

Property LegalUpdate

June 2010

Ad Valorem Transfer Fees

As announced in the State budget in June 2010, the NSW government has now passed legislation to amend the fee schedule to the Real Property Regulations 2008 to introduce ad valorem fees with respect to transfers. The legislation was assented to on 28 June 2010 and comes into effect early July 2010.

This tax (which is described as an additional Torrens assurance levy) is based on the value of the property and is on a sliding scale having regard to the purchase price. This is in addition to the current levy (\$4) which is applicable to every dealing lodged at LPMA.

This new levy will apply where the purchase price is above \$500,000.

For a purchase price between \$500,000 and \$1,000,000, the levy is calculated as \$4 plus 0.2% of that amount.

For properties that have a value of \$1,000,000 or more, the levy will be \$1,004 plus 0.25% of the amount by which the price is greater than \$1,000,000.

This tax is payable to LPMA at the time the transfer is lodged for registration.

However, the ad valorem duty component on transfers will not apply where the transfer lodged for registration is in respect of a contract for sale or other transfer arrangement which was entered into before 1 July 2010.

This duty is in addition to the normal transfer registration fee which, from 1 July 2010, has increased to \$194.

If you have any queries in this matter, please contact our office.

Chris Rumore
Partner

T: 02 8281 4555

E: acr@cbp.com.au

T 61 2 8281 4555
F 61 2 8281 4567
E law@cbp.com.au
I www.cbp.com.au

Level 42, 2 Park Street
Sydney NSW 2000
Australia

DX 280 Sydney
Advoc Asia member

Colin Biggers
& Paisley

LAWYERS