

[Act 1997 No 37]



New South Wales

## State Revenue Legislation Amendment Bill 1997

### Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.\*  
This Bill is cognate with the *Appropriation Bill 1997*.

### Overview of Bill

The object of this Bill is to vary the incidence of certain levies, taxes and duties under State revenue Acts. The levies, taxes and duties concerned are:

- the levy imposed under the *Health Insurance Levies Act 1982* on organisations that conduct health benefits funds, and
- land tax imposed under the *Land Tax Act 1956* and the *Land Tax Management Act 1956*, and
- the levy imposed under the *Parking Space Levy Act 1992* on parking spaces, and
- the duty imposed under the *Registered Clubs Act 1976* on profits from gaming devices kept by registered clubs, and
- stamp duty imposed under the *Stamp Duties Act 1920* on intergenerational rural transfers, premiums for general insurance and motor vehicle certificates of registration.

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\* Amended in committee—see table at end of volume.

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## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on 1 July 1997, unless other specific provision is made.

**Clause 3** is a formal provision giving effect to the amendments to the *Health Insurance Levies Act 1982* set out in Schedule 1.

**Clause 4** is a formal provision giving effect to the amendments to the *Land Tax Act 1956* set out in Schedule 2.

**Clause 5** is a formal provision giving effect to the amendments to the *Land Tax Management Act 1956* set out in Schedule 3.

**Clause 6** is a formal provision giving effect to the amendments to the *Parking Space Levy Act 1992* set out in Schedule 4.

**Clause 7** is a formal provision giving effect to the amendments to the *Registered Clubs Act 1976* set out in Schedule 5.

**Clause 8** is a formal provision giving effect to the amendments to the *Stamp Duties Act 1920* set out in Schedule 6.

**Clause 9** is a formal provision giving effect to the amendments to the *State Revenue Legislation Further Amendment Act 1996* set out in Schedule 7.

### **Schedule 1      Amendment of Health Insurance Levies Act 1982**

**Schedule 1** amends the definition of *prescribed rate* in section 4 of the Act. The effect of the amendment is to increase the monthly levy paid to a health benefits fund by, in the case of a single contributor, 20 cents per week, and in the case of a contributing family, 40 cents per week. The increase has effect from 1 July 1997.

### **Schedule 2      Amendment of Land Tax Act 1956**

**Schedule 2** increases the rate of land tax from 1.65% to 1.85% for the 1998 and 1999 land tax years and reduces the rate to 1.7% for each year thereafter.

### **Schedule 3      Amendment of band Tax Management Act 1956**

**Schedule 3 [1]** and **[4]** impose land tax OR land that is used and occupied as the principal place of residence by the owner of the land and that has a land value of not less than \$1 million. Any such land is to be taxed as if it were the only land owned by the taxpayer. The \$1 million threshold is to be adjusted in accordance with movements in the CPI.

**Schedule 3 [2]** and **[3]** make consequential amendments to the provisions that determine how the “allowable proportion” by which the land value of land on which a flat is situated is to be taxed if the value of the allowable proportion is \$1 million or more.

**Schedule 3 [5]–[12]** make other consequential amendments.

**Schedule 3 [13]** enables the making of regulations of a savings or transitional nature consequent on the amendments made to the Act.

### **Schedule 4      Amendment of Parking Space Levy Act 1992**

**Schedule 4 [1]** and **[2]** increase from \$200 per year to \$400 per year the levy payable for each parking space to which the Act applies. The increase is to take effect from 1 September 1997.

**Schedule 4 [3]** enables parking space levies to be applied towards the provision of public transport services.

**Schedule 4 [4]** reinserts the power of the Minister to delegate functions under the Act that had been a provision of the Act from its enactment until its amendment by the *Taxation Administration (Consequential Amendments) Act 1996*.

### **Schedule 5      Amendment of Registered Clubs Act 1976**

**Schedule 5** increases from 22.5% to 30% the duty payable on so much of the profits from all approved gaming devices kept by a registered club as exceed \$1 million in a duty period.

### **Schedule 6      Amendment of Stamp Duties Act 1920**

#### **Intergenerational rural transfers**

**Schedule 6 [1], [2]** and **[3]** extend the exemption from stamp duty granted to intergenerational rural transfers by section 66H of the Act so that it will also

apply to the granting of leases, and the transfer or assignment of leases and permits, that come within the guidelines approved from time to time by the Treasurer. The extension of the exemption applies from 7 May 1997.

### **General insurance**

**Schedule 6 [4]-[13]** and **[17]** increase from 2.5% to 5% the stamp duty on premiums paid under policies of general insurance, other than crop insurance and livestock insurance. The increase applies to premiums paid on or after 1 July 1997, or paid after 7 May 1997 for policies of insurance, and renewals of policies of insurance, that take effect on or after 1 July 1997.

### **Motor vehicle certificates of registration**

**Schedule 6 [14]** imposes stamp duty at the rate of 5% on motor vehicle certificates of registration relating to certain passenger motor vehicles with a market value of not less than \$45,000. This rate is to be reduced to 4.5% on and from 1 July 1999 by virtue of the amendment to be made by **Schedule 6 [15]**.

### **Savings and transitional provisions**

**Schedule 6 [16]** enables the making of regulations of a savings or transitional nature consequent on the amendments made to the Act.

### **Schedule 7      Amendment of State Revenue Legislation Further Amendment Act 1996**

**Schedule 7** repeals section 6 (Reports on operation of amendments) of the Act.