**Territory revenue office**

**REVENUE CIRCULAR**

**RC-GEN-016**

**2015-16 Budget Measures**

**Purpose**

1. This Circular provides information on amendments to the *First Home Owner Grant Act, Gaming  Control Act, Payroll Tax Act, Stamp Duty Act* and the *Taxation Administration Act* that implement the   
   2015‑16 Budget revenue measures administered by the Territory Revenue Office (TRO). These measures were announced by the Treasurer on 28 April 2015 and will be legislated in due course.

**For Home Buyers**

***Increase the stamp duty senior, pensioner and carer concession***

1. From 28 April 2015, the stamp duty senior, pensioner and carer concession is increased from $8500 to $10 000 for conveyances entered into on or after this date.
2. Transitional arrangements will provide that the former $8500 concession is applicable to conveyances entered into on or after 28 April 2015 where:

* the conveyance replaces an earlier conveyance, entered into before 28 April 2015, of the same or substantially similar land; or
* the conveyees entered into a contract or option, before 28 April 2015, to purchase the same or substantially similar land; or
* the conveyor had an option, granted before 28 April 2015, to require the conveyees to purchase the same or substantially similar land.

1. Applicants should be aware that substantial penalties may be imposed if an applicant replaces a contract entered into before 28 April 2015 with a new contract in an attempt to receive the benefit of the increased concession amount. TRO conducts investigations to ensure that all applicants meet the eligibility requirements applying at the relevant time.

***Home Occupancy Requirements***

1. From 28 April 2015, the first home owner grant, the stamp duty principal place of residence rebate and the senior, pensioner and carer concession will only require one, rather than all, of the applicants to satisfy the occupancy requirements of the home incentive schemes.
2. For the purposes of the stamp duty senior, pensioner and carer concession, at least one person who is a senior (i.e. at least 60 years of age), or the holder of an NT Pensioner and Carer Concession Card, is required to comply with the scheme’s occupancy requirements.
3. The change to the occupancy requirements apply to conveyances entered into on or after 28 April 2015. Conveyances entered into before 28 April 2015 continue to be subject to the previous occupancy requirements, including the Commissioner’s discretion to exempt applicants from occupying the home. Generally, that discretion will be exercised in a manner consistent with the new occupancy requirements.
4. For further details, please refer to the First Home Owner Grant Application Form and Guide to the Application, [F-HI-001](http://www.treasury.nt.gov.au/PMS/Publications/TaxesRoyaltiesGrants/HomeOwnerIncent/F-HI-001.pdf), and Commissioner’s Guideline [CG-HI-001: *Stamp Duty Home Incentive Schemes*](http://www.treasury.nt.gov.au/PMS/Publications/TaxesRoyaltiesGrants/HomeOwnerIncent/CG-HI-001.pdf). If you are unsure about any aspect concerning your eligibility for the first home owner grant, stamp duty principal place of residence rebate or senior, pensioner and carer concession, it is important that you or your lawyer or conveyancer contact TRO for clarification before proceeding with your application.

**For insurers and life insurance policy holders**

***Abolish stamp duty on life insurance and clarify that life insurance riders are taxed as general insurance***

1. From 1 July 2015, stamp duty on life insurance will be abolished. Consequential amendments have also been made to distinguish between life policies and life insurance riders.
2. Please refer to Revenue Circular [RC-SD-004](http://www.treasury.nt.gov.au/_layouts/download.aspx?SourceUrl=/PMS/Publications/TaxesRoyaltiesGrants/StampDuty/RC-SD-004.docx) for specific information on these amendments.

***Miscellaneous insurance duty reforms***

1. An existing stamp duty exemption for health insurance policies is amended to ensure that health insurance policies held by overseas student and temporary visa holders are exempt from duty.
2. An exemption from stamp duty is introduced for the issue of residential building insurance policies and fidelity certificates required under the *Building Act.*

**For Employers**

***Charities payroll tax exemption reform***

1. From 1 July 2015, two significant reforms will be made to the non-profit payroll tax exemption to limit the class of organisations and activities that may receive the exemption.
2. Please refer to Revenue Circular [RC-PRT-007](http://www.treasury.nt.gov.au/_layouts/download.aspx?SourceUrl=/PMS/Publications/TaxesRoyaltiesGrants/PayrollTax/RC-PRT-007.docx) for specific information on these amendments.

***Remove the payroll tax exemption for apprentices and trainees***

1. The payroll tax exemption for apprentices and trainees is removed from 1 July 2015. Government has announced additional funding for grants programs for employers that employ apprentices and trainees, including the new “Training for the Future” program. Eligible employers should refer to the Department of Business to see if they are eligible for grants under the new and existing assistance schemes.

***Miscellaneous payroll tax reform***

1. The ‘insurance sellers’ and ‘door-to-door salesperson’ payroll tax exclusions from the relevant contract provisions will no longer be available from 1 July 2015. The removal of these exclusions does not affect payments to a genuine independent business of an insurance seller or door‑to‑door salesperson, which are not subject to payroll tax.
2. The operation of the ‘owner-driver’ payroll tax exclusion has been clarified following the New South Wales Court of Appeal’s decision in *The Smith’s Snackfood Company Limited v Chief Commissioner of State Revenue (NSW)* [2013] NSWCA 470 which highlighted wording deficiencies and broadened the exclusion beyond its traditional operation and intended scope. To address these issues, the exclusion is amended to clarify that it applies to services solely for or ancillary to the conveyance of goods.
3. The exclusions from payroll tax for contractors are also amended to ensure that they are not available on an apportionment basis. That is, if a contract is partly for excluded services and non‑excluded services, the exclusions do not apply.
4. The above reforms are also necessary to maintain payroll tax harmonisation by adopting model provisions enacted interstate.

**For Casinos**

***Community Benefit Levy***

1. From 1 July 2015, Territory casinos will be required to pay the community benefit levy to the Director‑General of Licensing each month.
2. To ensure the casino community benefit levy operates, as much as possible, under the same administration and procedures as the existing community benefit levy scheme in place for Territory hotels, a number of procedural and administrative provisions contained in the *Gaming Machine Act* are extended to apply to casinos.
3. The *Gaming Control (Taxes and Levies) Regulations* will provide for various procedural matters relating to the payment of the community benefit levy by Territory casinos. These procedural matters include:

* prescribing the rate of the community benefit levy as 10 per cent of a casino’s gross monthly profit from gaming machines;
* prescribing the manner of payment of the community benefit levy;
* setting the day for payment of the levy as the tenth business day of each month; and
* setting the penalty applicable for late payment of the levy at 5 per cent.

**Miscellaneous revenue amendments**

The following measures, effective from 1 July 2015 unless otherwise stated, give effect to minor reforms of a range of revenue laws aimed at ensuring the effective and efficient operation of the Territory’s revenue legislation.

***Stamp Duty Act***

1. From 28 April 2015, a clarification is made to ensure that a motor vehicle certificate of registration issued following the conveyance of a motor vehicle between parent and stepchild, by way of gift, is exempt from stamp duty.
2. An exemption is also inserted for statutory vestings which create trusts for sale and trusts for partition under the provisions of the *Law of Property Act*. Similarly, a new pro rata concession has been introduced where there is a conveyance of property under a trust for sale back to a beneficial owner. The new concession ensures the original owner’s interest is accounted for in calculating the duty payable.
3. The circumstances in which an anti‑avoidance provision will operate to disregard arrangements that reduce the value of property have been clarified. The amendments ensure that agreements or arrangements which reduce the value of property will only be disregarded where there is a tax avoidance purpose. A list of factors has been inserted which the Commissioner may consider in determining whether an agreement or arrangement was entered into for the purpose of reducing property value, thus aligning the Territory’s provision with those applying in other jurisdictions.

***Taxation Administration Act***

1. The Commissioner’s powers in relation to requiring, obtaining or adopting valuation material have been clarified on a no policy change basis.

***Further Information***

1. Please refer to the Revenue and Other Legislation Amendment Bill 2015 and explanatory statement for precise details of the amendments.

**Revenue Circulars**

1. Commissioner’s Guideline [CG-GEN-001: *Revenue Circulars, Commissioner's Guidelines and Payroll Tax Rulings: explanation and status*](http://www.treasury.nt.gov.au/PMS/Publications/TaxesRoyaltiesGrants/GeneralAdmin/CG-GEN-001.pdf), which sets out information on the revenue publication system, is incorporated into and is to be read as one with this Circular. All Circulars and Guidelines are available from TRO’s website.

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Grant Parsons

**COMMISSIONER OF TERRITORY REVENUE**

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