

## Commercial Leases of Land

Lease duty on 'rent' was abolished from 1 July 2006. However, stamp duty at the conveyance rate is payable on the grant of a lease where valuable consideration, excluding rent, is given for the lease or for an option under which the lease is granted.

The lessee is liable for the payment of the duty.

## Land-holder Corporations and Unit Trusts

Stamp duty is payable on the acquisition of a significant or further interest in a corporation or unit trust that is entitled to an interest in land, including mining tenements and exploration licences, in the Territory with an unencumbered value of \$500 000 or more. The provisions apply whether or not the corporation or unit trust is listed on a recognised financial market, however different thresholds apply.

In the case of a corporation or unit trust that is listed on a recognised financial market; a significant interest is 90 per cent or more, and if not listed, 50 per cent or more. Special rules apply for the merger of entities.

Stamp duty is calculated at the same rate as a direct transfer of land. See Rate of Stamp Duty formula.

## Motor Vehicle Certificates of Registration

Stamp duty, payable on the issue or transfer of a motor vehicle certificate of registration, is calculated at \$3 per \$100 (or part thereof) of the purchase price if the transaction is made on normal commercial terms. Otherwise, duty is calculated on the market value of the vehicle. The applicant for the registration or transfer is liable for payment of the duty.

For further information see separate brochure I-SD-005: Stamp Duty and Motor Vehicles.

## General Insurance Policies

Policies relating to property or a risk that may occur in the Territory attract stamp duty calculated at a rate of 10 per cent of the GST inclusive premium paid for the policy. The insurer is liable for payment of the duty, but generally passes the cost on to their customers.

## Life Insurance Policies

Stamp duty on life insurance policies relating to a person residing in the Territory was abolished from 1 July 2015. Life insurance riders attached to life insurance policies which provide additional cover for specified events or contingencies other than loss of life (such as trauma or income protection) remain liable to duty at the general insurance rate.

## Deeds Relating to Trusts

Stamp duty of \$20 is payable on a deed that is not otherwise changeable with any other duty that constitutes a trust, varies a trust in any way, deals with actual, potential or contingent interests or entitlements under a trust or extinguishes a trust. All parties to the deed are liable to pay.

All TRO publications and brochures can be accessed via our website at [www.revenue.nt.gov.au](http://www.revenue.nt.gov.au)

## How to contact TRO

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Make cheques payable to  
Receiver of Territory Monies.

# Territory Taxes: Information for Business

Territory Revenue Office

## Territory Taxes

The Territory Revenue Office (TRO) is a division of the Department of Treasury and Finance. Our role is to administer the Territory's taxes.

Following is a brief description of the laws most likely to impact on Territory business – Payroll Tax and Stamp Duty, in force as at 1 July 2015.

This information does not constitute a ruling and if any uncertainty exists with a particular aspect of the information provided, contact TRO or seek professional advice.

### Payroll Tax

Payroll tax is payable by employers in the Northern Territory who pay Territory wages and their total Australian wages exceed \$125 000 per month or \$1 500 000 per annum. Tax is calculated at a rate of 5.5 per cent and is payable on a monthly basis.

Wages include salaries, commissions, allowances, bonuses, fringe benefits (grossed up amount), termination payments, employee-share scheme contributions, superannuation contributions, and directors' fees.

Related or associated businesses are grouped for payroll tax purposes and their wages aggregated to determine whether a liability exists. Businesses are grouped if:

- they are related under section 50 of the *Corporations Act*;
- there is inter-use of employees between businesses; or
- one or more persons together have a controlling interest (more than 50 per cent) in two or more businesses.

For more information on payroll tax refer to the *Employers' Guide to Payroll Tax in the Northern Territory*.

### Stamp Duty

Stamp duty is payable on various instruments and transactions as outlined below.

#### Acquisition of Land

Duty is payable when land is acquired, including Crown leases. Duty is also payable on any items included in the land acquisition, such as fixtures (buildings) and chattels (furniture, window treatments, etc).

Duty is assessed on the purchase price or the unencumbered market value of the property, whichever is greater (the dutiable value). The person acquiring the land is liable for payment of the duty.

#### Rate of Stamp Duty

Where the dutiable value is less than \$525 000, duty is calculated with the following formula:

$$D = (0.06571441 \times V^2) + 15V$$

Where:  
and

$$D = \frac{\text{the duty payable in \$}}{\text{the dutiable amount}} \times 1\,000$$

Where the dutiable value exceeds \$525 000 but is less than \$3 million, the duty is 4.95 per cent of the amount.

Where the dutiable value is \$3 million or more, the duty is 5.45 per cent of the amount.

NOTE: Stamp duty calculators are available on our website. Follow the links from the home page.

The following stamp duty concessions apply for persons purchasing a home, or land on which to build a home, which will be their principal place of residence:

- a Senior, Pensioner and Carer Concession (SPCC) of up to \$10 000 off the stamp duty payable providing the dutiable value of the home

or land does not exceed \$750 000 and \$385 000 respectively. This concession represents the stamp duty on approximately the first \$292 300 of the dutiable value of the property purchased;

- a principal place of residence rebate of \$7000 to persons that are not eligible for the SPCC and are purchasing a new home, or land on which to build a new home, in the Territory.
- For further information on these home incentive schemes, please refer to Commissioner's Guideline CG-HI-001: *Stamp Duty Home Incentive Schemes*, or to the respective application forms.

### Acquisition of Business Property and Rights

This includes:

- land;
- fixtures;
- mining tenements (includes exploration rights such as exploration licences and exploration retention licences under the *Mining Act*);
- plant and equipment;
- goodwill;
- statutory business licences (for example, fishing and liquor licences); and the right to use intellectual rights, such as:
  - business name;
  - trading name;
  - trademark;
  - any process that is the subject of a patent;
  - registered design; or
  - copyright.

Stamp duty in this instance is calculated in the same way as for land acquisition.

See Rate of Stamp Duty formula.

For more information see separate brochure I-SD-002: *Stamp Duty on Business Property and Rights*.