

FACT SHEET

DUTIES AMENDMENT BILL 2009

- The Duties Amendment Bill 2009 amends the *Duties Act 2001* to implement the Government's 2009-10 Budget initiative to abolish duty on agreements for sale.
- The Bill provides for the abolition of duty on agreements for sale entered into after 1 July 2009. Specifically, the amendments remove agreements for sale under section 6(1)(b) of the *Duties Act 2001*.
- This reduces the cost of compliance as the level of record keeping is significantly reduced and removes the possibility of uninformed taxpayers being subject to double duty.
- The liability for duty on a dutiable transaction is payable by the taxpayer after a transaction is complete. Specifically, the amendments will result in duty:
 - being payable only on the transfer where a transaction involves both an agreement for sale and a transfer;
 - not being payable until the transfer has been executed for off-the-plan sales or conditional sales; and
 - being payable within three months of the transfer or other dutiable transaction occurring.
- Anti-avoidance provisions are included in the Bill to ensure that duty is captured on any sub-sales that occur following an initial agreement for sale and prior to the actual transfer of the dutiable property. This ensures the equitable treatment of all taxpayers.
- The Bill adopts equivalent provisions from the Victorian duties legislation. As a result, the Tasmanian legislation is aligned with that of Victoria which also does not impose duty on agreements for sale.
- The Bill also includes transitional provisions to ensure that any obligation to pay or refund duty that exist prior to 1 July 2009 will be treated under the existing provisions of the Duties Act.