

Revenue Rulings

Contracts of sale of real property with a discount condition

Revenue Ruling SD.013

CEASED 30 June 1996

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Preamble

The *Stamps Act 1958* imposes stamp duty on the transfer or conveyance of real property. In certain circumstances, the contract of sale 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 real property contains conditions which, if satisfied, allow for a discounted purchase price and those conditions are duly satisfied and settlement effected at a discounted price, then stamp 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 the vendor's statutory declaration in respect of stamp duty, must contain an additional clause to the effect that the special conditions, as to discount, have been met by the purchaser.

This ruling does not apply to cases where the market value of the real property has been predetermined by the Valuer-General. In such instances, stamp 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.

Denzil Griffiths

Commissioner of State Revenue

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