

Abolition of Duty on Mortgages Bulletin D1/04

MAY 04

Abolition of Duty on mortgages

As previously announced in the Victorian Government's *Better Business Taxes Package*, Duty on mortgages is to be abolished with effect from 1 July 2004.

The purpose of this bulletin is to provide information on the circumstances in which mortgages executed prior to, on, or after 1 July 2004, are subject to Duty in view of the abolition of Mortgage Duty.

In general, the following will apply:

- If a mortgage is executed on or after 1 July 2004, it is not dutiable.
- If a mortgage is executed prior to 1 July 2004, and no advance is made before 1 July 2004, it will attract Duty of \$4.00. Advances made on or after 1 July 2004 are not dutiable.
- If a mortgage is executed prior to 1 July 2004, and advances are made prior to 1 July 2004, it is dutiable to the extent of the advances.
- A stamped mortgage executed prior to 1 July 2004 is not subject to further Duty unless those advances secured by the mortgage made prior to 1 July 2004 exceed the amount stamped.

In all cases, where the liability for Duty on a mortgage arises prior to 1 July 2004, the liability remains even where the Duty has not been paid by 1 July 2004.

Further information

For further information, please contact the SRO.

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