



Tax Simplification Measures

Duties Act 2008

The *Duties Amendment Bill 2022* introduces tax simplification measures into the *Duties Act 2008* to reduce the tax burden on some taxpayers and simplify tax administration.

The information provided in this circular is not an exhaustive explanation of the amendments. Refer to the Bill and the Explanatory Memorandum available on the [Western Australian Parliament website](#).

Aligning the general and residential property transfer duty rates

Reducing the general rate of duty

Transfer duty is imposed under the Duties Act on transactions including transfers of land and certain business assets. Currently, transactions involving residential property are assessed at a concessional residential rate of duty while those involving commercial property, vacant land and business assets are assessed at the general rate of duty.

The amendment will align the general rate of duty with the concessional residential rate and remove the existing concessional residential rate. This will effectively apply the current concessional residential rate to all dutiable transactions.

Taxpayers and conveyancers will no longer be required to apply to receive a reduced duty rate, also removing the need to apply for a refund of duty in certain circumstances.

This change will come into effect on 1 July 2022.

Adjusting the residential or business property concession

A separate concessional rate of duty applies to transactions involving residential land used as a principal place of residence or business property where the transaction is valued at less than \$200,000. Currently, the residential rate of duty provides a greater benefit than the concessional rate that otherwise applies to residential property valued between \$116,000 and \$200,000.

The amendments will adjust the concessional rate of duty so that it provides a greater benefit to all eligible transactions valued less than \$200,000 as a consequence of the new single rate of duty.

This change will come into effect on 1 July 2022.

Removing duty for family court orders

Parties to the breakdown of a marriage or de facto relationship may make a financial agreement under family law legislation to transfer property between the parties. A transfer of land made in accordance with such a financial agreement is charged with nominal duty of \$20.

Currently, nominal duty applies to Family Court Orders following the breakdown of a marriage or de facto relationship, and the resultant transfers of land are exempt from duty. The amendments will reverse how the duty is applied, with nominal duty applying to the transfer of land rather than the order for the transfer. This will align the treatment of Family Court Orders with financial agreements made under family law legislation.

This change will come into effect on the day after Royal Assent.

Vehicle licence duty exemptions

The amendments will introduce a vehicle licence duty exemption for service demonstrator vehicles used by car dealers to entice customers into upgrading their vehicles. As these vehicles are exclusively loaned to customers having their own vehicles serviced at the dealership rather than solely available for demonstration purposes, they do not qualify under the existing exemption provisions.

A second vehicle licence duty exemption will be introduced for transactions involving a vehicle that is returned to the seller for a full refund of the purchase price or a replacement vehicle, and for when an agreement to purchase a vehicle is cancelled before the purchaser takes possession.

These changes will come into effect on the day after Royal Assent.

Abolishing duty on prospecting licences

Transactions involving prospecting licences and no other dutiable property will not be dutiable transactions and will not need to be lodged with RevenueWA. This includes transfers and agreements for the transfer of prospecting licences, and the grant or transfer of a derivative mining right over a prospecting licence.

A transaction that includes prospecting licences and other dutiable property (such as another kind of mining tenement) will be dutiable, and duty will be charged on the value of all dutiable property including the prospecting licences.

A transaction involving prospecting licences may be aggregated with another dutiable transaction if the transactions form substantially one arrangement. In this case the transaction involving prospecting licences will be a dutiable transaction and will need to be lodged with RevenueWA.

This change will come into effect on 1 July 2022.

[Our website](#) will be updated with information on the tax simplification measures as they take effect. For more information, please contact us on 08 9262 1100 or via a [web enquiry](#).

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