

TAX BULLETIN

An update publication for our clients

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TIME LIMIT FOR PAYMENT OF STAMP DUTY IN VICTORIA TO BE DRAMATICALLY REDUCED

The Victorian Government introduced legislation into Parliament yesterday which will dramatically reduce the time limit for payment of stamp duty on dutiable transactions including transfers of land.

The *State Taxation Acts Further Amendment Bill 2011* proposes to amend the *Duties Act 2000 (Vic)* to reduce the time limit for payment of a duty liability to 30 days from the date of the dutiable transaction. This is a significant reduction from the current time limit of 3 months from the date of the dutiable transaction.

Once the amendments are passed, taxpayers in Victoria will have one of the shortest time limits of any Australian State or Territory in which to make payments of stamp duty. The reduction in the time limit will force taxpayers, their advisors and financial institutions to prepare and lodge the relevant documents with the State Revenue Office much sooner than they do currently and is likely to cause practical difficulties in some cases, including where interstate and overseas parties are involved.

The reduction in the time limit for the payment of duty is intended to take effect from 1 April 2012.

In 2009 the previous Government attempted to introduce amendments to reduce the time limit to 14 days but, following consultation with various parties, that proposal was withdrawn. Unfortunately the current Government has chosen not to consult with taxpayers or the professional bodies on the change prior to the introduction of the legislation into Parliament and the proposed new duty payment time limit is therefore likely to be an unwelcome surprise for many taxpayers and their advisors.

FURTHER INFORMATION

Please speak to your regular Pitcher Partners tax contact or Craig Whatman (craig.whatman@pitcher.com.au or +61 3 8610 5617) for further information on the issues raised in this Tax Bulletin.