

Revenue Ruling

Ruling Number	: PUB-DT-2019-3
Title	: GST on Dutiable Transactions
Tax Line	: Duties
Legislative Reference	: Duties Act 2001
Previous Ruling	: PUB-DT-2005-1
Date of Ruling	: 15 October 2019

Preamble

Ad valorem duty at the rate specified under Chapter 2 of the [Duties Act 2001](#) (the Act) is charged on the greater of the consideration for, or the full unencumbered value of, the dutiable property being transferred.

GST is imposed under [A New Tax System \(Goods and Services Tax\) Act 1999](#) of the Commonwealth on taxable supplies at 10 per cent of the value of the taxable supply. The “price” of a taxable supply is the market value or the consideration paid for the supply without any discount for the amount of GST (if any) payable on the supply.

GST is payable by the person who makes the taxable supply..

Ruling

Where a dutiable transaction is silent as to whether the transferor is liable to GST in respect of the transaction, duty will be assessed on the consideration or the full unencumbered value of the property, whichever is the greater (i.e. on the basis that 1/11th of the consideration or full unencumbered value is attributable to GST).

Where a dutiable transaction contains a condition that the transferee will pay the stated consideration **plus** an amount equal to the GST payable by the transferor, the GST component forms part of the consideration and duty is assessed on the greater of the consideration (including the GST component) or the full unencumbered value of the property.

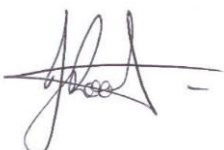
Where a contract contains a clause or provision which indicates that the transferor’s liability to GST is unknown as at the date of contract or transfer but that, should it be payable, an amount equal to that liability will be paid by the transferee to the transferor, the duty will be assessed on either the consideration (initially exclusive of any GST component) or the full unencumbered value of the property. These assessments may be made as interim assessments in accordance with section 31(1) of the Act. In the event that GST becomes payable, the taxpayer must re-submit the contract for re-assessment in accordance with 31(3) of the Act.

It should be noted that compliance activity will be conducted on dutiable transactions with a conditional liability and also on dutiable transactions that are ‘silent’ as to the payment of GST.

Explanation of Revenue Rulings

All rulings must be read in conjunction with the ‘Explanation and Status of Revenue Rulings’ available on the SRO website, www.sro.tas.gov.au/resources/rulings.

For questions about this ruling, please email revenuereview@treasury.tas.gov.au or phone (03) 6166 4400.



JC Root
Commissioner of State Revenue
15 October 2019