

Information Privacy Act 2000

This information is collected by the SRO to establish the amount of duty concession, which may apply to an off the plan sale. If you do not provide the information required, the purchaser may not receive the concession. The information collected may be used for the purposes of other SRO legislation. Where authorised to do so, we may also disclose this information to other government agencies, including the ATO, State and Territory Revenue Offices and law enforcement agencies. You can find out more about how we use and protect your information in our Privacy Policy on www.sro.vic.gov.au. If you require access to the information that you have provided us, please contact the SRO on 13 21 61.

Off the plan sales statutory declaration

This declaration:

- is for off the plan contracts entered into on or after 1 October 2008, where the **construction or refurbishment is incomplete at the contract date**.
- enables the calculation of the dutiable value for off the plan purchases by allowing a **deduction from the contract price of the cost of construction or refurbishment which occurs on or after the contract date**.

You must choose to complete **either**;

- Part 6 – The Fixed Percentage Method, or
- Part 7 – The Alternative Method – Land values and actual cost of construction.

For further information refer to the SRO website – Duty concession for off the plan sales and Revenue Ruling DA-048.

This form must be accompanied by a Goods statement for residential land (Duties Form 1) or Goods statutory declaration (Duties Form 2), whichever is applicable. Refer to checklist in Part 9.

For definitions of key terms and information refer to 'Explanatory Notes' in Part 10.

If there is insufficient space, please attach a schedule including all relevant details.

Print clearly and tick the appropriate boxes.

PART 1 – WHO CAN MAKE THIS DECLARATION?

In the matter of the *Duties Act 2000 (Act)*,

Full name

I

Address

of

State

Postcode

do solemnly and sincerely declare that in this matter,

I make this declaration as or on behalf of the transferor(s) and:

I am one of the transferors; or

I am a director or authorised officer of a transferor company, namely: _____; or

I am the attorney appointed by a transferor by power of attorney dated _____ and have full knowledge of all the facts relating to this transaction.

DD MM YYYY

PART 2 – CONVERSION OF EXISTING BUILDING OR CONSTRUCTION OF A NEW BUILDING

2.1 Does the contract involve the conversion of an existing building?

Yes If **yes**, go to Part 3.

No If **no**, go to 2.2.

2.2 Does the contract involve the construction of a new building?

Yes If **yes**, go to 2.3.

No If **no**, this concession does not apply. **Do not complete this form.**

2.3 Have you entered into any agreement with the transferee in respect of **works other than the construction undertaken in relation to the land before the transfer?**

Yes If **yes**, provide a copy of the agreement..

No

Go to Part 4

PART 3 – REFURBISHMENT DETAILS

See Part 10 - Explanatory Notes 1 & 2

- 3.1 **Was the transferor(s) the first registered proprietor(s) within the meaning of the *Transfer of Land Act 1958* after registration of the plan of subdivision of the refurbished lot?**
 Yes If **yes**, go to 3.2.
 No If **no**, this concession does not apply. **Do not complete this form.**

- 3.2 **Was the sale of the subject lot to the transferee the first sale of the lot after registration of the plan of subdivision?**
 Yes If **yes**, go to 3.3.
 No If **no**, this concession does not apply. **Do not complete this form.**

- 3.3 To your knowledge has **the transferee(s)** entered into a contract for refurbishment of the lot, other than the refurbishment referred to in the contract of sale?
 Yes If **yes**, this concession does not apply. **Do not complete this form.**
 No If **no**, go to 3.4.

- 3.4 Have you entered into any agreement with the transferee in respect of **works other than the refurbishment mentioned in the contract of sale?**
 Yes If **yes**, this concession does not apply. **Do not complete this form.**
 No If **no**, go to Part 4.

PART 4 – PARTIES TO THE TRANSFER

4.1 State the full names of all the **transferors** in the transfer: ACN/ABN (if applicable)

4.2 State the full names of all the **transferees** in the transfer: ACN/ABN (if applicable)

Note: If the purchasers in the contract are different from the transferees named in the transfer, complete and submit Duties Form 6A – Transactions treated as sub-sales of land statutory declaration.

PART 5 – PROPERTY DETAILS

5.1 The **street address** of the property is:

	State		Postcode	
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5.2 **being land described in:**

Volume/Conveyance	Folio/Book	Lot No.	Plan of subdivision

If there is insufficient space, please attach a schedule.

5.3 **The interest being transferred is** (e.g. full, 1/2, 1/4):

For land use entitlements:

Name of company or unit trust

ACN/ABN (if applicable)

No. of shares or units being transferred

See Explanatory note 13 for the definition of 'land use entitlement'

IMPORTANT NOTE:

There are two ways in which to calculate the duty concession. The **'Fixed Percentage Method'** is a simpler method of calculation, while the **'Alternative Method'** is more detailed.

Before proceeding, you must choose to complete either;

- **Part 6 – 'The Fixed Percentage Method'**
This method **does not** require you to determine the 'base land value', the 'off the plan value' and the 'non-deductibles'.
- or
- **Part 7 – 'The Alternative Method'**
This method **requires you to ascertain** the 'base land value', the 'off the plan value' taking into account the effect of infrastructure, and the value of the 'non-deductibles'.

Complete Part 6 for the 'Fixed Percentage Method'.

PART 6 – CALCULATION OF DUTIABLE VALUE USING THE 'FIXED PERCENTAGE METHOD'

Contract price and GST

6.1 Date of contract of sale:
DD MM YYYY

6.2 State the **total contract price including all GST payable as stated in either:**

- **Duties Form 1 - Goods statement for residential land - Part 6, [6.5(c)]:**
- or
- **Duties Form 2 - Goods statutory declaration - Part 5, [5.6(c)]:**

Percentage of construction costs

6.3 The percentage of **actual** construction works completed **before** the contract date is: (Actual %)

6.4 The **rounded down** percentage of 6.3 (down to the next 10% increment) is: (Deemed % before)

6.5 The percentage of construction works that is/will be completed **after** the contract date is **deemed to be:**
100% less [6.4] **Equals:** (Deemed % after)

Class of Building See Explanatory note 10

6.6 Indicate the class of building under the contract:

Class of Building	Fixed % building works component
<input type="checkbox"/> Single lot freestanding	45 %
<input type="checkbox"/> Multi-lot low rise up to and including 3 storeys	60 %
<input type="checkbox"/> High rise	75 %

6.7 Contract price including GST [6.2] x % of **Fixed** building works component [6.6] Equals 100% building works component
 x =

6.8 100% building works component [6.7] x % construction works **before** contract [6.4] Equals Deemed construction cost **before** contract
 x =

6.9 100% building works component [6.7] x % construction works **after** contract [6.5] Equals Deemed construction cost **after** contract
 x =

Dutiable value

6.10 The contract price (total price paid including any GST payable) [6.2]

6.11 **Less** the cost of construction occurring **after** the contract date, including **GST** [6.9] less

6.12 The dutiable value for the lot, including goods equals

Go to Part 8.

Complete Part 7 for the Alternative method – Using land values and actual costs of construction.

Remember: If you elected to complete Part 6, there is no need to complete Part 7.

PART 7 – CALCULATION OF DUTIABLE VALUE USING THE 'ALTERNATIVE METHOD'

'Base land value' See Explanatory Note 3.

See Explanatory Note 4 – Unit Entitlement Ratio (UER)

7.1 The 'base land value' of the lot [**market value of land to be subdivided x UER**] is: \$

7.2 **If a UER is not applicable**, please state the reason why:

'Off-the-plan land value' See Explanatory Note 5.

7.3 **base land value** of the lot [7.1] + % for infrastructure value Equals **Off-the-plan land value of the lot**
 \$ + % = \$

See Explanatory Notes 5 & 6.1

Note: Based on advice from the Office of the Valuer General, the Commissioner of State Revenue will accept a **minimum** figure of **25% for infrastructure value**.

7.4 **If a figure of less than 25%** is used for infrastructure, **please explain why:**

Contract price and GST

7.5 Date of contract of sale: / /
 DD MM YYYY

7.6 The contract is expressed as a GST inclusive price or a GST exclusive price.

7.7 State the GST inclusive contract price \$ or the GST exclusive contract price \$

7.8 Does the vendor make a taxable supply under the contract for the purposes of GST? Yes No

7.9 How much GST is payable in relation to the taxable supply in 7.8? \$

Construction costs excluding GST

7.10 Contract price (total price paid including all GST)..... \$

7.11 Less the total GST shown in 7.9..... less \$

7.12 Equals the **total contract price excluding GST**.....equals \$

7.13 "Off-the-plan land value" of the lot.....[7.3] \$

7.14 Plus the "Non-deductible costs".....plus \$

7.15 Sub-total of 7.13 and 7.14 equals \$

7.16 **100 per cent of construction costs [7.12] less [7.15]Equals \$**

Percentage of construction costs

7.17 The percentage of construction works that occurred **before** the contract date is: % (See Explanatory Note 9.1)

The cost of those works is: \$.

7.18 The percentage of construction works that is/will be completed **after** the contract date is: % (See Explanatory Note 9.2)

The cost of those works is: \$.

PART 7 – CALCULATION OF DUTIABLE VALUE USING THE ‘ALTERNATIVE METHOD’ (continued)

The GST applicable to the total construction works occurring after the contract

7.19 Calculate the GST applicable to the cost of works to be completed after the contract:

[7.18] \$ X 10% = \$

7.20 The lesser of the GST calculated at [7.19] or the GST in [7.9] is:..... \$

7.21 Plus the construction cost occurring after the contract date in [7.18]..... \$

7.22 Equals the **total cost of construction works occurring after the contract date, including GST:** \$

Dutiable value

7.23 The contract price (total price paid including GST) [7.10] \$

7.24 **Less** the cost of construction occurring **after** the contract date, including **GST** [7.22] less \$

7.25 The dutiable value for the lot, including goods equals \$

PART 8 - DECLARATION

I **acknowledge** that this statutory declaration is true and correct, and I make it in the belief that a person making a false declaration is liable to the penalties of perjury.

Declared at in the State of Victoria

on this day of the month year

Signature of declarant

* **Before me**
Signature of witness Qualification of witness

Full Name

Address State Postcode

* A person empowered under section 107A(1) of the *Evidence (Miscellaneous Provisions) Act 1958* to witness the signing of a statutory declaration.

PART 9 – CHECKLIST OF DOCUMENTARY EVIDENCE

If this declaration is not fully completed and/or relevant documents are not enclosed, all documents will be returned to you for re-submission.

The following documents must be lodged for assessment of duty:

1. The original completed transfer of land, signed and dated; and
2. The original or complete copies of the contract/s of sale and, if separate, a copy of the contract with the transferee for the construction on the subject property;
3. Duties Form 1 (Goods statement for residential land) or Duties Form 2 (Goods statutory declaration), whichever is applicable;
4. Duties Form 4A (Off the plan sales statutory declaration) completed by the transferor(s);
5. A copy of the building permit or building approval; and
6. In ascertaining the percentage of construction or refurbishment that has occurred as at the contract date, you are required under section 21B of the Act to retain certain evidence. See Explanatory note 12. Please note that those records are not required to be submitted with this form, however pursuant to section 21D of the Act, the Commissioner may require you to produce them.

1. **'First registered proprietor'** - section 21(4) of the *Duties Act 2000*

The Land Titles Office issues new certificates of title for each unit/lot when a plan of subdivision is registered. The vendor must be the first registered proprietor after subdivision in order for the transferee to receive the duty concession, in respect of the refurbishment of that lot.

2. **'Refurbishment'** as defined in section 21(5) of the *Duties Act 2000*

Building work for which a building permit has been issued under the *Building Act 1993*, being work for the conversion of an existing building for which such a permit or approval is required.

3. **Base land value**

The base land value is the value attributable to the un-subdivided land immediately before any infrastructure is in place taking into account the unit entitlement ratio (UER).

4. **Unit Entitlement Ratio (UER)**

The UER is the apportionment of a lot compared to the total land being subdivided.

For example, where a \$1,000,000 block of land or shell of a building to be refurbished is divided into 10 equal lots, each lot would have a UER of 1/10, and each lot would have a base value of \$100,000. If there is no subdivision, the UER is 100 per cent.

5. **Off-the-plan land value**

The off the plan value is the value for which the subdivided lot would sell at the contract date on the open market as if construction had not commenced.

The off the plan value does not normally equate to the purchase price paid by the vendor to acquire the property, unless it can reasonably be argued that the market value has not altered since that acquisition and it was purchased with the subdivision in place. The cost of infrastructure is not relevant in determining the off the plan value.

Where the off the plan value of the property has increased by more than 25 per cent because of infrastructure, the actual increase should be indicated.

6. **Construction costs**

Construction costs include:

- Legal costs associated with the permit or bringing the building to completion
- Surveyors and consultants fees
- Planning permits
- Water and sewerage connections
- Buildings permits and other similar fees
- Vic Roads approval
- Gas and electricity approval
- Required road access or utilities works
- Site decontamination costs
- Cost of demolition and removal work
- Cost of material, labour and finance for constructing the building
- The profit accruing to the builder/developer (in relation to the building only), and
- GST in respect of construction costs after the contract date.

7. **Non-deductible costs**

Non-deductible costs are not regarded as being integral to the physical construction or refurbishment of the building.

Examples of non-deductible costs include:

- Legal or other business expenses in selling the property
- Advertising or promotional expenses
- Agents commission
- Goods including furniture packages (even if not on site when the contract was executed).

8. **GST**

8.1. The GST component in respect of the physical construction that is incomplete at the contract date can be deducted from the contract price.

8.2. The GST component in respect of non-deductible costs **cannot** be deducted.

9. Calculating percentage of costs applicable to construction works before and after the contract date:

9.1. The percentage cost of construction works to the purchaser that have occurred **before** the contract date is:-

$$\frac{\text{Cost of works constructed before contract date}}{\text{Total construction works}} \times 100$$

= ____ per cent of the total cost of works constructed.

9.2. The percentage cost of construction works to the purchaser which will be completed **after** the contract date is:-

$$\frac{\text{Cost of works constructed after contract date}}{\text{Total construction works}} \times 100$$

= ____ per cent of the total cost of works constructed.

10. Different classes of building

The different classes of building are:

- Single lot freestanding or single dwellings sharing side walls, for example a terraced house or duplex. This also includes dwellings which have abutting garage walls;
- Multi-lot low rise – up to and including 3 storeys, not including basements. These are usually units or apartments with access to common property; and
- High rise multi-lot, 4 or more storeys, not including basements. These are usually units or apartments with access to common property.

11. Joint and several liability for additional duty

Where a transferor makes a declaration under section 21(4A) of the Act and that declaration is incorrect, the transferor is jointly and severally liable with the transferee for any additional duty payable on the transfer, including any penalty tax or interest.

12. Record keeping

In addition to the record keeping obligations imposed on the transferee pursuant to Part 8 of the *Taxation Administration Act 1997*, the amending Act introduces record keeping obligations for transferors. These obligations apply to all applications for the off the plan concession where the contract of sale is entered into on or after 1 October 2008, irrespective of the method of calculation.

The transferor is required to keep all records that are necessary to enable the duty payable on the transfer to be assessed. These records may include:

- land valuations
- quantity surveyor reports
- drawdown schedules against financial accommodation
- third party completion of works claims
- certificate of occupancy showing mandatory inspection stages
- any other relevant records

The transferor must retain the records for not less than 5 years after the date they were made or obtained or the date on which the dutiable transaction occurred, whichever is the later unless the Commissioner authorises a shorter retention period.

The Commissioner, by written notice, may require a person to produce to him a document that is required to be kept within the period specified in the notice or any extended period allowed by the Commissioner.

13. Land use entitlement: - Section 10(1)(a)(v)

A land use entitlement is an entitlement to occupy land in Victoria conferred through an ownership of shares in a company or units in a unit trust scheme, or a combination of a shareholding or ownership of units together with a lease or licence.

For further information refer to the SRO website – Duty concession for off the plan sales and Revenue Ruling DA-048

<p>Mail Customer Services Branch, State Revenue Office, GPO Box 1641, MELBOURNE VIC 3001 or DX 260090 Melbourne</p> <p>In person State Revenue Office, Level 2, 121 Exhibition Street, Melbourne (corner of Exhibition and Bourke Streets) Hours of operation: Mon, Tues, Thurs, Fri – 8:30am to 4:30pm Wed – 8:30am to 1:00pm</p>	<p>Internet www.sro.vic.gov.au E-mail sro@sro.vic.gov.au Telephone 13 21 61 Facsimile 03 9628 0021</p>
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