

Land-holder Corporations and Unit Trusts

Stamp duty is payable on the acquisition of a significant or further interest in a corporation or unit trust that is entitled to an interest in land, including mining tenements and exploration licences, in the Territory with an unencumbered value of \$500 000 or more. The provisions apply whether or not the corporation or unit trust is listed on a recognised financial market, however different thresholds apply.

In the case of a corporation or unit trust that is listed on a recognised financial market; a significant interest is 90 per cent or more, and if not listed, 50 per cent or more. Special rules apply for merger of entities.

Stamp duty is calculated at the same rate as a direct transfer of land. See Rate of Stamp Duty formula.

Motor Vehicle Certificates of Registration

Stamp duty, payable on the issue or transfer of a motor vehicle certificate of registration, is calculated at \$3 per \$100 (or part thereof) of the purchase price if the transaction is made on normal commercial terms. Otherwise, duty is calculated on the market value of the vehicle. The applicant for the registration or transfer is liable for payment of the duty.

For further information see separate brochure I-SD-005: *Stamp duty and motor vehicles*.

General Insurance Policies

Policies relating to property or a risk that may occur in the Territory attract stamp duty calculated at a rate of 10 per cent of the premium paid for the policy. The insurer is liable for payment of the duty, but generally passes the cost on to their customers.

Brochure: I-GEN-001

Life Insurance Policies

Policies relating to a person residing in the Territory attract a stamp duty of 10 cents per \$100 (or part thereof) of the sum insured. Temporary insurance is calculated at a rate of 5 per cent of the first year's premium. The insurer is liable for payment of the duty, but generally passes the cost on to their customers.

Deeds Relating to Trusts

Stamp duty of \$20 is payable on a deed that is not otherwise chargeable with any other duty that constitutes a trust, varies a trust in any way, deals with actual potential or contingent interests or entitlements under a trust or extinguishes a trust. All parties to the deed are liable to pay.

How to contact the Territory Revenue Office

Correspondence GPO Box 154

Darwin NT 0801

Payments

Level 4, 38 Cavenagh Street

Darwin NT 0800

Make cheques payable to Receiver of Territory Monies.

Email ntrevenue.ntt@nt.gov.au

Telephone 1300 305 353 or (08) 8999 7949

Fax (08) 8999 5577

www.revenue.nt.gov.au

All TRO publications and brochures can be accessed via our website at www.revenue.nt.gov.au

I-GEN-001 Updated July 2009

Territory Taxes: Information for Business

Territory Revenue Office



Northern
Territory
Government

Territory Taxes

The Territory Revenue Office (TRO) is a division of the Northern Territory Treasury. Our role is to administer the Territory's taxes.

Following is a brief description of the laws most likely to impact on Territory business – Payroll Tax and Stamp Duty, in force as at 1 July 2009.

This information does not constitute a ruling and if any uncertainty exists with a particular aspect of the information provided, contact TRO or seek professional advice.

Payroll Tax

Payroll tax is payable by employers in the Northern Territory who pay Territory wages and their total Australian wages exceed \$104 167 per month or \$1 250 000 per annum. Tax is calculated at a rate of 5.9 per cent and is payable on a monthly basis.

Wages include salaries, commissions, bonuses, allowances, superannuation contributions, fringe benefits (grossed up amount), termination payments, employee-share scheme contributions and directors' fees.

Related or associated businesses are grouped for payroll tax purposes and their wages aggregated to determine whether a liability exists. Businesses are grouped if:

1. they are related under section 50 of the Corporations Act;
2. there is inter-use of employees between businesses; or
3. one or more persons together have a controlling interest (more than 50 per cent) in two or more businesses.

For more information on payroll tax refer to the *Employers' guide to payroll tax in the NT*.

Stamp Duty

Stamp duty is payable on various instruments and transactions as outlined below.

Acquisition of Land

Duty is payable when land is acquired, including Crown leases. Duty is also payable on any items included in the land acquisition, such as fixtures (buildings) and chattels (furniture, window treatments, etc.).

Duty is assessed on the purchase price or the unencumbered market value of the property, whichever is greater. The person acquiring the land is liable for payment of the duty.

A stamp duty concession of up to \$15 515.50 is available to first home buyers. A rebate of up to \$2 500 is also available to people buying a home (other than their first) for occupation as their principal place of residence.

Rate of Stamp Duty

Where the dutiable value is less than \$525 000, duty is calculated with the following formula:

$$D = (0.06571441 \times V^2) + 15V$$

Where: D = the duty payable in \$

and V = $\frac{\text{the dutiable amount}}{1\ 000}$

Where the dutiable value exceeds \$525 000, the duty is 4.95 per cent of the amount.

NOTE: Stamp duty calculators are available on our website. Follow the links from the home page.

Acquisition of Business Property and Rights

This includes:

- land;
- fixtures;
- mining tenements (includes exploration rights such as exploration licences and exploration retention licences under the *Mining Act*);
- plant and equipment;
- goodwill;
- statutory business licences (e.g. fishing and liquor licences); and
- intellectual rights, such as:
 - business name;
 - trading name;
 - trademark;
 - any process that is the subject of a patent;
 - registered design; or
 - copyright.

Stamp duty in this instance is calculated in the same way as for land acquisition. See Rate of Stamp Duty formula.

For more information see separate brochure I-SD-002: *Stamp duty on business property and rights*.

Commercial Leases of Land

Lease duty on 'rent' was abolished from 1 July 2006. However a lease is liable to duty at the same rate as an acquisition of land, where valuable consideration other than rent is payable. Duty is calculated on the amount of the consideration and the lessee is liable for payment of the duty.