



## Issue #19 January-February 2018

### News From Revenue NSW

This month, we talk about Land Tax registration and online services, duties concessions, and payroll tax issues. We also look at some recent court cases on land tax and payroll tax.

For feedback and ideas for future issues, please [email us](#).

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### Land tax online Notice of Assessment

Did you know your Land Tax Notice of Assessment can now be viewed online? Visit the [land tax page](#) and log in to our online services to view the assessment, arrange payment or advise us of any changes to yours, or your client's, details.

To log in, you need a client ID and correspondence ID, which are found on the top right-hand corner of the last year's assessment notice, or any other recent land tax correspondence.

If you have any questions, please contact us on 1300 139 816, between 8:30am and 5:00pm (AEST) Monday to Friday. If you are overseas, you can contact us on +61 2 9761 4956.

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### No double duty

Section 8 of the *Duties Act 1997* (the Act) charges duty on a transfer of dutiable property, as well as on an agreement for the sale or transfer of dutiable property. However, section 18(2) of the Act provides that no double duty is payable where a transfer of dutiable property reflects exactly what an agreement for the sale or transfer of the dutiable property sets out. If duty has been paid on the agreement, the transfer is chargeable with a concessional duty amount of \$10.

Section 18(3) further extends this provision to situations where the transferee under the transfer and the purchaser under the agreement are "related persons" as defined by the Dictionary of the Act. This requirement must be met both at the time the agreement was entered into, and at the completion or settlement of the agreement. The section now also

allows for some transactions where the purchaser under the agreement is a trustee.

For more information, see [Revenue Ruling DUT 010 v2](#).

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## **Wages paid by or to third parties for payroll tax**

In nearly all cases employees are paid by their employers. The same applies to directors that are remunerated by their corporations. To counter any potential avoidance, based on changing that arrangement, there are provisions that deal with:

1. The wages of an employee or director being paid to some other person, or
2. The wages of an employee or director being paid by someone other than their employer, and
3. The wages of an employee or director being paid to some other person by a person other than their employer.

Employees do not normally have their wages subject to the third party provisions but directors, contractors and consultants often have remuneration paid for their services to corporations and trustees. If a director provides services to a corporation all payments relating to that service are wages for the corporation the services were provided to, even if the payments are paid to another company or to a superannuation fund or other entity.

For more information, go to [Section 46 of the Payroll Tax Act 2007](#).

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## **Foreign delegations**





We hosted representatives from foreign revenue agencies in recent months, including China, South Korea and Nepal, to share ideas on how each of our respective organisations operate. Each of these delegations were very impressed with Revenue NSW processes, structures and services.

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## Case summaries

### Land tax

*Teebee Holdings Pty Ltd ATF Teebee Property Trust v Chief Commissioner of State Revenue* [2017] NSWCATAD 338

The main issue in this case involved determining whether or not land that has multiple zoning could be treated as rural land. The tribunal member found that unless all of the land had rural zoning, it could not be argued that the parcel was rural land. As such, the commerciality tests for primary production land needed to be met for an exemption to be granted.

[Read more about this case.](#)

### Payroll tax

*Cessnock Tyres Pty Ltd v Chief Commissioner of State Revenue* [2017] NSWCATAD 368

This case involved a few businesses that were each run by members of the same family. The applicant argued that they were distinct businesses and should not be grouped for payroll tax purposes. The Tribunal member found that because the businesses conducted similar businesses under a common website, as well as using their connection to attain group discounts, the Chief Commissioner's decision not to ungroup the businesses was correct.

[Read more about this case.](#)

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