

Revenews is our monthly newsletter keeping you up to date with current activities, issues and recent cases.

This issue

- What's happening at OSR
- Hints and tips
- Case summaries
- Upcoming customer education activities

What's happening at OSR

Purchaser declaration

A person entering into a transaction, on or after 21 June 2016, that results in the acquisition of an interest in land in New South Wales must complete a purchaser declaration form.

The purpose of this declaration, in relation to:

- Surcharge purchaser duty – is to determine whether a transaction is a transfer of residential land to a foreign person
- Surcharge land tax – is to identify foreign persons for surcharge land tax liability
- Commonwealth reporting requirements – is to collect and report information on transfers of land in NSW to the Australian Tax Office (ATO).

Do I have to complete the declaration if I am an Australian citizen?

Yes. All transactions entered into on or after 21 June 2016 require each purchaser/transferee to complete a declaration, whether or not they are Australian or foreign.

If I am a foreign person purchasing off the plan, when is duty payable?

Both the duty and the surcharge purchaser duty must be paid within three months of the date of the agreement to avoid interest being charged.

Who needs to witness the declaration?

Statutory declarations made under the Oaths Act can be declared before:

- a Justice of the Peace
- a notary public
- a commissioner for affidavits
- a solicitor who has a current practising certificate for NSW
- the registrar-general or a deputy registrar-general
- the principal registrar or a deputy principal registrar of Births, Deaths and Marriages
- anyone else authorised by law to administer an oath, not including a barrister.

Download the [Purchaser Declaration form](#).

Read more about [Commonwealth reporting requirements](#).

Read more about [surcharge purchaser duty](#).



Land tax clearance certificates

When selling land under contract of sale, it is mandatory for the vendor to provide the purchaser with a land tax clearance certificate.

To apply for a clearance certificate, you must use a Client Service Provider.

When requesting a clearance certificate to provide to the purchaser, select 'vendor' as the enquiry type. This will also allow you to enter additional data as required by Commonwealth reporting requirements.

Read more about [clearance certificates](#).

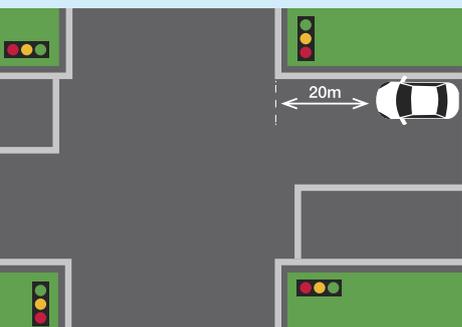
Sydney Pacifica 2016

On Friday 22 July, our Customer Advisory Officer attended the Sydney Pacifica 2016 event in Liverpool to assist students with information relating to fines. Sydney Pacifica is Australia's largest cultural festival involving high schools throughout Sydney that have Aboriginal Indigenous, Pacific and NZ Maori students.

The event was opened with a welcome to country and smoking ceremony by Uncle Steven Williams, followed by the national anthem sung in local Aboriginal language and speeches from the dignitaries. After all the speeches, there were performances from different schools and cultures performing traditional dances in traditional costumes. The day also included a careers, education and information expo which attracted more than 40 organisations.

Did you know?

- Did you know that you must not park within 20m of an intersection with traffic lights or within 10m of an intersection without traffic lights?



Surcharge purchaser duty

- Where a company is registered in Australia it still might be a foreign person for the purposes of the surcharge purchaser duty.

Hints and tips

Evidentiary requirements

Under Part 8 of the *Taxation Administration Act 1996*, a person must keep records necessary to have their tax liability properly assessed. These records must be retained for five years.

For example, if you are claiming a contractor exemption (payroll tax) or primary production land exemption (land tax), substantiation of the relevant activities may be difficult to obtain if audited years later. Therefore all substantiation for concessions/exemptions should be obtained when they are claimed and retained for five years.

Surcharge purchaser duty

The surcharge purchaser duty commenced on 21 June 2016. The rate is 4 per cent of the dutiable value of the interest in residential property acquired by foreign persons. This duty is in addition to the duty payable on the purchase of the property.

Even though you might be entitled to a concession or exemption or grant, in relation to a transaction, surcharge purchaser duty might still be payable.

For example, to receive an exemption/concession under the First Home—New Home scheme, only one applicant is required to be an Australian citizen or permanent resident. The surcharge purchaser duty is still payable, however, if any purchaser/transferee acquiring the residential land is a foreign person.

Read more about [surcharge purchaser duty](#).



Online subscription service:

- Receive email updates on news at OSR by registering [here](#).
- What would you like to see here? Email your suggestions or feedback to: Client.Education@osr.nsw.gov.au

Fun facts about August

- The Romans gave this month its name in 8BC, after the first **Roman Emperor Augustus** who ruled from 27BC until his death in AD14. Before then, the month had been known as **Sextilis**, as it was the sixth of ten months in the Roman Calendar, which began with March.



- The sandwich was named on **6 August 1762** by the **Earl of Sandwich**.



- On **12 August 1877**, the phonograph was invented by **Thomas Edison**.



- The first mass produced car the **Model T Ford** known as '**Tin lizzie**' went on sale on **12 August 1908**.

- The **Australian Red Cross** founded on **13 August 1914**.



- On **20 August 1630**, lemonade was first served in **Paris, France**.



- On **24 August in 79AD**, **Mount Vesuvius** erupted and destroyed the city of Pompei.

Case summaries

Land tax

Metricon QLD v Chief Commissioner of State Revenue (No 2) [2016] NSWSC 332 (31 March 2016)

The taxpayer argued for exemption from land tax as the dominant use of their subject land was for primary production, namely the maintenance of cattle, pursuant to s.10AA(3) of the *Land Tax Management Act 1956*. The Chief Commissioner primarily argued that the dominant use of the land was commercial land development. The Supreme Court distinguished between a current use and future intended use, deciding in favour of the taxpayer. An appeal against the decision has been lodged by the Chief Commissioner.

Read the [decision](#).

Upcoming customer education activities

Webinars

Surcharge purchaser duty

This webinar focuses on the surcharge purchaser duty that applies to acquisitions of residential property in New South Wales by foreign persons. The definitions of foreign person, residential land and more will be discussed, as well as exemptions and calculations.

- 23 August
- 31 August
- 15 September

Payroll tax

We are conducting a five part series of payroll tax webinars:

- Admin Processes and Systems - 19 August
- Intro and the basics - 26 August
- Allowances & FBT - 2 September
- The Contractor Provisions - 9 September
- The Grouping Provisions - 16 September

Read more and [register](#) online.

Seminars

New payroll tax clients

This seminar is tailored to newly registered payroll tax clients or those who are new to the position of calculating and remitting payroll tax. This seminar provides an overview of liable wages, exemptions and rebates. Details of the Jobs Action Plan rebate will also be discussed. If you are new to payroll tax or have not lodged a return in a while, this is a perfect seminar to get you started.

- Sydney - 25 August

Read more and [register](#) online.