



COMMISSIONER'S PRACTICE TAA 9.2

VALUATION OF MINING TENEMENTS FOR DUTIES AND STAMP DUTY PURPOSES

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Commissioner's Practice History

Commissioner's Practice	Issued	Dates of effect	
		From	To
TAA 9.0	21 October 2003	21 October 2003	30 June 2008
TAA 9.1	1 July 2008	1 July 2008	13 February 2014
TAA 9.2	14 February 2014	14 February 2014	12 March 2015

This Commissioner's practice outlines the circumstances in which the Commissioner will obtain a valuation of mining tenements for duties and stamp duty purposes.

Background

Under section 21 of the *Taxation Administration Act 2003* ('TAA'), the Commissioner may require a taxpayer to provide a written valuation by a *qualified valuer*¹ of any property, consideration or benefit, together with any documents or other records in the taxpayer's possession or control relevant to determining the value of the property, consideration or benefit.

Under section 21(2A) of the TAA, the Commissioner may require that a valuation, document or other record be provided in an electronic format, and that a valuation provided by the taxpayer include or be accompanied by copies of any models and details of any methods and assumptions that were relied upon in order to arrive at the valuation.

Section 22 of the TAA provides that, regardless of whether the Commissioner has required the taxpayer to provide a valuation or whether the taxpayer has complied with such a requirement, the Commissioner may:

- (a) have a valuation made of any property, consideration or benefit; or
- (b) adopt any available valuation of the property, consideration or benefit that the Commissioner considers appropriate.

¹ A *qualified valuer* is defined in the TAA as meaning a person licensed or registered under the *Land Valuers Licensing Act 1978* or a corresponding Act in another State or Territory, or a person who the Commissioner is satisfied is suitably qualified or experienced to provide a valuation.

Application of Other Practices

When the Commissioner obtains a valuation under this practice, the Commissioner will generally not require the taxpayer to also provide a written valuation by a qualified valuer.

Commissioner's Practice TAA 23 'Circumstances when a Taxpayer will be Required to Provide a Written Valuation' outlines the circumstances in which the Commissioner will require a taxpayer to provide a written valuation for transfer duty or landholder duty purposes.

Commissioner's Practice

When a Valuation is Required

1. Duties Information Requirement 'Mining Tenements' sets out the information that a taxpayer must provide for valuation purposes.
2. Circumstances in which the duties mining tenement valuation form and the information referred to in paragraph 1 must be provided for a transaction include where:
 - 2.1 part of the purchase consideration is allocated to mining information;
 - 2.2 part of the purchase consideration consists of a royalty;
 - 2.3 the parties are related or not otherwise dealing at arm's length, which includes but is not limited to:
 - 2.3.1 parties related by blood or marriage;
 - 2.3.2 parties related by prior business relationship;
 - 2.3.3 related companies, as defined in the *Corporations Act 2001*;
 - 2.3.4 partners in a partnership;
 - 2.3.5 participants in the same joint venture;
 - 2.3.6 trustees of trusts which have common beneficiaries;
 - 2.3.7 joint owners of property; and
 - 2.3.8 entities with other significant business relationships; or
 - 2.4 there is no consideration for the mining tenement(s), or the consideration appears to be inadequate or is unascertainable.

Additional Information Required

3. The Commissioner may require the taxpayer to provide further information in addition to the information referred to in paragraph 1.

Obtaining a Valuation

4. The Commissioner will refer the valuation form and supporting evidence to the Valuer General for the mining tenement(s) to be valued. Alternatively, the Commissioner may elect to refer the matter to another qualified valuer for valuation.

Copies of relevant forms and publications are available on the Office of State Revenue website at www.osr.wa.gov.au.

Date of Effect

This Commissioner's practice takes effect from 14 February 2014.

Bill Sullivan
COMMISSIONER OF STATE REVENUE

14 February 2014