



Valuation of Life Interests and Remainder Interests for Duties Purposes

This Commissioner's practice outlines how the Commissioner will ascertain the value of life and remainder interests in land for duties purposes.

Background

Taxation Administration Act

Under section 21 of the *Taxation Administration Act 2003* (TAA), the Commissioner may require a taxpayer to provide a written valuation by a *qualified valuer*¹ of any property, consideration or benefit, together with any documents or other records in the taxpayer's possession or control relevant to determining the value of the property, consideration or benefit.

Under section 21(2A) of the TAA, the Commissioner may require:

- (a) a valuation, document or other record to be provided in an electronic format and
- (b) a valuation provided by the taxpayer which includes or is accompanied by copies of any models and details of any methods and assumptions relied upon to arrive at the valuation.

Section 22 of the TAA provides that, regardless of whether the Commissioner has required the taxpayer to provide a valuation or whether the taxpayer has complied with such a requirement, the Commissioner may:

- (a) have a valuation made of any property, consideration or benefit or
- (b) adopt any available valuation of the property, consideration or benefit the Commissioner considers appropriate.

Application of other practices

When the Commissioner obtains a valuation under this practice, the taxpayer will generally not be required to also provide a written valuation by a qualified valuer.

Commissioner's Practice [TAA 23 'Circumstances When a Taxpayer will be Required to Provide a Written Valuation'](#) outlines the circumstances in which the Commissioner will require a taxpayer to provide a written valuation for transfer duty or landholder duty purposes.

Duties Act

Under the Duties Act, transfer duty is charged on, amongst other things, a *dutiable transaction* involving *dutiable property*, *new dutiable property* or *special dutiable property*.

Dutiable transaction is defined in section 11 of the Duties Act to include:

- (a) a transfer of, or agreement for the transfer of, *dutiable property*
- (b) an acquisition of *new dutiable property*, on its creation, grant or issue
- (c) a surrender of *special dutiable property*.

¹ A *qualified valuer* is defined in the TAA as meaning a person licensed or registered under the *Land Valuers Licensing Act 1978* or a corresponding Act in another State or Territory, or a person who the Commissioner is satisfied is suitably qualified or experienced to provide a valuation.

Dutiable property and *new dutiable property* are defined in sections 15 and 17 of the Duties Act to include land in Western Australia. *Special dutiable property* is defined in section 18 of the Duties Act to include a life interest in land and a remainder interest in land.

Land is defined in section 3 of the Duties Act to include any estate or interest in land.

A person may hold a personal non-assignable right to reside for life, or some other period, on a property which includes a residence. A right to reside is not an interest in land, a life interest or a right for the purposes of the Duties Act. As such, the grant or surrender of a right to reside is not a dutiable transaction under the Duties Act.

Commissioner's Practice

1. When a dutiable transaction involves a life or remainder interest in land, the taxpayer must provide the information set out in Duties Information Requirement '[Valuation of Life and Remainder Interests](#)'.
2. The Commissioner will refer the valuation form and supporting evidence to either the Valuer General or another qualified valuer for the land to be valued.
3. The values of life and remainder interests will generally be determined by applying the Australian Life Tables² to the value of the land. In certain circumstances, for example where evidence is provided to support a claim that the holder of a life interest is in poor health, the Valuer General may be requested to value the interest directly.

Copies of relevant forms and publications are available on the website at wa.gov.au

Date of effect

This Commissioner's practice takes effect from 24 June 2022.

Chris McMahon
COMMISSIONER OF STATE REVENUE

24 June 2022

Commissioner's Practice history

Commissioner's Practice	Issued	Dates of effect	
		From	To
TAA 13.0	23 December 2003	23 December 2003	24 November 2005
TAA 13.1	25 November 2005	25 November 2005	30 June 2008
TAA 13.2	1 July 2008	1 July 2008	13 February 2014
TAA 13.3	14 February 2014	14 February 2014	23 June 2022
TAA 13.4	24 June 2022	24 June 2022	Current

² The Australian Life Tables are available either on the Australian Government Actuary website at www.ag.gov.au or on the Australian Bureau of Statistics website at www.abs.gov.au. The Commissioner will apply the most recent release.