



REVENUE CIRCULAR DAA001.3

Hospitals and Schools Exemption – *Duties Act 1999*

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Introduction

Section 232B of the *Duties Act 1999* (the Act) provides for an exemption from duty for certain transactions executed by or on behalf of hospitals and schools.

The *Revenue Legislation Amendment Act 2017*, effective 18 September 2017, simplifies exemption provisions in the Act by removing the requirements to pay nominal duty.

The purpose of this circular is to show how the exemptions apply.

Hospitals

Under the dictionary to the Act, a ‘hospital’ means a recognised hospital within the meaning of the *Health Insurance Act 1973* (Cwlth).

Schools

A ‘school’ is defined in section 232B (2) of the Act as a government school or registered non-government school under the *Education Act 2004*.

Trustees

A trustee who holds (or is to hold) property in trust for a hospital or school is exempt from duty payable in relation to that property. ‘Property’ includes land or motor vehicles.

For the exemption to apply, the property must be transferred to a trustee who is to hold the property transferred in trust for a hospital or school.

The exemption cannot be claimed if the trust is declared after an initial liability for duty arises under the Act (see Table 1 below).

Table 1 – When liability for duty arises

Type of duty	When liability arises	Section of Act
Conveyance duty	When the transfer of dutiable property occurs	11
Landholder duty	When the relevant acquisition is made	85
Motor vehicle registration duty	When the application to register the vehicle is made	204

Exemption

Section 232B of the Act exempts hospitals, schools, and trustees who hold property in trust for hospitals or schools from payment of conveyance duty, landholder duty and motor vehicle registration duty.

Conveyance duty (Barrier Free model)

For conveyance duty, the hospital, school or trustee must claim the exemption when lodging the dutiable instrument or dutiable transaction with the Registrar-General for registration under the *Land Titles Act 1925*.

An application form or supporting documents are not required at the time of lodgement. However, the ACT Revenue Office may contact the eligible transferee after registration to request access to records and verify the transferee's eligibility for the exemption.

The hospital, school and/or trustee is required to keep proper records of the exempt transaction for a minimum of 5 years under part 8 of the *Taxation Administration Act 1999*.

Motor vehicle registration duty

The Commissioner for ACT Revenue has authorised Access Canberra to process applications for exempt motor vehicles registered in the names of hospitals, schools or relevant trustees.

Exemption applications under section 232B of the Act must be made at Access Canberra shopfronts. Prior approval from the ACT Revenue Office is not required. However, applicants must give Access Canberra the relevant information it requires to process the exemption.

Signed

Kim Salisbury
Commissioner for ACT Revenue
18 September 2017