

# FACT SHEET

## **TAXATION AND RELATED LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL 2010**

- The *Taxation and Related Legislation (Miscellaneous Amendments) Bill 2010* amends the *Duties Act 2001*, the *Land Tax Act 2000*, the *Taxation Administration Act 1997* and the *First Home Owner Grant Act 2000*.
- The amendments contained in the Bill are designed to maintain operational integrity of the Acts by deterring tax avoidance, ensuring clarity and certainty for tax payers, and improving equity of application.
- The *Duties Act 2001* is to be amended to:
  - restrict opportunities for tax avoidance in cases where transactions are split or structured in such a way that they minimise duty, by clarifying that it is just and reasonable for the Commissioner of State Revenue to aggregate gifts forming substantially part of one arrangement with a transaction for value;
  - ensure that duty is paid with regards to general insurance purchased from insurance intermediaries, by extending the definition of when a premium is paid to include payments to insurance intermediaries;
  - remove an opportunity for tax avoidance by replacing an up front duty exemption with a provision that requires the Commissioner of State Revenue to refund duty when certain requirements have been met. This change relates only to the transfer of vacant land from one party in a relationship to joint ownership by both parties in a relationship where they intend to build their principal place of residence on the land; and
  - enable parties to a de facto relationship that has broken down to obtain a duty exemption on property transfers effected in accordance with an order or agreement reached under the *Family Law Act 1975* of the Commonwealth. A similar exemption already exists for couples who elect to deal with property settlements under the *Tasmanian Relationships Act 2003*.
- The *Land Tax Act 2000* is to be amended to:
  - remove the requirement on taxpayers that own multiple properties to pay land tax at the time of sale of a property that is otherwise not subject to land tax.

- The Taxation Administration Act 1997 is amended to:
  - extend the general anti-avoidance provisions which are used to deter artificial, blatant or contrived schemes to reduce liability to pay tax, to apply to schemes entered into with the sole or dominant purpose of obtaining a tax benefit by creating a situation where an exemption or concession would apply; and
  - ensure equity in the calculation of interest where an overpayment of tax is refunded to a taxpayer. Rather than being calculated from the latter of the date of the overpayment or the date of assessment, interest will be calculated from the date of payment of the amount overpaid until the date that the Commissioner approves the refund.
- The *First Home Owner Grant Act 2000* is to be amended to:
  - allow applicants for the First Home Owner Grant who have held an interest in another property used at anytime on or after 1 July 2000 as their residence for a continuous period of less than six months to remain eligible for the Grant, provided all other eligibility criteria are met; and
  - change the definition of residential property so that a grant applicant remains entitled to the grant even if they have held an interest in residential property, unless there was a building on the land that was lawfully occupied as a place of residence and it was also suitable for occupation as a place of residence.