

The state budget announcements on the 18 June 2015 were passed as law on the 26 November 2015.

This is a major incentive for both businesses and investors with the value of assets no longer being distorted by state taxes.

The main initiatives which have been passed as law and took effect from the 18 June 2015 are summarised as follows:

1. Stamp Duty on transfer of shares not listed on a recognised stock exchange are abolished
2. Stamp Duty on the transfer of Non Real Property is abolished
3. Stamp Duty on Corporate Restructures are abolished
4. Stamp Duty Exemption for a principal place of residence transferred into a special disability trust for no consideration
5. Expansion of the stamp duty exemption on inter family farm transfers
6. Commencement of the abolition of stamp duty on Commercial Property phased in over three years from 1 July 2016
7. Extension of the payroll tax rebate to be expanded to payrolls less than or equal to \$1.2million

The abolition of stamp duty on the transfers of non publicly shares will allow shares of private companies to be transferred free of stamp duty, this may be particularly helpful for estate planning purposes where shares are passed down to the up and coming generation.

The abolition of stamp duties on commercial properties will allow business owners to transfer their commercial properties to their superannuation funds or risk free trusts without the threat of stamp duty. On retirement this will mean more of the proceeds will be available to the owners rather than to the Tax Office.

Investors have begun to look at opportunities to buy commercial properties to take advantage of the announcement.

An average commercial property valued at \$3 million, the stamp duty is \$158,830.00. Investors are purchasing properties with settlement occurring after 1 July 2018 thinking they will avoid the payment of the stamp duty. But it is the **singing date** of the contract rather than the settlement date which is the relevant date. Further, there are anti avoidance provisions in the small print to deter investors from trying to work around the changes and save the duty.

Transfers of fishing licences, taxi licences, gaming machine licences, business transfers including stock, goodwill, plant and equipment not fixed to land, receivables and intellectual property will be free of any stamp duty.

People selling a business will not have to lower their asking price because of the impact of duty while purchasers will not be discouraged from buying businesses because of the additional duty on top of the asking price.

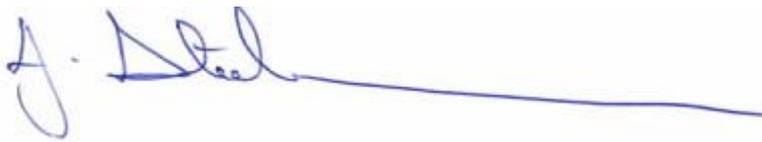
The state budget consolidated the long standing practice of exempting the transfer of the family farm between family members and in particular transfers to certain types of trusts.

The transfer of the family farm between generations will be exempt from duty and makes it easier for business succession and estate planning.

The payroll tax reductions announced in the 2014 financial year have been continued for the 2016 financial year. The rebates range from 2.45% to .45% for payrolls between \$600,00.00 to \$1,200,000.00.

The budget measures announced are game changing and should you wish to find out more on how they could benefit please call Jonas & Associates on 7226 2142 or email us at [admin@jonasassociates.com.au](mailto:admin@jonasassociates.com.au).

Yours faithfully



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