

Revenue Ruling 2001

Public Ruling

Ruling Number	: PUB-DT-2001-5
Title	: Insurance Duty - Apportionment of Premiums between Australian Jurisdictions
Tax Line	: Duties
Legislative Reference	: <i>Duties Act 2001</i>
Previous Ruling	: -
Date of Ruling	: 16 July 2001
Attachments	: -

Preamble

Insurance duty in relation to a contract of insurance that effects general insurance is charged on the amount of the premium paid. General insurance is defined by reference to property in Tasmania and risks in Tasmania.

The *Duties Act 2001* (the Act) provides for the apportionment of premiums relating to:

- property that at the time of insurance is located in Tasmania and in another Australian jurisdiction;
or
- a risk concerning an act or omission that in the normal course of events may occur in Tasmania and in another Australian jurisdiction.

This ruling details the Schedule of Apportionment under section 187 of the Act.

Ruling

The attached Schedule of Apportionment has been adopted by the Commissioner with effect from 1 July 2001. The Schedule was developed in consultation with the Insurance Council of Australia, and is consistent with the Schedule adopted in 1994 by agreement with the Commissioners of the other Australian States and Territories.

A general insurer must apportion all premiums paid in relation to a contract of insurance that effects general insurance in accordance with the approved Schedule.

The Commissioner may apportion a premium on a basis other than in accordance with the Schedule on application in writing by an insurer or insured person (section 188 (2)) or if he is not satisfied that the premium has been properly apportioned for each risk insured (section 188 (4))

Where the Schedule indicates that alternative methods of apportionment are available, the "policy measuring factor" used in calculating the premium should be used. The policy-measuring factor is the factor used as a

basis for establishing the risk/premium under an insurance policy. For example, where the premium for a public liability policy is based on floor area units then the duty should be apportioned in the same manner.

Any new policies that are not covered by the Schedule should be referred by a general insurer to the Insurance Council of Australia prior to the issue of any such policy. The Insurance Council will forward details to the State Revenue Office for a decision by the Commissioner in consultation with the Commissioners of the other States and Territories, and ultimately for inclusion in the approved Schedule. The Insurance Council publishes each year a "Conspectus of Stamp Duties" including the approved Schedule, as amended.



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Tasmania