

#### Explanatory note

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

#### Overview of Bill

The objects of this Bill are as follows:

(a) to amend the Duties Act 1997:

- (i) to make further provision for eligibility for a duty concession or exemption under the First Home Plus scheme, and
- (ii) to make further provision for the recovery of duty where the duty concession or exemption under the First Home Plus scheme is wrongly applied to an agreement or transfer, and
- (iii) to make the duty chargeable in respect of an acquisition of an interest in a landholder chargeable regardless of whether the landholder is “land rich” and to make other changes to the scheme for landholder duty, and
- (iv) to revise and simplify arrangements for the assessment of duty on mortgages, and
- (v) to deter artificial, blatant or contrived schemes to reduce, avoid or postpone liability for duty by introducing special provisions relating to the assessment of tax avoidance schemes, and

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- (vi) to make further provision for the charging of duty in respect of the transfer of business assets, and
  - (vii) to provide for further concessions in respect of transactions charged with nominal duty, and
  - (viii) to require an emergency services levy to be treated as part of the premium of an insurance policy, for duty purposes, and
  - (ix) to clarify that a duty of 5% of the premium is payable on life insurance that is trauma or disability insurance, and
  - (x) to replace the current arrangements by which certain Crown bodies are charged with duty under that Act, and
  - (xi) to make other minor amendments, including for law revision purposes,
- (b) to amend the Fines Act 1996:
- (i) to provide that if a person’s court fine enforcement order or a penalty notice enforcement order is withdrawn or annulled, any money already paid under the order may be allocated to the payment of other fine enforcement orders payable by the person, and
  - (ii) to specify how applications for the annulment of penalty notice enforcement orders are to be determined, and
  - (iii) to clarify that amounts payable under a penalty notice received, recovered or collected by the State Debt Recovery Office on behalf of another person or body (for example, a local council) may be paid by the Office to the person or body (rather than into Consolidated Revenue as is the general rule) and that the Office may deduct or retain its fee or payment from those amounts, and
  - (iv) to make certain terminology used in that Act relating to motor vehicles consistent with road transport legislation,
- (c) to amend the First Home Owner Grant Act 2000:
- (i) to extend the application of the first home owner boost for new and established homes, and
  - (ii) to establish a cap on eligibility for the first home owner grant, and
  - (iii) to allow the Chief Commissioner to vary or reverse a decision to confer a grant that was based on false or misleading information provided by the applicant for a first home owner grant at any time after the decision

is made, and

(iv) to allow the Chief Commissioner to lodge a caveat in respect of land to ensure the payment of any amount that is recoverable from an applicant, and

(v) to permit information obtained in the administration of the First Home Owner Grant Act 2000 to be disclosed in connection with the administration of the First Home Saver Accounts Act 2008 of the Commonwealth, and

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(vi) to confirm that the commencement date of an eligible transaction is the date at which an applicant's compliance with certain eligibility criteria is to be determined, and

(vii) for law revision purposes,

(d) to amend the Land Tax Management Act 1956:

(i) to provide that lessees from the Crown of land on Lord Howe Island are exempt from land tax, and

(ii) to provide that the joint assessment of joint owners of land is to be on the basis of the aggregated values of the proportionate interests of non-exempt joint owners, and

(iii) to make it clear that when the Commonwealth is a joint owner of land, the Commonwealth's immunity from land tax does not confer immunity or exemption on any other joint owner, and

(iv) to exempt company title home units from the provision that makes land tax a first charge on land, and

(v) to make it clear that a principal place of residence concession that applies following the death of the owner of residential land extends to strata lots, and

(vi) to extend principal place of residence concessions that apply following the death of an owner to the land tax reductions that apply to partial use of land for residential purposes,

(e) to amend the Petroleum Products Subsidy Act 1997 to provide for the abolition of the subsidy scheme under that Act on 1 July 2009 or on a later date specified by regulation,

(f) to amend the Taxation Administration Act 1996:

(i) to provide that the market rate component of the interest rate that is payable on unpaid tax is to be updated quarterly rather than annually, and

(ii) to provide that the reduction in penalty tax for a voluntary disclosure of information relating to a tax default does not apply to certain registered taxpayers who fail to lodge a return and pay tax by the due date,

(g) to amend the Betting Tax Act 2001:

(i) to confirm that betting tax on approved betting activities is payable at a rate of 10.91 per cent, rather than the higher rate of 19.11 per cent, and

(ii) to remove the power of the Governor to make an order declaring a lower rate of betting tax for approved betting activities,

(h) to amend the Payroll Tax Act 2007:

(i) to ensure that the relevant amount of wages that must be paid by employers annually in order for them to be designated as a designated group employer for payroll tax purposes is the same as the threshold amount for payroll tax, and

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(ii) to authorise the Hardship Review Board, which is constituted under the Taxation Administration Act 1996, to exercise its functions under that Act in relation to payroll tax payable under the Payroll Tax Act 2007,

(i) to amend the Insurance Protection Tax Act 2001 to ensure that the premium payable for general insurance includes any contribution required to be paid by an insurer under the State Emergency Service Act 1989, and for law revision purposes,

(j) to amend the Unclaimed Money Act 1995 to provide that unclaimed dividends and other unclaimed amounts arising from the liquidation of a company that have been or will be paid to the Treasurer under a provision of the Companies (New South Wales) Code are to be paid to the Chief Commissioner of State Revenue and dealt with as unclaimed money under the Unclaimed Money Act 1995,

(k) to make minor amendments of a law revision nature to the Health Insurance Levies Act 1982.

#### 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.

Clause 3 provides that explanatory material does not form part of the proposed Act.

#### Schedule 1 Amendment of Duties Act 1997

Schedule 1 amends the Duties Act 1997. The amendments are explained in detail in the explanatory notes set out at the end of each Subschedule.

#### Schedule 2 Amendment of Fines Act 1996

Schedule 2 amends the Fines Act 1996. The amendments are explained in detail in the explanatory note set out at the end of the Schedule.

#### Schedule 3 Amendment of First Home Owner Grant Act 2000

Schedule 3 amends the First Home Owner Grant Act 2000. The amendments are explained in detail in the explanatory note set out at the end of the Schedule.

#### Schedule 4 Amendment of Land Tax Management Act 1956

Schedule 4 amends the Land Tax Management Act 1956. The amendments are explained in detail in the explanatory note set out at the end of the Schedule.

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#### Schedule 5 Amendment of Petroleum Products Subsidy Act 1997

Schedule 5 amends the Petroleum Products Subsidy Act 1997. The amendments are explained in detail in the explanatory note set out at the end of the Schedule.

#### Schedule 6 Amendment of Taxation Administration Act 1996

Schedule 6 amends the Taxation Administration Act 1996. The amendments are explained in detail in the explanatory note set out at the end of the Schedule.

#### Schedule 7 Amendment of other Acts

Schedule 7 amends the following Acts:

- (a) Betting Tax Act 2001,
- (b) Health Insurance Levies Act 1982,
- (c) Insurance Protection Tax Act 2001,
- (d) Payroll Tax Act 2007,
- (e) Unclaimed Money Act 1995.

The amendments are explained in detail in the explanatory note set out at the end of each Subschedule.