

**REVENUE LAWS AMENDMENT BILL 2011**

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by **Hon Simon O'Brien (Minister for Finance)**, read a first time.

*Second Reading*

**HON SIMON O'BRIEN (South Metropolitan — Minister for Finance)** [8.54 pm]: I move —

That the bill be now read a second time.

This bill seeks to make amendments to the Duties Act 2008, Stamp Act 1921, Pay-roll Tax Assessment Act 2002, Land Tax Assessment Act 2002, Taxation Administration Act 2003, First Home Owner Grant Act 2000, and Rates and Charges (Rebates and Deferments) Act 1992. Due to the large number of amendments in the bill, today I intend to highlight only four changes of significance. However, I would also refer members to the comprehensive explanation of the remaining amendments contained in the explanatory memorandum associated with this bill.

The first amendment of note concerns a situation faced by some first home buyers who have received the \$7 000 first home owner grant but have not been able to access the associated first home owner transfer duty concession of up to \$17 765 due to the manner in which the purchase contract was effected. Amendments to the Duties Act in this bill seek to rectify this anomaly by ensuring that, subject to the requisite home value limits being met, the first home owner duty concession is available to all first home buyers who are eligible to receive the \$7 000 first home owner grant.

Moving on to the second matter, the bill includes further Duties Act amendments to extend the time limit that applies to duty refunds when a transaction to purchase property does not proceed. Under current arrangements, the Taxation Administration Act provides that a reassessment and subsequent refund of duty on a cancelled transaction can only be made within five years from the date that the original assessment of duty was made. In the majority of cases when a transaction is cancelled, the five-year limit provides ample opportunity for the purchaser to recover any duty paid. However, in some cases, particularly when a property has been purchased off the plan and there have been building delays or protracted legal disputes, purchasers have not been able to obtain a refund of the duty because the cancellation occurs outside the five-year reassessment time limit. The bill proposes to address this inequity by amending the Duties Act to allow a longer period for taxpayers to access a duty refund on a cancelled transaction, provided the application is made by the later of five years from the date of assessment, or twelve months from the date of cancellation of their transaction. Similar amendments to the Stamp Act will ensure that the extended period of time to apply for a refund will also be available to taxpayers who paid duty on their contract prior to 1 July 2008.

The bill also contains proposed amendments to the First Home Owner Grant Act to clarify the point at which the Commissioner of State Revenue can exercise the existing discretions in the act to vary the residency requirements placed on grant applicants. To be eligible for a grant, the applicant must commence residing in their home within twelve months of the date of completion of the eligible transaction and must then reside in that home for a minimum period of six months. The act currently provides the commissioner with discretion to vary the time periods; however, it does not clearly specify the point in time at which these discretions can be exercised. These amendments will provide the commissioner with the power to vary the residence requirements at any time, provided he is of the opinion that the applicant has submitted good reasons for not being able to meet the particular time limit.

Finally, the bill proposes amendments to provisions of the Pay-roll Tax Assessment Act that were amended with effect from 1 July 2010 as part of the payroll tax harmonisation process being overseen by the Council of Australian Governments. The payroll tax amendments in this bill seek to update the employee share scheme provisions to incorporate new references contained in the commonwealth Income Tax Assessment Act 1997; make the operation of the parental leave exemption provisions clearer; and make minor amendments to the registration and grouping provisions. The proposed amendments to the payroll tax legislation relate to harmonised laws that were introduced by the Pay-roll Tax Assessment Amendment Bill 2010. However, they only remove references to obsolete commonwealth legislation and update them with new legislation references. Accordingly, 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. Some other minor amendments have been made to ensure the payroll tax provisions interact correctly with the new commonwealth law. The pending commonwealth changes were flagged in the supporting materials that accompanied the 2010 bill.

The remaining amendments contained within this bill seek to make relatively minor changes to statutes administered by the Commissioner of State Revenue that will improve the equity and efficiency of the state's taxation and grant and subsidy schemes. The proposed amendments in this bill will have a negligible impact on revenue.

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

[See paper 4813.]

Debate adjourned, pursuant to standing orders.