



STAMP DUTY ON HIRE PURCHASE AGREEMENTS

Residual Payments

Taxation (Administration) Act

Issued: June 2000

Revenue Circular SD 008

TERRITORY REVENUE MANAGEMENT

Postal Address: Commissioner of Taxes, GPO Box 154, Darwin NT 0801
Office Location: Commissioner of Taxes, 38 Cavenagh Street, Darwin NT
Website: www.nt.gov.au/nt/revenue

Telephone: (08) 8999 7949
Facsimile: (08) 8999 5577
Email: ntrevenue.ntt@nt.gov.au

Purpose of this circular

1. *Revenue Circular SD 006* issued in May 2000 advising of proposed changes to hiring duty as announced in the 2000-01 Territory Budget. Legislative amendments to effect these changes have now passed through the Territory Parliament.
2. Among the changes was the extension of the hiring duty base to include hire purchase agreements entered into on or after 1 July 2000. The purpose of this circular is to clarify this change in relation to residual payments made under a hire purchase agreement.
3. Revenue Circular RA 001 is incorporated into and is to be read as one with this Circular.

Introduction

4. The stamp duty base on hiring arrangements has been extended to include hire purchase agreements entered into on or after 1 July 2000.

Residual payments

5. Final payments made under a hire purchase agreement are commonly referred to as a residual or "balloon" payment.
6. Under section 75AA of the *Taxation (Administration) Act*, residual payments made under a hire purchase agreement are not liable to stamp duty where the payment is directly related to the transfer of title for the purchased goods.
7. These payments are viewed as being for the sale of goods rather than for hire or use of the goods and therefore are excluded from hiring duty.

Reference should be made to the *Taxation (Administration) Act* for precise details. For further information, please contact this office on (08) 8999 7949.

COMMISSIONER OF TAXES