

If the beneficial ownership of a licence changes without a written and signed document, a statement in an approved form detailing the acquisition must be lodged and the duty paid within 60 days after the date of acquisition.

Do penalties apply if stamp duty is not paid on time?

Under the Taxation Administration Act, interest and penalty tax may be payable. For further details of TRO's penalty policy please refer to Commissioner's Guideline CG-GEN-002 penalty policy, which can be accessed from the web site www.revenue.nt.gov.au

Who is liable for payment of the duty?

The person acquiring the licence and other dutiable property is liable for payment of the duty.

Can the transfer be registered without stamp duty being paid?

Under the stamp duty legislation the Director of Fisheries cannot register a transfer unless stamp duty has been paid. You should therefore arrange for the application to be stamped prior to lodging it with the Director.

What happens if the transaction is cancelled?

If the contract is cancelled or if the Director of Fisheries does not approve the transfer, you may apply for a refund or remission of the duty payable.

How to contact Territory Revenue Office

Correspondence	GPO Box 154 Darwin NT 0801
Payments	Level 4, 38 Cavenagh Street Darwin NT 0800
Email	ntrevenue.ntt@nt.gov.au
Telephone	1300 305 353
Fax	(08) 8999 5577 or (08) 8999 6395

www.revenue.nt.gov.au

All TRO publications and brochures can be accessed via our website at www.revenue.nt.gov.au

Stamp Duty and Fishing Licences

Territory Revenue Office



Northern
Territory
Government

Stamp Duty and Fishing Licences

Territory Revenue Office (TRO) is a division of the Northern Territory Treasury. Our role is to administer the Territory's taxes.

Following is a brief description of the ways in which the *Stamp Duty Act* impose stamp duty on the acquisition of fishing licences, as at 6 May 2008.

This information does not constitute a ruling and if any uncertainty exists with a particular aspect of the information provided, contact TRO or seek professional advice.

Introduction

In the Northern Territory stamp duty is payable when a Northern Territory or Commonwealth statutory licence or permission used in connection with a business undertaking is acquired. This includes a fishing licence or permission issued under the *Fisheries Act*.

What is an acquisition?

An acquisition occurs when:

- a one person transfers (or agrees to transfer or assign) a licence to another person, with or without money changing hands; or
- b a licence is granted to a person, under an arrangement where another person has agreed to surrender or not to renew their licence.

Is the acquisition of any other property subject to duty?

Yes! Stamp duty is also payable on chattels (eg plant and equipment) acquired with the licence. This includes vessels, fishing gear and equipment.

For details on other types of property that are subject to duty when acquired, refer to the information brochure *Stamp duty on business property and rights*.

Are there any exemptions?

The initial grant of a fishing licence is exempt from duty except as described above in 'What is an acquisition?' (paragraph b).

A **temporary transfer** of a fishing licence made in accordance with section 12A of the *Fisheries Act* is also exempt from duty except in circumstances where it is part of an arrangement or scheme that amounts to a permanent transfer of the licence.

How is stamp duty calculated?

Duty is calculated on the purchase price or the market value, whichever is greater, of the licence and other dutiable property acquired.

What is the rate of stamp duty?

Stamp duty is calculated as follows.

When the dutiable value exceeds \$525 000 duty is calculated at 4.95 per cent of the dutiable value.

When the dutiable value does not exceed \$525 000 duty is calculated using the following formula.

$$D = (0.06571441 \times V^2) + 15V$$

Where: D = The duty payable in \$

and $V = \frac{\text{The dutiable value}}{1\,000}$

NOTE: Stamp duty calculators are available on our web site. Follow the links from the home page.

Example

Dave purchased a Coastal Line Fishery Licence from Johnno for \$15 000. A vessel and fishing equipment used in the fishing operations were also purchased from Johnno for \$45 000.

Duty is calculated as follows:

Price paid for the licence	\$15 000
Price paid for chattels (vessel and fishing equipment)	\$45 000
DUTIABLE VALUE	<u>\$60 000</u>

From the formula above:

$$V = \frac{60\,000}{1\,000} = 60$$

$$D = (0.06571441 \times 60^2) + 15(60) = 236.55 + 900.00$$

DUTY PAYABLE = \$1136.55

What if the acquisition is split into several instruments or transactions?

All instruments or statements of transactions that arise from the acquisition of a licence or other dutiable property must be lodged at the same time to enable an assessment to be made. The assessment is based on the total consideration or value of all the transactions.

What documents have to be stamped and when must the stamp duty be paid?

The following documents are liable to duty:

- a an application for transfer of the licence; and
- b a contract or agreement for the acquisition of a licence and other dutiable property.

The documents must be lodged for assessment and the duty paid within 60 days after they are signed.