



COMMISSIONER'S PRACTICE DA 1.0

DUTIES – DUTIABLE VALUE OF A PARTNERSHIP ACQUISITION

Commissioner's Practice History

Commissioner's Practice	Issued	Dates of effect	
		From	To
DA 1.0	27 June 2008	1 July 2008	31 December 2018

This Commissioner's practice deals with the calculation of the dutiable value of a partnership acquisition.

Background

Section 10 of the *Duties Act 2008* ("Duties Act") imposes duty on dutiable transactions. Section 11 of the Duties Act provides that a dutiable transaction includes a partnership acquisition.

Chapter 2 Part 5 Division 4 of the Duties Act contains further provisions relating to the imposition of transfer duty on partnership acquisitions.

Section 72 of the Duties Act provides that a reference to a partnership acquisition is to a person acquiring a partnership interest in a partnership that holds land in Western Australia or an indirect interest in land in Western Australia.

Section 75 of the Duties Act provides that a person acquires a partnership interest if a partnership is formed or the person's partnership interest increases.

Section 76 of the Duties Act provides that the dutiable value of a partnership acquisition is the consideration for the acquisition so far as it relates to the dutiable property held directly or indirectly by the partnership, or the unencumbered value of the partnership interest if there is no consideration, the consideration is unascertainable, or the value of the partnership interest is greater than the consideration.

Section 70 of the Duties Act provides that for the purposes of Chapter 2 Division 4 of the Duties Act, dutiable property is land in Western Australia and a chattel in Western Australia.

Commissioner's Practice

1. Where the consideration for a partnership acquisition does not specify the amount of that consideration that is allocated to the dutiable property of the partnership, the Commissioner will allocate the same percentage of the consideration to dutiable property that is the percentage that the dutiable property of the partnership bears to the whole of the property of the partnership.

For example, if the dutiable property of a partnership comprised 75% of the whole of the property of the partnership and a person paid consideration of \$100,000 for a partnership acquisition in that partnership, in the absence of any allocation of that consideration between dutiable and non-dutiable property, the Commissioner would allocate \$75,000 to the dutiable property and duty will be charged on that sum or the unencumbered value of the partnership interest if it is greater than \$75,000.

Date of Effect

This Commissioner's practice takes effect from 1 July 2008.

Bill Sullivan
COMMISSIONER OF STATE REVENUE

27 June 2008