

DUTIES LEGISLATION AMENDMENT BILL 2007

Introduction and First Reading

Bill introduced, on motion by **Mr E.S. Ripper (Treasurer)**, and read a first time.

Explanatory memorandum presented by the Treasurer.

Second Reading

MR E.S. RIPPER (Belmont - Treasurer) [12.24 pm]: I move -

That the bill be now read a second time.

The amendments in this bill complement the new duties regime contained in the Duties Bill 2007. Together, these bills seek to put in place a new duties regime to replace the outdated stamp duty arrangements that are currently imposed by the Stamp Act 1921. The amendments contained in this bill propose amendments to the Stamp Act to ensure that the Stamp Act no longer applies to transactions that will be subject to duty under the Duties Act. It also contains amendments to the Taxation Administration Act 2003 and a range of other statutes that are necessary to update references to the Stamp Act and related terminology.

While most of these amendments will have no material impact on the operation of these statutes, the bill proposes to abolish the stamp duty that is currently chargeable in accordance with the Limited Partnerships Act 1909 on contributions of capital to limited partnerships. To continue the imposition of duty in these circumstances would be inconsistent with the new duties framework, as it is considered to be a nuisance tax that raises only a negligible amount of revenue.

This bill also contains amendments to the Duties Act that will commence on 1 January 2009 to put in place the vehicle licence duty rate scale announced as part of the 2007-08 budget. This involves an increase in each of the vehicle licence duty thresholds by \$5 000. The estimated cost of \$11 million in 2008-09, and \$71 million over the three years to 2010-11, was incorporated into the 2007-08 budget.

Finally, the bill delivers on the government's commitment to abolish duty on non-real business assets by removing business assets from the dutiable property list, and repealing a number of associated provisions, with effect from 1 July 2010. This commitment was announced in the 2006-07 budget, with an estimated cost of \$119 million in 2010-11.

The state tax review recommended the abolition of the principal place of residence and small business conveyance duty concession, which, in the case of businesses, mainly involves transactions relating to non-real business assets. Despite this recommendation, the concession will in fact continue until at least 1 July 2010. The longer term future of the concession will be considered by the government at that time.

The bill, together with the Duties Bill 2007, represents the most significant reform to the stamp duty legislation of this state and presents a unique opportunity to put in place legislation that will ensure that that we have an equitable and efficient duties regime into the future.

I commend the bill to the house.

Debate adjourned, on motion by **Mr G.M. Castrilli**.