

Revenue Legislation Amendment Bill 2024

Explanatory Notes

Short title

The short title of the Bill is the Revenue Legislation Amendment Bill 2024 (the Bill).

Policy objectives and the reasons for them

The Bill amends legislation administered by the Commissioner of State Revenue (Commissioner) to implement revenue-related commitments made by the Queensland Government during the 2024 State Election campaign.

To implement these 2024 State Election commitments, the *Duties Act 2001* (Duties Act) is amended to:

- for eligible dutiable transactions that involve first home owners purchasing a new home or vacant land on which to build a home, provide full duty relief in respect of the first home owners' interests and to the extent they use the new home as their home (transfer duty first home new home relief); and
- enable recipients of the transfer duty home concessions to rent part of their property during the one-year occupation period and retain the full benefit of this relief.

The *Payroll Tax Act 1971* (Payroll Tax Act) is also amended to introduce an exemption to provide that wages liable to payroll tax and the mental health levy do not include wages paid or payable by medical practices to GPs.

Achievement of policy objectives

Duties Act – transfer duty first home new home relief

Under the Duties Act, transfer duty is imposed on dutiable transactions involving land in Queensland. Duty is generally imposed at the standard progressive rates in schedule 3 of the Duties Act.

The Duties Act provides home concessions which result in concessional rates of transfer duty applying for certain dutiable transactions that involve a person purchasing residential land containing a residence that will be their home or first home or purchasing vacant land on which their first home will be constructed. Different concessional rates apply depending on whether the person is purchasing a home, first home or vacant land.

The Duties Act will be amended so that, for certain dutiable transactions that involve first home owners purchasing residential land that contains a new home or vacant land on which they will build a home, full transfer duty relief will be available in respect of the first home owners' interests and to the extent they use the new home as their home.

Consistent with the types of dutiable transactions for which the current home concessions can be claimed, the transfer duty first home new home relief will be available in relation to a transfer or agreement for the transfer of residential land that contains a residence that is a new home or vacant land on which a home will be constructed. In certain circumstances it will also be available in relation to the acquisition of a lease of, or the vesting of residential land that contains a residence that is a new home or vacant land on which a home will be constructed.

A new home is a home that has not been previously occupied nor that has been previously sold as a place of residence. A new home also includes a substantially renovated home which, as renovated, has not been previously occupied nor previously sold as a place of residence. This aligns with the definition of new home for the purposes of the First Home Owner Grant.

To be eligible for the transfer duty first home new home relief, a person must:

- not have previously held an interest in residential land in Queensland or elsewhere, other than as a trustee, the holder of a security interest or a lessee in certain circumstances;
- generally be at least 18 years of age;
- have paid at least the unencumbered value of the land on which the new home is constructed (or will be constructed in the case of vacant land);
- occupy the new home as their home for one year within one year of settlement, or within two years for vacant land (occupancy requirement);
- not dispose of the new home (e.g. by renting it out) prior to occupying or within one year after their occupation date (non-disposal requirement). However, they will be able to rent out a room once they start occupying it (see the other amendments in the Bill to allow home buyers to rent part of their property).

These conditions align with current requirements that apply in relation to the existing home concessions for first home owners.

Irrespective of the value of the land, eligible first home buyers who enter into eligible transactions, either alone or with other first home buyers, will generally not have to pay any transfer duty. However, transfer duty will still be payable in certain circumstances. For example, where an eligible first home buyer enters into an eligible transaction:

- with other persons who are not first home buyers. Transfer duty will still be payable in respect of the other persons' interests, either at concessional rates if the other persons will use the new home as their home or otherwise at the standard progressive rates;
- relating to residential land that contains one or more residences other than the new home. Transfer duty at the standard progressive rates will still be payable in respect of the first home buyer's interest in the part of the land attributable to the other

residences. Where there are other persons who will use the new home or the other residences as a home or first home, concessional rates of transfer duty will apply to their interests in the land attributable to the residence used as their home. Otherwise, transfer duty at the standard progressive rates will apply in respect of their interests in any part of the land attributable to residences not used as their home; and

- in circumstances where part of the land will be used for non-residential purposes (e.g. to operate a business). Transfer duty will still be payable at the standard progressive rates to the extent that the land is not used as the person's first home.

Consistent with how the transfer duty home concessions are currently claimed, eligible first home buyers will be able to claim the transfer duty first home new home relief upfront at the time of the transaction on the basis that they will subsequently meet the occupancy and non-disposal requirements. Where a person fails to meet the relevant requirements, they will be required to notify the Commissioner. Upon receiving such notification or upon the non-compliance being identified by the Commissioner, a reassessment will be made to remove the benefit of the relief, either in full or in part depending on the circumstances.

In addition to introducing the transfer duty first home new home relief, the Duties Act will be amended to ensure this relief appropriately interacts with the existing home concessions and that all the concessions operate as intended.

The transfer duty first home new home relief will be available in relation to eligible dutiable transactions entered into on or after 1 May 2025. The Duties Act will be amended to include an anti-avoidance provision in relation to arrangements where the sole or main purpose is to defer an agreement or transfer until on or after 1 May 2025 in order to gain the benefit of the relief. Existing general anti-avoidance provisions in the Duties Act will also apply to arrangements for the sole or dominant purpose of creating a circumstance to which this relief would apply so that the benefit can be claimed.

Duties Act – allow home buyers to rent part of their property

The Duties Act provides for the home concession, first home concession and first home vacant land concession (collectively, the transfer duty home concessions). The transfer duty home concessions are subject to conditions, including that the purchaser must occupy the property within one year of settlement (for the home and first home concessions) or two years (for the first home vacant land concession). The purchaser must not dispose of all or part of the property (e.g. by renting or selling the property) before occupation and within one year of moving in (occupation period). Where the occupation period condition is not met, the purchaser will ordinarily be reassessed to remove the benefit of the concession, either in full or in part.

The Duties Act will be amended to give legislative effect to a beneficial administrative arrangement, to allow recipients of the transfer duty home concessions to lease or otherwise grant exclusive possession of part of their property during the one-year occupation period and retain the full benefit of this relief.

The changes will apply to leases or grants of exclusive possession that occur on or after the date the administrative arrangement was approved, even if the liability for duty arises earlier. The amendments do not alter other requirements of the transfer duty home concessions, including other existing forms of disposal (e.g. sale of the property during the occupation period).

Payroll Tax Act – exemption for payments to GPs

The Payroll Tax Act imposes payroll tax on taxable wages paid or payable to employees, once the total annual Australian taxable wages of an employer, or group of employers, exceeds the tax-free threshold (currently \$1.3 million). A mental health levy is also imposed in relation to taxable wages, for employers, or groups of employers, with total annual Australian taxable wages over \$10 million.

“Taxable wages” are those wages subject to payroll tax and the mental health levy under the Payroll Tax Act, where they have a connection with Queensland. The Payroll Tax Act contains exemptions for certain wages, where relevant conditions are met. Where an exemption applies, those wages are not subject to payroll tax or the mental health levy.

The Payroll Tax Act will be amended to give legislative effect to a beneficial administrative arrangement, to provide that, where relevant conditions are met, wages paid or payable by a medical practice to GPs will not be subject to payroll tax or the mental health levy.

The amendments will introduce concepts of “medical practice” and “general practitioner” into the Payroll Tax Act for the purposes of the exemption.

A medical practice will mean an entity carrying on a business at which services of the kind ordinarily provided by a medical practitioner who is registered in the specialty of general practice are provided, other than a hospital. It contemplates the services may be provided from a premises or remotely, such as by telephone.

The concept of general practitioner will capture doctors who would ordinarily be considered GPs, including medical practitioners who are registered in the specialty of general practice or are on accredited general practice pathways as well as certain prescribed medical practitioners. As prescribed medical practitioner could include a broad range of health professionals, to ensure this category is appropriately limited, the amendments will provide a prescribed medical practitioner must predominately provide services of the kind ordinarily provided by a medical practitioner who is registered in the specialty of general practice.

The amendments will have retrospective effect from 1 December 2024, to align with commencement of the administrative arrangement. This means the exemption will apply to relevant wages paid or payable from 1 December 2024 onwards. Amending the Payroll Tax Act to give legislative effect to the administrative arrangement will provide certainty for employers in respect of the treatment of these wages for payroll tax and mental health levy purposes.

Alternative ways of achieving policy objectives

The policy objectives of the Bill can only be achieved by legislative amendment.

Estimated cost for government implementation

For all amendments in the Bill, all implementation costs are expected to be met from within existing budget allocations.

Consistency with fundamental legislative principles

The Bill is generally consistent with fundamental legislative principles (FLPs). Potential inconsistencies with FLPs are discussed below.

Duties Act – transfer duty first home new home relief – sufficient regard to the rights and liberties of individuals (Legislative Standards Act 1992, section 4(2)(a))

Section 4(2)(a) of the *Legislative Standards Act 1992* requires that legislation has sufficient regard to the rights and liberties of individuals.

The amendments to the Duties Act relating to the transfer duty first home new home relief will impose obligations on first home buyers who claim the relief to notify the Commissioner of certain matters. For example, if they fail to comply with the occupancy and non-disposal requirements. Also, if they claim a concession in relation to vacant land and transfer duty is assessed on the basis of the part of the land they expect to be attributable to the residence which is different to the part actually attributable to the residence when constructed and which ultimately means that transfer duty was under-assessed. Failure to comply with a notification obligation will fall within an existing offence in the *Taxation Administration Act 2001* which has a maximum penalty of 100 penalty units.

This is consistent with the consequences for failing to comply with existing notification obligations under the Duties Act, such as in relation to changes in circumstances affecting eligibility for the existing home concessions. This is appropriate to ensure that suitable sanctions are in place to disincentivise non-compliance.

The offence provisions of the *Taxation Administration Act 2001* are well-established, having been in place for a number of years and apply consistently across Queensland's revenue laws. They are considered to have sufficient regard to fundamental legislative principles. It is therefore considered that these amendments have sufficient regard to the rights and liberties of individuals.

Duties Act – allow home buyers to rent part of their property – not adversely affecting rights and liberties, or imposing obligations, retrospectively (Legislative Standards Act 1992, section 4(3)(g))

Section 4(3)(g) of the *Legislative Standards Act 1992* provides that whether legislation has sufficient regard to rights and liberties of individuals depends on whether, amongst other things, the legislation does not adversely affect rights and liberties, or impose obligations, retrospectively.

The amendments operate retrospectively from the date the administrative arrangement was approved. Retrospective amendment is considered necessary and appropriate as it will give effect to a beneficial administrative arrangement. This administrative arrangement has been approved by the Treasurer and published in a Public Ruling by the Commissioner.

Payroll Tax Act – exemption for payments to general practitioners – not adversely affecting rights and liberties, or imposing obligations, retrospectively (Legislative Standards Act 1992, section 4(3)(g))

Section 4(3)(g) of the *Legislative Standards Act 1992* provides that whether legislation has sufficient regard to rights and liberties of individuals depends on whether, amongst other things, the legislation does not adversely affect rights and liberties, or impose obligations, retrospectively.

The amendments in respect of the payroll tax exemption for wages paid or payable by medical practices to GPs will have retrospective effect from 1 December 2024. Retrospective amendment is considered necessary and appropriate as it will give effect to a beneficial administrative arrangement, which has facilitated the exemption for such wages from 1 December 2024. This administrative arrangement has been approved by the Treasurer and published in a Public Ruling by the Commissioner.

Consultation

While community consultation was not undertaken in relation to the amendments in the Bill as they are being implemented to deliver on commitments made by the Government during the 2024 State Election campaign, key medical industry bodies were invited and made submissions to inform design of the payroll tax exemption for payments to GPs.

Consistency with legislation of other jurisdictions

The amendments are specific to the State of Queensland and are not otherwise uniform with or complementary to legislation of the Commonwealth or another state or territory.

Notes on provisions

Part 1 Preliminary

Clause 1 provides that the Bill, when enacted, may be cited as the *Revenue Legislation Amendment Act 2024*.

Clause 2 provides for the commencement of the amendments made by the Bill. In particular, it provides that the amendments to the:

- *Duties Act 2001* to allow recipients of the transfer duty home concessions to rent part of their property are taken to have commenced on 6 December 2024;
- *Duties Act 2001* to provide separate transfer duty relief for first home owners purchasing new homes commence on 1 May 2025; and
- *Payroll Tax Act 1971* are taken to have commenced on 1 December 2024.

Part 2 Amendment of the Duties Act 2001

Clause 3 provides that part 2 amends the *Duties Act 2001*.

Clause 4 amends section 153, which provides for the reassessment of the transfer duty home concessions if the transferee, lessee or vested person disposes of the land within the year after their occupation date for the residence. New subsection (1C) is inserted to provide an exception to disposal for subsection (1)(b)(ii), so that a transferee, lessee or vested person does not dispose of the land only by entering into a residential lease of part, but not all, of the land. New subsection (4) is inserted to provide a definition of 'residential lease'. A 'residential lease', of part of land, means a lease, or other grant of exclusive possession, of the part to a person for use for residential purposes.

Clause 5 inserts new part 30 into chapter 17, which relate to transitional provisions for the Bill. New section 686 clarifies that a reference in section 153(1C) to a residential lease does not include a reference to a lease entered into, or other exclusive possession granted, before commencement.

Clause 6 amends section 85, which sets out the purpose of chapter 2, part 9 relating to concessions for homes. Section 85 is amended to reflect the new, separate transfer duty relief for first home owners purchasing new homes.

Clause 7 amends section 86, which currently defines 'home' and 'first home', to include a definition of 'new home'. A new home is a home that has not been previously occupied or sold as a place of residence or a substantially renovated home. This definition aligns with the definition of new home in the *First Home Owner Grant and Other Home Owner Grants Act 2000*.

Example:

A person purchases a recently constructed home which the seller rented out as a holiday home while making arrangements to sell. The home has been previously occupied and is not a new home.

Clause 8 amends section 86C, which currently defines 'vacant land', to include a definition of 'residential vacant land'. Residential vacant land is vacant land, or the part of vacant land, on which the residence is to be constructed and includes the curtilage that is to be attributable to the residence if the curtilage is to be used for residential purposes. This aligns with the existing definition of 'residential land' in section 86A. In much the same way that residential land will be used to calculate transfer duty on a transaction involving a first home owner purchasing a new home, residential vacant land will be used to calculate transfer duty on a transaction involving a first home owner purchasing vacant land on which they will construct a new home.

Clause 9 amends section 86D which provides a definition of 'vacant land concession beneficiary'. Section 86D is amended to ensure that a person is a vacant land concession beneficiary if they were a party to a transaction relating to vacant land for which a first home vacant land concession applied under current sections 92 and 93A or for which a first home vacant land concession will be applied under new sections 92B and 93B.

Section 86D is also amended to ensure that, a transaction assessed on the basis of a concession under current sections 92 and 93A or new sections 92B and 93B is taken to be a transaction to which a concession under those sections applied even if the transaction was reassessed under section 153 or 154. If a transferee, lessee or vested person fails to satisfy the occupancy and non-disposal requirements, sections 153 and 154 require the Commissioner to make a reassessment to either partially or fully remove the benefit of the concession.

Clause 10 amends section 90, which provides the dutiable value of residential land or vacant land, so that it also provides for the dutiable value of residential vacant land.

Clause 11 replaces the heading to chapter 2, part 9, division 3, which relates to concessions for homes and first homes, to reflect the new, separate transfer duty relief for first home owners purchasing new homes.

Clause 12 amends section 92 which provides the current transfer duty concessions for first homes and for vacant land on which a first home will be constructed. Section 92 is amended so that it provides a concession only for certain dutiable transactions involving an acquisition of a first home other than a new home. Separate concessions for transactions involving first home owners purchasing new homes or vacant land on which they will construct a home are provided for in new sections 92A and 92B. The amendments to section 92 do not change the existing concession for first home owners purchasing existing homes. This concession will continue to be available to eligible first home owners who purchase an existing home valued below \$800,000.

Clause 13 inserts new sections 92A and 92B. Section 92A provides a concession for transactions involving first home owners purchasing new homes while section 92B provides a concession for first home owners purchasing vacant land on which to build a home.

The concession under section 92A is generally available for particular dutiable transactions involving residential land that contains a new home, provided it will be the first home of all transferees, lessees or vested persons who are all individuals of at least 18 years of age and the consideration for the dutiable transaction is at least the unencumbered value of the residential land. The concession is also generally available if the transferees, lessees or vested persons are trustees of certain types of trust where the beneficiaries are under a legal disability and the residence will be their first home. Where an individual or beneficiary is under 18 years of age, the concession is only available if the Commissioner is satisfied that there is no avoidance scheme in relation to the transaction.

Where the concession applies, section 92A provides that the transfer duty imposed on the dutiable transaction is worked out by calculating transfer duty on the dutiable value of the residential land (at the standard rate of transfer duty applicable to the dutiable value of the residential land) and deducting that amount from transfer duty on the dutiable value of the dutiable transaction (at the standard rate of transfer duty applicable to the dutiable value of the dutiable transaction).

The concession under section 92B is generally available for particular dutiable transactions involving vacant land on which a residence will be constructed, provided the residence will be the first home of all the transferees, lessees or vested persons who are all individuals of at least 18 years of age and the consideration for the dutiable transaction is at least the unencumbered value of the land. The concession is also generally available if the transferees, lessees or vested persons are trustees of certain types of trust where the beneficiaries are under a legal disability and the residence will be their first home. Where an individual or beneficiary is under 18 years of age, the concession is only available if the Commissioner is satisfied that there is no avoidance scheme in relation to the transaction.

Where the concession applies, section 92B provides that the transfer duty imposed on the transaction is the amount worked out by calculating transfer duty on the dutiable value of the residential vacant land (at the standard rate of transfer duty applicable to the dutiable value of the residential vacant land) and deducting that amount from the transfer duty on the dutiable value of the dutiable transaction (at the standard rate of transfer duty applicable to the dutiable value of the dutiable transaction).

Clause 14 amends section 93 which generally provides for the calculation of transfer duty on dutiable transactions, involving multiple transferees, lessees or vested persons who are individuals, and relating to residential land that contains one or more residences that will be a home or first home of either all or some of the transferees, lessees or vested persons. That is, it applies where there are mixed claims by transferees, lessees or vested persons for different or no home concessions and where there are multiple residences on the land. Section 93 also applies to certain dutiable transactions where a person acquires a part interest in residential land that contains one or more residences, one of which will be their home or first home.

Section 93 is amended so that it does not apply to any dutiable transaction that involves a residence that is a new home which will be the first home of one or more transferees, lessees or vested persons. For these dutiable transactions, transfer duty will be calculated under replacement section 93A.

Section 93 is also amended to ensure that, for calculating duty under this section, a relevant person's interest is generally defined as the proportion that the share of the person in the whole dutiable property bears to the total of the shares of all the transferees, all the lessees or all the vested persons. This is consistent with how this concept was originally defined and with how transfer duty is actually calculated as intended. It also aligns with how the equivalent concept is defined in other provisions providing for the calculation of transfer duty on transactions involving mixed and multiple claims for the home concessions, such as current section 93A as well as replacement section 93A and new section 93B.

Clause 15 replaces current section 93A and inserts new section 93B.

Replacement section 93A generally provides for the calculation of transfer duty on dutiable transactions, involving multiple transferees, lessees or vested persons who are individuals, and relating to residential land that contains one or more residences that will be a first home and new home of at least one transferee, lessee or vested person but not all. That is, it applies where there are mixed claims by transferees, lessees or vested persons for different home concessions or no home concessions, provided at least one claim is for the concession under new section 92A relating to residential land containing a first home and new home. It also where there are multiple residences on the land. Section 93A also applies to certain dutiable transactions where a person acquires a part interest in residential land that contains one or more residences, one of which will be their first home and new home.

The calculations in replacement section 93A generally adopt the same approach as the calculations in section 93. Section 93A(7) provides the calculation for a transaction which involves a residence that is the first home and new home of one or more transferees, lessees and vested persons and is the home of each other transferee, lessee or vested person. It also provides the calculation for a transaction involving residential land that contains multiple residences, where one or more of those residences will be the first home and new home of one or more transferees, lessees and vested persons. This calculation generally mirrors the calculation in section 93(6) which applies to the same types of transactions, except to the extent they involve a residence that is a first home and new home.

Section 93A(8) provides the calculation for a transaction which involves a residence that is the first home and new home of one or more transferees, lessees and vested persons but is not the home of all the transferees, lessees and vested persons. That is, it can apply in circumstances where, in addition to the transferee, lessee or vested person who will use the residence as their first home, some but not all other transferees, lessees and vested persons will use the residence as their home. It can also apply where no other transferees, lessees and vested persons will use the residence as their home. The calculation in section 93A(8) also applies in relation to certain dutiable transactions involving a part interest. This calculation generally mirrors

the calculation in section 93(7) which applies to the same types of transactions, except to the extent they involve a residence that is a first home and new home.

Section 93A(9) defines the various terms used in the calculations in sections 93A(7) and 93A(8). These generally mirror the terms defined in section 93(8) for calculating transfer duty under section 93(6) and 93(7) with some adjustments. The definition of 'concessional duty' in section 93A(9)(a) is amended to reflect the fact that section 93A applies to transactions involving a first home and new home for which a new, separate concession is provided for under new section 92A. It expands on the definition in section 93(8)(a) which provides for how to calculate concessional duty if the home concession under section 91 or the first home concession under section 92 were to apply. Section 93A(9)(a)(iii) provides that, if the concession under new section 92A is to apply, then the concessional duty would be equal to the amount worked out under section 91(3)(a) or stated in section 91(5)(a) less the amount of transfer duty otherwise payable under section 91.

The definition of 'relevant rate' in section 93A(9)(d) provides that it is the rate of transfer duty in schedule 3 for the part of the dutiable value of the dutiable transaction attributable to the relevant amount. The relevant amount is either the amount in section 93A(7)(b)(i) or (ii), if transfer duty is calculated under section 93A(7), or the amount in section 93A(8)(b)(i) or (ii), if transfer duty is calculated under section 93A(8). This is consistent with how the definition of relevant rate under section 93(8)(d) currently applies for calculating transfer duty under section 93(6) and 93(7). Despite the slightly different wording in the definition in 93A(9)(d) and the part of the calculations which require the relevant rate to be applied, the calculations in 93A(7) and 93A(8) are intended to operate in the same way as the calculations in section 93(6) and 93(7).

Sections 93A(10) and (11) provide for how certain terms in section 93A(9) are to apply where a transaction involves residential land with multiple residences. For these transactions, concessional duty and the value of relevant persons interests are determined by reference to the part of the residential land relating to that person's home or first home. Sections 93A(10) and (11) align with sections 93(9) and (10).

New section 93B generally provides for the calculation of transfer duty on dutiable transactions involving multiple transferees, lessees or vested persons who are individuals, and relating to vacant land on which a residence will be constructed that will be a first home of at least one transferee, lessee or vested person but not all. That is, it applies where some transferees, lessees or vested persons are first home owners entitled to claim the first home vacant land concession under new section 92B while the other are transferees, lessees or vested persons not entitled to any concession. Section 93B also applies to certain dutiable transactions where a person acquires a part interest in vacant land on which their first home will be constructed.

Section 93B does not provide for how transfer duty is to be calculated in relation to a dutiable transaction that involves vacant land on which multiple residences will be constructed. The first home vacant land concession is not currently available in these circumstances and will continue to not be available in such circumstances.

The calculations for these types of dutiable transactions, relating to vacant land and involving mixed and multiple claims for home concessions, are currently provided for in section 93A. As section 93A is being replaced, the calculations will instead be provided for in new section 93B. Some adjustments are made to the calculations to account for the fact that a full concession will be available for eligible persons acquiring vacant land on which they will build their first home, irrespective of the dutiable value of the vacant land.

Where section 93B applies, section 93B(5) provides that transfer duty is generally calculated by working out the total of each relevant person's interest in the transfer duty on the dutiable value of the residential vacant land and deducting that from the transfer duty on the dutiable value of the dutiable transaction. A relevant person is a transferee, lessee or vested person who will use the residence to be constructed as their first home.

Section 93B(6) provides for how transfer duty is calculated in circumstances where a person acquires a part interest in vacant land on which their first home will be constructed. Transfer duty is calculated by first working out the person's interest in the transfer duty on the dutiable value of the residential vacant land, which is calculated at the standard rate in schedule 3 that is attributable to the person's interest in the residential vacant land. The amount worked out is then deducted from the transfer duty on the dutiable value of the dutiable transaction.

Section 93B(7) defines the various terms used in the calculations in sections 93B(5) and 93B(6).

Clause 16 amends section 94 which provides for mixed and multiple home concession claims in relation to dutiable transactions involving residential land where the transferee, lessee or vested person is the trustee of a trust and the beneficiaries are individuals under a legal disability. Section 94 clarifies how the calculations in section 93, for mixed and multiple home concession claims in relation to residential land, apply to these relevant dutiable transactions involving trustees.

Section 94 is amended to also clarify how the calculations in replacement section 93A apply to relevant dutiable transactions involving trustees. As noted above, replacement section 93A provides calculations for dutiable transactions involving mixed and multiple home concession claims in relation to residential land which contains a residence that will be the first home and new home of at least one transferee, lessee or vested person.

Clause 17 amends section 94A which provides for mixed and multiple home concession claims in relation to dutiable transactions involving vacant land where the transferee, lessee or vested person is the trustee of a trust and the beneficiaries are individuals under a legal disability. Section 94A clarifies how the calculations in current section 93A, for mixed and multiple home concession claims in relation to vacant land, apply to these relevant dutiable transactions involving trustees.

As section 93A is being replaced and the calculations for these types of transactions are being provided for in new section 93B, section 94A is amended to replace references to section 93A with equivalent references to new section 93B.

Clause 18 amends section 153 which provides for reassessments of transfer duty in circumstances where a home concession was claimed in relation to a dutiable transaction but a transferee, lessee or vested person subsequently failed to comply with a requirement of the concession by disposing of the land within one year of commencing occupation. Section 153 currently refers to particular provisions in chapter 2, part 9, division 3 which allow transfer duty to be assessed on the basis of a home concession that is currently available. Section 153 is amended to ensure that reassessments under section 153 can also be made where transfer duty on a dutiable transaction is assessed on the basis of a concession under replacement section 93A and new sections 92A, 92B and 93B, being the sections under which the transfer duty first home new home relief can be claimed.

Clause 19 amends section 154 which provides for reassessments of transfer duty in circumstances where a home concession was claimed in relation to a dutiable transaction but a transferee, lessee or vested person either disposes of the land before commencing occupation or fails to satisfy the occupancy requirement. Section 154 currently refers to particular provisions in chapter 2, part 9, division 3 which allow transfer duty to be assessed on the basis of a home concession that is currently available. Section 154 is amended to ensure that reassessments under section 154 can also be made where transfer duty on a dutiable transaction is assessed on the basis of a concession under replacement section 93A and new sections 92A, 92B and 93B, being the sections under which the transfer duty first home new home relief can be claimed.

The definition of 'home or vacant land lease' in section 154(5) is also amended to clarify that it includes a lease of residential land on which a first home and new home is constructed and for which a premium, fine or other consideration is payable.

Clause 20 inserts new section 154A which is a new reassessment provision. Section 154A applies in particular circumstances where certain types of dutiable transactions are assessed on the basis of a concession under new section 92B or 93B. These relate to the concession for vacant land on which a residence will be constructed which will be the first home of one or more transferees, lessees or vested persons.

New section 154A applies where transfer duty is assessed under new section 92B or 93B on the basis that all of the vacant land is residential vacant land but when the residence is constructed, that is not the case. If the amount of transfer duty that would have been imposed if only the part of the vacant land had been used for assessing transfer duty is more than the amount of transfer duty that was assessed, the Commissioner must make a reassessment of transfer duty.

New section 154A also applies where transfer duty is assessed under new sections 92B or 93B on the basis that part of the vacant land is residential vacant land but when the residence is constructed, that part is different to the part of the land on which the residence is actually constructed. If the amount of transfer duty that would have been

imposed if the part of the vacant land on which the residence is actually constructed had been used for assessing transfer duty is more than the amount of transfer duty that was assessed on the transaction, then the Commissioner must make a reassessment of transfer duty.

Clause 21 amends section 155 which imposes an obligation on transferees, lessees and vested persons to give notice to the Commissioner of particular notifiable events triggering a reassessment under sections 153 and 154.

Section 155 currently refers to particular provisions in chapter 2, part 9, division 3 which allow transfer duty to be assessed on the basis of a home concession that is currently available. Section 155 is amended to ensure that the obligation to give notice under section 155 applies where a notifiable event happens after a dutiable transaction is assessed on the basis of a concession under replacement section 93A and new sections 92A, 92B and 93B. These are the sections under which the transfer duty first home new home relief can be claimed.

The definition of 'notifiable event' in section 155(3) is also amended to include an event that triggers a reassessment under section 154A. In particular, a notifiable event includes when a transferee, lessee or vested person for vacant land becomes aware or ought reasonably to be aware of the matters triggering a reassessment in section 154A.

Clause 22 inserts new section 687 which provides for the application of the concession provisions. Section 687(1) provides that the former concession provisions apply in relation to dutiable transactions if the liability for transfer duty arose before 1 May 2025. The former concession provisions are chapter 2, parts 9 and 14, division 1 and schedules 4A and 4B as in force from time to time before commencement, being 1 May 2025.

Example:

X and Y entered into a dutiable transaction on 3 November 2023 to purchase vacant land on which they will build a residence to use as their home. As the home will be the first home for X but not for Y, transfer duty is assessed on the basis of a concession under current section 93A which provides for mixed and multiple home concession claims in relation to vacant land. On 31 May 2025, X and Y notify the Commissioner that, immediately after construction of the residence was complete, they leased the residence before occupying it.

Although current section 93A is replaced from 1 May 2025, section 154 as in force before 1 May 2025 (which applies to a dutiable transaction assessed on the basis of a concession under current section 93A) applies to require the Commissioner to make a reassessment of transfer duty.

Section 687(2) provides that the new concession provisions apply in relation to a dutiable transaction if the liability for transfer duty arises on or after 1 May 2025. The new concession provisions are chapter 2, parts 9 and 14, division 1 and schedule 4A as in force from commencement, being 1 May 2025.

Section 687(3) is an anti-avoidance provision. It provides that the former concession provisions as in force before 1 May 2025 continue to apply to certain transfers, or agreements for the transfer, of residential land or vacant land made on or after 1 May 2025.

Clause 23 amends schedule 3 which sets out the standard transfer duty rates, including for dutiable transactions. The list of authorising provisions referred to in schedule 3 is amended include references to new sections 92A, 92B and 93B as well as replacement section 93A as all of these provisions refer to the rates in schedule 3. The list of authorising provisions is also amended to omit a reference to section 92 which no longer refers to the rates in schedule 3.

Clause 24 amends schedule 4A which provides the amount of the concession that is currently available for certain dutiable transactions involving residential land that contains a residence which will be a transferee, lessee or vested person's first home. As full transfer duty relief is being provided for eligible dutiable transactions that involve eligible first home owners purchasing residential land that contains a new home, schedule 4A is amended to clarify that it only applies to transactions that involve a first home other than a new home.

Schedule 4A is also amended to clarify that, for dutiable transactions where the dutiable value of the residential land is less than \$700,000, the concession amount is the transfer duty otherwise payable as if the home concession under section 91 applied to the dutiable transaction. This reference is more precise and does not change the current concession amount available.

The authorising provision for schedule 4A, which is section 92, is also amended to reflect amendments to section 92 being made by the Bill.

Clause 25 omits schedule 4B which provides the amount of the concession that is currently available for certain dutiable transactions involving vacant land on which a transferee, lessee or vested person's first home is to be constructed. As full transfer duty relief is being provided for dutiable transactions that involve eligible first home owners purchasing vacant land on which they will construct their first home, schedule 4B is no longer needed.

Clause 26 amends schedule 6 which is the dictionary. It inserts new definitions of 'new home' and 'residential vacant land' which are set out in sections 86(4) and 86C(2) respectively. It also amends a cross-reference to section 86C in the existing definition of 'vacant land' to reflect amendments to section 86C being made by the Bill.

Part 3 Amendment of the Payroll Tax Act 1971

Clause 27 provides that part 3 amends the *Payroll Tax Act 1971*.

Clause 28 amends section 14(2) and section 14(9) to provide an exemption from payroll tax and the mental health levy for certain wages. Section 14(2) is amended to insert a new paragraph which provides that wages paid or payable by a medical practice to a general practitioner are not wages liable to payroll tax or the mental health levy under the Act.

Section 14(9) is amended to introduce new defined terms of 'general practitioner' and 'medical practice'.