

TAXATION ADMINISTRATION AMENDMENT BILL 2018

Receipt and First Reading

Bill received from the Assembly; and, on motion by **Hon Stephen Dawson (Minister for Environment)**, read a first time.

Second Reading

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment) [5.34 pm]: I move —

That the bill be now read a second time.

This bill rounds out the measures in the Revenue Laws Amendment Bill 2018 and contains amendments to the Taxation Administration Act 2003 that improve the administrative and enforcement arrangements for the state taxes. Under the Constitution Acts Amendment Act 1899, bills imposing taxation must deal only with the imposition of tax. For this reason, changes to the administrative arrangements for the assessment and collection of tax must be contained in a different bill from one that imposes tax. The key amendments in this bill strengthen the Commissioner of State Revenue's powers to recover unpaid tax. This includes modernising the recovery powers so that they apply to unpaid tax resulting from dishonoured electronic payments, not just from dishonoured cheques. The commissioner can register a memorial against land or mining tenements in certain cases to secure unpaid duty. In most cases, for transfer duty, there is usually no need to use a memorial in recovery proceedings, as duty must be paid before the property can be transferred to the purchaser. However, when the purchaser's liability is reassessed after the property is transferred, the commissioner is unable to secure any unpaid duty resulting from the reassessment. Amendments in the bill allow the commissioner to register a memorial on property in these cases.

The commissioner may make an interim transfer duty assessment for a transaction when it will take more than six months to determine the full duty payable. Interim assessments are made only for complex, high-value transactions that have protracted assessment time frames due to the need to resolve difficult legal and valuation issues. When an interim assessment is paid, the commissioner may release transfer documents to allow the property to be registered in the purchaser's name. However, the commissioner has no ability to secure any unpaid duty from the final assessment. For this reason, the commissioner releases transfers only in exceptional circumstances, with most purchasers required to wait until the final assessment is paid to receive duty-endorsed transfers. Some industry advisers have expressed concern that this limits a purchaser's ability to conduct their business operations. To address this, the bill will allow the commissioner to lodge a memorial against property that is transferred after payment of an interim transfer duty assessment. Importantly, the commissioner must obtain the taxpayer's consent before registering a memorial in these circumstances. This ensures any potential consequences for the taxpayer as a result of the memorial are considered before the transfers are released and the memorial is registered.

The commissioner is able to recover from a taxpayer legal costs associated with recovery action and the costs of lodging a memorial. The bill includes an amendment to also allow the commissioner to recover the costs of withdrawing a memorial. The commissioner can approve a tax payment arrangement to allow a person extra time to pay their tax, including any penalties, or to pay it by instalments. An amendment in the bill allows legal costs associated with recovery action and costs to lodge and withdraw a memorial to be included in a tax payment arrangement. The rest of the bill contains minor amendments to correct small technical issues and to remove red tape. The associated explanatory memorandum contains further details of the bill.

Pursuant to standing order 126(1), I advise that this bill is not a uniform legislation bill. It does not ratify or give effect to an intergovernmental or multilateral agreement to which the government of the state is a party; nor does this bill, by reason of its subject matter, introduce a uniform scheme or uniform laws throughout the commonwealth.

I commend the bill to the house and I table the explanatory memorandum.

[See paper 2570.]

Debate adjourned, pursuant to standing orders.