

Ashurst

Stamp Duty & Land Tax – Rates & Thresholds

State Taxes – Australia

1 August 2024

Outpacing change

Table 1: Transfer duty rates

| State | Dutiable property | Threshold | Rate of duty ¹ |
|------------|---|-----------------------|---|
| ACT | Interests in land and goods (commercial real estate transactions) ^{2,3} | More than \$1,900,000 | 5% flat |
| | Interests in non-commercial land ⁴ | More than \$1,455,000 | 4.54% flat |
| NSW | Interests in land and goods ² | More than \$1,212,000 | \$49,069 plus 5.5% on amounts over \$1,212,000 ⁵ |
| NT | Interests in land and chattels | \$5,000,000 or more | 5.95% flat |
| QLD | Interests in land, chattels and business assets (including trading stock and trade debts) | More than \$1,000,000 | \$38,025 plus 5.75% on amounts over \$1,000,000 |
| SA | Interests in land (residential and primary production land) | More than \$500,000 | \$21,330 plus 5.5% on amounts over \$500,000 |
| | Interests in land (other than residential or primary production land) | N/A | N/A |
| TAS | Interests in land and goods ² | More than \$725,000 | \$27,810 plus 4.5% on amounts over \$725,000 |
| VIC | Freehold interests in land, certain leasehold interests, economic entitlements, fixtures and goods ^{2,6} | More than \$2,000,000 | \$110,000 plus 6.5% on amounts over \$2,000,000 |
| WA | Interests in land, chattels and business assets (other than trading stock and trade debts) | More than \$725,000 | \$28,453 plus 5.15% on amounts over \$725,000 |

1. Rates shown are the highest marginal rates which apply. Surcharges on top of the general rate may apply (see Table 5).
2. Dutiable property includes goods (other than trading stock) if transferred with land.
3. Commercial transfer duty applies on property which is used, wholly or partly, for commercial purposes (eg industrial, business or retail).
4. Non-commercial transfer duty applies to property which is used for residential or rural purposes.
5. A premium rate of 7% applies to transfers of residential land with a dutiable value exceeding \$3,636,000.
6. Effective from 1 July 2024, certain eligible commercial and industrial property can transition from the stamp duty regime to the commercial and industrial property tax (**CIPT**) regime (referred to in this brochure as “tax reform scheme land”). From the date that the commercial and industrial property enters the CIPT regime, transactions involving the tax reform scheme land should generally benefit from an exemption from stamp duty (subject to certain timing considerations and other conditions). Following the 10 year transition period, CIPT applies at a default rate of 1% on an annual basis.

Table 2: Corporate reconstruction relief

| State | Pre-association period ¹ | | | Pre-association period exception for New Co | | | Post-association period ² | | |
|--------------------|-------------------------------------|--------|------|---|----------------|-----|--------------------------------------|--------|------|
| | 3 Years | 1 Year | None | Yes | Limited | N/A | 3 Years | 1 Year | None |
| ACT | | ✓ | | ✓ ³ | | | | ✓ | |
| NSW ⁴ | | | ✓ | | | ✓ | | | ✓ |
| NT | ✓ | | | | ✓ ⁶ | | ✓ | | |
| QLD | ✓ | | | | ✓ ⁵ | | ✓ | | |
| SA | | | ✓ | | | ✓ | | | ✓ |
| TAS ⁷ | | ✓ | | ✓ ³ | | | | ✓ | |
| VIC ^{4,7} | | | ✓ | | | | | | ✓ |
| WA | | | ✓ | | | ✓ | ✓ | | |

1. This is the period prior to the dutiable transaction that the transferor and transferee must have been members of the same corporate group (subject to certain exceptions for newly incorporated companies and acquisitions of shelf companies, referred to as "New Co" in this table).
2. This is the period after the dutiable transaction that the transferor and transferee must remain members of the same corporate group in order to avoid an effective clawback of relief including, potentially, interest and penalties. There are limited exceptions to the post-association requirement in all jurisdictions.
3. The entities must have been members of the same corporate group since incorporation, unless New Co was acquired as a shelf company.
4. The relief provides for a 90% concession of the duty otherwise payable. In the other jurisdictions, relief is for 100% of the duty otherwise payable.
5. This is only if New Co is a subsidiary or parent corporation which was newly interposed.
6. This is only if New Co is the immediate subsidiary of the transferor.
7. Unlike other jurisdictions, an application for exemption cannot be made prior to the transaction occurring. In VIC, it may be possible to apply for a private ruling where the availability of relief is uncertain.

Table 3: Time limits for lodgement/payment¹

| State | Period for transfer duty ² | Period for landholder duty ² |
|------------|---|---|
| ACT | 90 days after liability for duty arises, ³ or, if the instrument is to be registered with the Registrar-General, payment is to be made within 14 days of registration. | 90 days after the day the relevant acquisition is made, ⁴ or, if the acquisition arises from an agreement to purchase units/shares in a landholding entity, when the agreement is completed. |
| NSW | 3 months after liability for duty arises. ³ | 3 months after the relevant acquisition is made. ⁴ |
| NT | 60 days after liability for duty arises. ³ | 60 days after relevant acquisition is made. ⁴ |
| QLD | Lodgement within 30 days after liability for duty arises (eg execution of agreement), and payment usually within 30 days of issue of notice of assessment. ⁵ | Lodgement within 30 days after the making of an agreement for the relevant acquisition or, if there is no agreement, within 30 days after relevant acquisition is made. ⁴ Payment is usually required within 30 days of the issue of an assessment notice but can be shorter if a lodgement extension is obtained. |
| SA | If instrument executed in SA, within 2 months of execution; or if instrument executed outside SA, lodgement and payment within 2 months after its receipt in SA or within 6 months after its execution, whichever period first expires. | 2 months after the relevant acquisition is made. ⁴ |
| TAS | 3 months after liability for duty arises. ³ | 3 months after the relevant acquisition is made. ⁴ |
| VIC | 30 days after liability for duty arises. ³ | 30 days after relevant acquisition is made. ⁴ |
| WA | Lodgement within 2 months after liability for duty arises, ³ and payment generally within 1 month of issue of notice of assessment. ⁶ | Lodgement within 2 months after the making of an agreement (whether conditional or not) for the relevant acquisition or, if there is no agreement, within 2 months after the making of the relevant acquisition. ⁶ Payment is required within one month after the issue of an assessment notice. |

1. As a practical matter, it may be necessary to lodge and pay duty earlier in order to complete/register a transaction, in particular land sales through PEXA
2. Periods shown are for lodgement and payment, except where otherwise indicated.
3. Typically the date that liability for duty arises is the date of first execution of the agreement. In Victoria and Tasmania, liability for duty typically arises on the date of the completion of the transaction.
4. A relevant acquisition can be made in a variety of ways. Typically the date of the relevant acquisition is the date of the completion of the transaction. NSW also has special deeming provisions that can deem a relevant acquisition to occur earlier than completion (for example, on the first anniversary of the execution of an agreement for the relevant acquisition).
5. This period may be extended for certain conditional agreements (refer to Public Ruling DA019.1.5). If the transaction is subject to self-assessment, payment must be made within 14 days.
6. Special rules may apply to the timing of the payment of duty in relation to certain conditional agreements.

Table 4: Landholder duty

| State | Land holding value | Acquisition threshold | | | | | | Duty base | |
|-------------------------|--------------------|-----------------------|---------|------------------|---|-----------------------------------|--------------------|--------------------------------|-------|
| | | Companies | | Trusts | | | | Land and fixtures ² | Goods |
| | | Listed | Private | Listed | Unlisted widely held ¹ | Wholesale unit trust ¹ | Private unit trust | | |
| ACT | Nil | N/A | 50% | N/A | N/A | 50% | 50% | ✓ | |
| NSW | \$2,000,000 | 90% | 50% | 90% | 90% | 50% | 20% | ✓ | ✓ |
| NT | \$500,000 | 90% ³ | 50% | 90% ³ | 50% | 50% | 50% | ✓ | |
| QLD | \$2,000,000 | 90% ⁴ | 50% | 90% ⁴ | Trust acquisition duty applies ⁵ | | | ✓ | |
| SA^{6,7} | Nil | 90% ⁴ | 50% | 90% ⁴ | 90% ⁴ | 50% | 50% | ✓ | |
| TAS | \$500,000 | 90% ⁴ | 50% | 90% ⁴ | 90% ⁴ | 50% | 50% | ✓ | ✓ |
| VIC | \$1,000,000 | 90% ⁴ | 50% | 90% ⁴ | 90% ⁴ | 50% | 20% | ✓ ⁸ | |
| WA | \$2,000,000 | 90% | 50% | 90% | 50% | 50% | 50% | ✓ | ✓ |

1. Different stamp duty specific requirements must be satisfied in order to qualify as a “widely held” or “wholesale” trust.

2. “Land” is defined differently between jurisdictions. Duty extends to items which are not common law fixtures.

3. The threshold may be 50% for a “merger vesting” of shares or units.

4. Typically, duty applies at a concessional rate of 10% of the duty otherwise payable. However, duty will apply at the general rate in VIC if the entity has been listed for less than

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12 months or, in the case of a widely held trust, it has satisfied the definition of that term for less than 12 months at the date of the relevant acquisition.

5. Duty is imposed independently of the landholder duty regime on trust creations, acquisitions and surrenders where the trust directly or indirectly holds any dutiable property. Public unit trusts (including widely held trusts and wholesale unit trusts) are not subject to trust acquisition duty except where there is a majority acquisition and they are a land holding trust. No value threshold applies and no acquisition threshold applies to changes in interests in

certain “private” unit trusts.

6. “Landholdings” are limited to residential land and primary production land.

7. A separate regime (with no land value or acquisition threshold) applies to certain trusts in SA, which are not registered managed investment schemes.

8. Effective from 1 July 2024, the value of qualifying tax reform scheme land should generally be excluded from the calculation of duty chargeable on certain eligible acquisitions.

Table 5: Foreign purchaser surcharge rates¹



NSW

Surcharge rate⁴

8%

Total rate^{2,3}

15%



QLD

Surcharge rate

8%

Total rate²

13.75%



SA

Surcharge rate

7%

Total rate²

12.5%



TAS

Residential

Surcharge rate

8%

Total rate²

12.5%

**Primary
Production**

Surcharge rate

1.5%

Total rate²

6%



VIC

Surcharge rate

8%

Total rate²

14.5%



WA

Surcharge rate

7%

Total rate²

12.15%

1. The surcharge applies to any dutiable transaction where a foreign purchaser acquires "residential" land (which is broadly defined) and is in addition to the normal transfer duty rate. In TAS, the surcharge also applies to primary production land. In addition, the surcharge applies for relevant acquisitions by foreigner acquirers in landholders for landholder duty purposes. ACT/NT do not have surcharge duty. Please see "Foreign Purchaser Stamp Duty & Absentee Owner Land Tax Surcharges Summary" for further information.
2. The total surcharge rate is the highest effective transfer duty rate relevant to each Australian State and/or Territory (see Table 1), plus the surcharge rate.
3. The NSW total surcharge rate is the premium transfer duty rate of 7% (which applies to transfers of NSW residential land with a dutiable value exceeding \$3,636,000), plus the NSW surcharge rate. If the premium rate does not apply, the highest effective rate is 5.5%.
4. Effective on 1 January 2025, the surcharge rate is to increase to 9%.

Table 6: Lease premium duty¹

| State | Application |
|------------|---|
| ACT | Duty applies to the grant or transfer of a “commercial lease” where a premium is paid that exceeds the threshold of 25% above market rent over the term of the lease (see Revenue Circular DAA015.1). |
| NSW | Duty applies to a lease, or agreement for a lease, where a premium is paid or agreed to be paid. A premium in respect of a lease entered into pursuant to an option includes an amount paid or payable for the grant of that option. Non-monetary consideration can also be a premium. ² |
| NT | Duty is payable on the lease if a premium is paid in addition to, or instead of, rent. Duty is calculated on the amount or value of the premium. |
| QLD | Duty applies to the lease if a premium, fine or other consideration (including non-monetary consideration) is paid for the lease. The dutiable value of a lease includes the consideration or value of any movable chattels taken over by the lessee. |
| SA | Duty applies to consideration paid or agreed to be paid, other than rent reserved, for a lease. |
| TAS | Duty applies to the lease where premiums of more than \$3,000 are paid for or in connection with the lease. |
| VIC | <p>Duty applies on the grant or transfer/assignment lease for which any consideration (other than rent reserved) is paid or agreed to be paid for the grant/transfer/assignment or:</p> <ul style="list-style-type: none"> • a right to purchase the land or a right to a transfer of the land; • an option to purchase the land or an option for the transfer of the land; • a right of first refusal in respect of the sale or transfer of the land; or • any other lease, licence, contract, scheme or arrangement by which the lessee or transferee obtains any right or interest in the land the subject of the lease, other than the leasehold estate. <p>The amount of duty payable is calculated by reference to the greater of the consideration and the unencumbered value of the land.</p> |
| WA | Duty applies to a lease if consideration is paid, or agreed to be paid, for the grant or surrender of the lease. |

1. Duty is imposed on premiums for leases at transfer rates (see Table 1). Foreign surcharges may also apply to premiums on leases of residential land (see Table 5).
2. Revenue NSW has released guidelines on the operation of these provisions on leases (CPN 027: Leases and change in beneficial ownership).

Table 7: General insurance duty¹

| | | | |
|---|---|--|--|
| <p>SA</p> <p>11% All general insurance</p> | <p>QLD²</p> <p>9% Class 1 (all other than Class 2 or CTP insurance) Class 2 (includes riders)³</p> | | |
| <p>NT</p> <p>10% All general insurance</p> | <p>NSW</p> <p>9% Type A (other than Type B & C)</p> <p>5% Type B (disability income, motor vehicle and other)</p> <p>2.5% Type C (crop and livestock) before 1 January 2018⁴</p> | | |
| <p>TAS</p> <p>10% All general insurance</p> | <p>VIC⁵</p> <p>10% Non-business insurance</p> <p>9% Business insurance</p> | | <p>WA</p> <p>10% All general insurance</p> |

1. General insurance duty is levied in all jurisdictions other than the ACT. General insurance can include life riders to general insurance policies in some jurisdictions.
2. For accident insurance, duty of 5% of the net premium applies, and for CTP insurance a flat rate of \$0.10 applies per policy.
3. Class 2 general insurance refers to general insurance for, or relating to, professional indemnity, personal injury to a person relating to the person's travel on an aircraft, a motor vehicle (other than CTP insurance), a home mortgage that is a first mortgage, or a life insurance rider
4. Crop and livestock insurance duty is exempt from duty if effected or renewed on or after 1 January 2018.
5. Victoria has introduced a gradual abolishment of business insurance duty over a 10-year period. Effective from 1 July 2024, the Treasurer declared a class of insurance – being public liability insurance attaching to householder insurance policies – would not be treated as business insurance.

Table 8: Life insurance duty¹

| State | Rates on Life Insurance Policy ² | | | |
|------------|---|--|---|-----------------------------|
| | Temporary / Term Insurance | Trauma / Disability Income Insurance | Group Insurance | Other Life Insurance |
| NSW | 5% of first year's premium | 5% of all premiums | 5% of first year's premiums (and for succeeding years for additional lives) | Approx. 0.1% of sum insured |
| QLD | 5% of first year's premium | All other life insurance policy types, approx.: 0.1% | | |
| TAS | 5% of first year's premium | All other life insurance policy types, approx: 0.1% | | |
| SA | All other life insurance policy types: 1.5% of all premiums | | | |

1. Life insurance duty no longer applies in ACT, NT, VIC and WA.
2. Rates shown are the highest marginal rates which apply.

Table 9: Land tax rates¹

| State | General land tax rate ¹ | Surcharge land tax rate ² | Foreign corporations | Foreign (non-discretionary) trusts | Liability date ³ |
|------------|---|---------------------------------------|--|--|--|
| ACT | \$1,612 plus valuation charge up to 1.26% on five-year average of unimproved value of the residential land. | 0.75% on the average unimproved value | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or One or more foreign persons or associated persons of foreign persons have 50% or more control (maximum votes and shares) | <ul style="list-style-type: none"> 50% or more of the capital of the trust estate is held by one or more foreign beneficiaries and their associates | 1 July, 1 October, 1 January and 1 April |
| NSW | \$88,036 plus 2% | 4% ⁴ | <ul style="list-style-type: none"> Applies FIRB definition. “Substantial interest” of 20% or “aggregate substantial interest” of 40% for two or more foreigners | <ul style="list-style-type: none"> Applies FIRB definition. “Substantial interest” of 20% or “aggregate substantial interest” of 40% for two or more foreigners. | 31 December |
| QLD | \$187,500 plus 2.75% | 3% | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or One or more foreign persons or associated persons of foreign persons have 50% or more control (maximum votes and shares). | <ul style="list-style-type: none"> 50% or more of the trust interests in the trust are foreign interests | 30 June |

1. Rates shown are generally the highest marginal rates which apply. No land tax is payable in NT. Different rates may apply to certain taxpayers (eg certain types of trusts).
2. Surcharge rates apply in addition to the applicable general land tax rate in respect of residential land owned by foreign persons.
3. Determined at midnight on each date in each year.
4. The surcharge land tax rate for NSW will increase from 4% to 5% for and from the 2025 tax year.

Table 9: Land tax rates¹

| State | General land tax rate ¹ | Surcharge land tax rate ² | Foreign corporations | Foreign (non-discretionary) trusts | Liability date ³ |
|------------|------------------------------------|--------------------------------------|--|---|-----------------------------|
| SA | \$28,110 plus 2.4% | N/A | <ul style="list-style-type: none"> N/A | <ul style="list-style-type: none"> N/A | 30 June |
| TAS | \$1,737.50 plus 1.5% | 2% | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or Foreign persons are in a position to control more than 50% of the voting power, or have an interest of 50% or more in issued shares | <ul style="list-style-type: none"> One or more foreign persons has more than a 50% interest in the capital of the trust | 1 July |
| VIC | \$31,650 plus 2.65% | 4% | <ul style="list-style-type: none"> Corporation not incorporated in Australia; or One or more foreign persons can control the composition of the board, or have more than 50% control (maximum votes and shares) | <ul style="list-style-type: none"> At least one foreign person has a beneficial interest in land under the trust, or is a unitholder in a unit trust | 31 December |
| WA | \$186,550 plus 2.67% | N/A ⁴ | <ul style="list-style-type: none"> N/A | <ul style="list-style-type: none"> N/A | 30 June |

4. A metropolitan region improvement tax rate of 0.14% applies to the aggregated taxable value of land in excess of \$300,000 for property located in the metropolitan area surrounding Perth.