transfer of relationship property on the breakdown of a marriage, de facto relationship or personal relationship. However, the various exemptions and refund provisions use different terminology, particularly when referring to the children of the various types of relationships.

The Duties Act is to be amended to improve the consistency of this terminology, and to introduce refund provisions in respect of the breakdown of personal relationships.

First Home Owner Grant Act

Mr Speaker,

The First Home Owner Grant Act aims to assist people to purchase or build their first home.

The Act requires an applicant to occupy the home as their principal place of residence for at least six months commencing within the first twelve months of ownership. However, an applicant is not currently required to retain ownership of the property during the residency period.

The Act is to be amended to require grant recipients to retain ownership of the property during the statutory residency period.

Land Tax Act

Mr Speaker,

The Land Tax Act is to be amended with regards to shack land, primarily to correct minor oversights, and to ensure that the provisions operate as intended.

When the shack land classification was introduced from 1 July 2010, the legislation required that, amongst other criteria, the owner must reside in Tasmania for land to be considered shack land.

However, the Australian Constitution prevents a state from discriminating against a resident of another state or territory in such a way. Accordingly, the Land Tax Act is to be amended to remove the requirement that the owner of shack land reside in Tasmania.

This amendment will commence retrospectively from 1 July 2010, when the shack land exemption commenced, so that holders of otherwise eligible shack land are not disadvantaged in the 2010-11 land tax year.

Payroll Tax Act

Mr Speaker,

The Payroll Tax Act is to be amended to make minor corrections necessary to maintain interjurisdictional harmonisation.

Conclusion

Mr Speaker, the amendments contained in this Bill aim to clarify existing provisions, improve the equity of application, maintain interjurisdictional consistency and provide certainty for taxpayers.

Mr Speaker, I commend the Bill to the House.