

Update 25 July 2007: Stamp duty abolition brought forward



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Summary

The NSW Treasurer took what must be an almost unprecedented step in the 2006 Budget when he announced that stamp duty abolition was being brought forward.

What's changed?

Mortgage duty was to be halved from 1 January 2010 and eliminated from 1 January 2011.

Now, mortgage duty will be abolished in three stages:

- Exemption for mortgages over owner-occupied housing – 1 September 2007
- Exemption for mortgages over investment housing – 1 July 2008
- Complete abolition – 1 September 2009

What is the remaining timetable?

Duty on the hire of goods was abolished from 1 July 2007, as previously announced.

The schedule for the other NSW duties to be abolished remains:-

- Duty on Leases – 1 January 2008
- Transfer of unlisted shares and units – 1 January 2009
- Sale of business assets other than land – 1 July 2012

What are the opportunities?

People purchasing a home to occupy would seem to have a clear opportunity to avoid duty if they can defer the mortgage until after 1 September 2007. First home owners, however, already enjoy a mortgage duty exemption.

What are the problems?

Duty on land transfers has not been flagged for abolition – or even reduction.

The abolition of lease duty from 1 January provides an obvious planning opportunity. However, there will be no refund for duty paid beforehand and the Office of State Revenue has indicated that it is looking closely at any arrangements that 'smell' of an attempt to enter into a new, duty-free, lease post-1 January 2008.

How can Fleming Muntz help?

Fleming Muntz can provide expert advice on stamp duty for all commercial transactions, as well as planning opportunities for the abolitions.

Important fine print

This update is for general information only. It is not a complete guide to the area of law. Competent advice should be obtained before taking any action.

We resent unwanted email as much as anyone – if you would prefer not to receive any further updates, please telephone us on (02) 6021 2222 or email to fmlaw@flemingmuntz.com.au.

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