

Revenue Rulings

Contracts of sale of land with a discount condition

Revenue Ruling DA.012

Replaces SD.013

Preamble

The Duties Act 2000 imposes duty on the transfer of dutiable property including land. In certain circumstances, the contract of sale of land in respect of that transfer contains various conditions which, if satisfied, allow for a discounted price (for example, if settlement is effected on or before a specified date).

The purpose of this ruling is to clarify what value the duty is to be calculated on in such circumstances.

Ruling

Where a contract of sale of land contains conditions which, if satisfied, allow for a discounted purchase price and those conditions are duly satisfied and settlement is effected at a discounted price, then duty will be assessed on that discounted price (that is, on the actual consideration paid). However, if the discounted price is to be accepted for duty purposes, then a statutory declaration by the vendor must identify the effect of the special conditions, as to discount, and that they have been met by the purchaser.

This ruling does not apply to cases where the market value of the land has been predetermined by the Valuer-General. In such instances, duty is payable on the market value and not on the discounted price.

Please note that rulings do not have the force of law. Each decision made by the State Revenue Office is made on the merits of each individual case having regard to any relevant ruling. All rulings must be read subject to Revenue Ruling GEN.01.

**Commissioner of State Revenue
October 2001**

