

STAMP DUTY ON GENERAL INSURANCE PREMIUMS

Apportionment of Premiums

Taxation (Administration) Act

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TERRITORY REVENUE MANAGEMENT

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Purpose of this Circular

1. Stamp duty is charged on the amount of the premium paid in relation to a contract of insurance that effects general insurance. General insurance is defined by reference to property in the Northern Territory and risks in the Territory.
2. The *Taxation (Administration) Act* provides for the apportionment of premiums relating to:
 - property in the Territory and in another place; and
 - a risk, contingency or event concerning an act or omission that, in the normal course of events, may occur in the Territory and another place.
3. This circular details the Schedule of Apportionment under section 49B of the *Taxation (Administration) Act*.

Basis of Apportionment

4. The attached Apportionment Schedule has been adopted with effect from 1 July 2000, the date amendments to the Act to provide for the apportionment of premiums came into effect. The schedule is broadly consistent with the schedule adopted by New South Wales Office of State Revenue in 1998, which was developed in consultation with the Insurance Council of Australia. It is also broadly consistent with the schedule adopted in 1994 by administrative agreement with the Commissioners of other jurisdictions.
5. A general insurer must apportion all premiums paid in relation to a contract of insurance that effects general insurance in accordance with the approved Schedule.
6. The Commissioner may apportion a premium on a basis other than in accordance with the schedule:
 - on application in writing by an insurer or an insured person {section 49C(2)}; or
 - if not satisfied that the premium has been properly apportioned for each risk insured {section 49C(3)}
7. Where the Schedule indicates that alternative methods of apportionment are available, the "policy measuring factor" used in calculating the premium should be used. The policy measuring factor is the factor used as a basis for establishing the risk/premium under an insurance policy. For example, where a public liability policy is based on floor area units, then duty should be apportioned in the same manner.
8. A general insurer should refer any new policies that are not covered by the schedule to the Insurance Council of Australia prior to the issue of the policy. This will enable the apportionment method to be determined by the States and Territories in consultation with the Insurance Council of Australia. The new policy will then be included in the Insurance Council of Australia Conspectus, which is published annually.

COMMISSIONER OF TAXES

Northern Territory
Taxation (Administration) Act - Section 49B - Schedule of Apportionment

CLASS OF INSURANCE	Policy measuring factors					Asset value/ sum insured or exposure level for each jurisdiction	Place of residence of the insured / place of registration of business	Place of (usual) location of asset (garaging, hangaring)	Place of registration or deemed regist'n	Place where premium paid	Apportioned on the basis of take- offs and landings
	Salaries wages, no. of people / employees	Turnover or sales	Estimated profit, fees, rent, revenue etc.	Number of premises	Floor area units or rent by State of risk						
Aviation hull - commercial											*
Aviation hull 3rd party property liability - commercial											*
Aviation hull personal liability - commercial											*
Aviation hull - private								*			
Aviation hull 3rd party property liability - private								*			
Aviation hull personal liability - private								*			
Baggage (see Travel)											
Blood stock								*			
Boiler explosion						*					
Burglary						*					
Business interruption			*								
Care custody and control on bloodstock								*			
Cash in transit				*		*					
Company reimbursement (with D & O)	*										
Comprehensive crime policy	*										
Contract works						*					
Contractor's risk						*					
Crop						*					

Northern Territory

Taxation (Administration) Act - Section 49B - Schedule of Apportionment

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	Salaries wages, no. of people / employees	Turnover or sales	Estimated profit, fees, rent, revenue etc.	Number of premises							
Disability - single						*					
Disability - group						*					
Deterioration of stock						*					
Directors' and officers' liability		*									
Fidelity guarantee	*										
Fire						*					
General property						*					
Home building and contents						*					
Industrial special risk section 1						*					
Industrial special risk section 2			*								
Livestock							*				
Loss of profits			*								
Machinery & computer breakdown & engineering						*					
Marine - builder's risk						*					
Marine - carrier's legal liability						*					
Marine - charterer's liability						*					
Marine - hull liability						*					
Marine - private pleasure craft						*	*				
Money				*		*					
Mortgage							*				

**Northern Territory
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Motor vehicle or extended warranty - commercial									*		
Motor vehicle or extended warranty - fed. interstate									*		
Motor vehicle or extended warranty - private use								*			
Motor vehicle or extended warranty - unregistered								*			
Occupational (professional indemnity)	*		*								
Personal accident and illness - single							*				
Personal accident and illness - group							*				
Personal liability							*				
Personal property						*					
Pluvius						*					
Product liability or broadform liability	*	*		*	*						
Public liability	*	*		*	*						
Sprinkler leakage						*					
Strata unit						*					
Trade credit		*									
Travel incl. baggage - outbound from Australia										see note	
Travel including baggage - within Australia							*				

Note: Apportioned between jurisdiction and overseas based on location of past claims.