

NSW BUDGET UPDATE

13 June 2012

Yesterday the NSW Government released details of its 2012-2013 budget. For those LRC members who practise in NSW or have clients in NSW it contained some unwelcome news. Using the excuse of falling GST revenues, the Government announced the deferral of the abolition of the following duties:

1. Duty on transfer of business assets not including land;
2. Duty on transfer of unlisted marketable securities (private companies shares); and
3. Mortgage duty.

These duties were due to be abolished on 1 July 2012, but that abolition has now been deferred to 1 July 2013.

Clients this will directly affect are those that were considering restructures as of 1 July 2012 - for example simply rolling a business over from a trust to a company on 1 July will now result in a duty liability of around 4% on full market value of the business.