

Duties Amendment (Abolition of Vendor Duty) Bill 2005

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Duties Act 1997* to abolish vendor duty, and duty on the disposal of interests in land rich companies and trust schemes, on and from 2 August 2005.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on 2 August 2005, being the date on which the abolition of vendor duty was first announced.

Clause 3 is a formal provision that gives effect to the amendments to the *Duties Act 1997* set out in Schedule 1.

Schedule 1 Amendments

Schedule 1 [1]–[4], [7] and [8] abolish vendor duty, and duty on the disposal of interests in land rich landholders (being companies or trust schemes), on and from 2 August 2005. Vendor duty, and duty on the disposal of interests in land rich landholders, will continue to be payable in respect of transactions that occurred, or disposals that were made, before the abolition date.

Schedule 1 [5] and [6] are an anti-avoidance measure. The object of the provisions is to ensure that persons liable to pay vendor duty before the abolition date do not avoid the payment of that duty by cancelling agreements and entering into replacement agreements with respect to the same property.

Schedule 1 [9] provides for the making of savings and transitional regulations.