



Indian Ocean Territories: Duties Overview

Duties Act 2008 (WA) (CI) & (CKI)

As at 1 July 2022

Duty is imposed under the *Duties Act 2008 (WA) (CI) & (CKI)* (Duties Act) on transactions over dutiable property and on the grant or transfer of a motor vehicle licence. This fact sheet is limited to information on transfer duty, foreign transfer duty, and vehicle licence duty.

Transfer duty

Chapter 2 of the Duties Act identifies what is considered a dutiable transaction and dutiable property. Dutiable property includes land, rights, chattels and business assets.

All references to dutiable transactions in this fact sheet include a reference to foreign dutiable transactions.

For more information, please see the [‘Transfer Duty Overview’ fact sheet](#), available from the website at WA.gov.au

Lodgment

The Duties Act requires an instrument in hard copy form that effects or evidences a dutiable transaction to be lodged within two months after the date liability for duty on the dutiable transaction arises.

If there is no hard copy instrument, lodge a transfer duty statement in the approved form within two months after the date liability for duty arises. Access transfer duty statement forms on the website.

The party responsible for paying duty (usually the purchaser or transferee) must ensure the transaction record is lodged as required. Failure to lodge a transfer duty statement is an offence under the Duties Act.

All transactions involving land (or any interest in land), must be accompanied by [Form FDA41 ‘Foreign Transfer Duty Declaration’](#) for each person or entity acquiring or receiving the land.

The information and evidence required to accompany transaction records is detailed in the [Duties Information Requirements](#), available on the website, and individual application forms, Commissioner’s practices and revenue rulings.

Paying duty

Duty is due for payment within one month of the Duties Assessment Notice or:

- within three years of the date of a Subdivision or Issue of Title Conditional Agreement
- within one year of the date of a Mining Tenement, Farming Land or General Conditional Agreement
- within one year of the day on which liability for duty arises on:
 - a transfer of dutiable property
 - an agreement for the transfer of dutiable property

- a declaration of trust over dutiable property or
 - a vesting of dutiable property by statute law or a court order,
- provided that a transfer form relating to the transaction must be lodged with Landgate (under the *Transfer of Land Act 1893* or the *Registration of Deeds Act 1856*), or the Department of Mines and Petroleum (under the *Mining Act 1978*).

See details of alternative payment periods on the [‘Conditional Agreements’ fact sheet](#).

On application, the Commissioner may allow the duty to be paid in specified instalments. Interest at the prescribed rate will be charged under such an arrangement.

A transaction record will not be released until all outstanding duty, penalties and/or interest have been paid.

Penalty tax

Penalty tax may be imposed if a transaction record is not lodged, or the duty is not paid, within the required time period.

Late lodgment penalty tax

Penalty tax will be applied to transaction records not lodged within the required time period.

Late payment penalty tax

A Late Payment Penalty Tax Assessment Notice will be issued if the required duty is not paid by the due date. The maximum penalty tax for late payment is 20% of the outstanding transfer duty.

Objections

You can object to an assessment of duty within 60 days of issue of the Duties Assessment Notice. The objection must be in writing and set out the grounds of the objection.

Lodging an objection does not suspend or defer your requirement to pay duty by the due date stated in the Duties Assessment Notice.

If you believe the Commissioner’s objection decision is incorrect, you can apply to the State Administrative Tribunal for a review of that decision within 60 days after the Commissioner serves the notice of the decision.

Cancelled transactions

Duty is not chargeable on certain dutiable transactions that are cancelled. A cancelled transaction is a dutiable transaction that has not, and will not, be carried into effect. However, duty is chargeable on a cancelled transaction if the transaction has been cancelled so a replacement transaction or subsale transaction can be entered into.

For further information, see the [‘Cancelled Transactions’ fact sheet](#).

Rates of transfer duty

General rate of duty

The general rate of duty applies to a dutiable transaction, unless the Duties Act provides otherwise.

\$0 – \$120,000		\$1.90 per \$100 or part thereof
\$120,001 – \$150,000	\$2,280 +	\$2.85 per \$100 or part thereof above \$120,000
\$150,001 – \$360,000	\$3,135 +	\$3.80 per \$100 or part thereof above \$150,000
\$360,001 – \$725,000	\$11,115 +	\$4.75 per \$100 or part thereof above \$360,000
\$725,001 and upwards	\$28,453 +	\$5.15 per \$100 or part thereof above \$725,000

Concessional rates of duty

You can make an application for a concessional rate of duty to apply to dutiable transactions for a first home, certain businesses and principal places of residence.

Foreign transfer duty may still apply to a transaction eligible for a concessional rate of duty.

Principal place of residence and business concessional rate

You may be eligible for a concessional rate of duty if the dutiable property is either a principal place of residence or a Western Australian business asset, and the dutiable value does not exceed \$200,000.

For further information, see the [‘Transfer of Residential Property’](#) or [‘Business Assets’](#) fact sheets.

First home owner rate (FHOR)

Although Indian Ocean Territory residents are not eligible to apply for the first home owner grant under the *First Home Owner Grant Act 2000*, they may be eligible to receive the FHOR of duty.

A transfer or an agreement to transfer a home or vacant land on which a new home has been or will be built, may qualify for the FHOR if:

- the transferee meets the eligibility requirements for a first home owner grant under the *First Home Owner Grant Act 2000*, or would have met the requirements except the transaction was for the purchase of an established home and
- the dutiable value of the property does not exceed the thresholds outlined in the relevant fact sheet.

For further information, see the [‘First Home Owner Grant’](#) and [‘First Home Owner Rate of Duty’](#) fact sheets.

Apply for the FHOR by submitting the transaction record (e.g. Contract for Sale or Transfer of Land), Foreign Transfer Duty Declaration Form and signed application [Form F-FHOG1 'FHOG Application and/or Pre-approval for the First Home Owner Rate of Duty'](#).

If the transaction has previously been assessed for duty at the general rate, the application form **and** the original duty endorsed transaction record must be lodged for reassessment at the FHOR. You will be refunded any overpaid duty.

Foreign transfer duty

Foreign transfer duty applies to dutiable transactions involving residential property purchased or acquired by foreign persons. Foreign transfer duty is calculated on 7% of the dutiable value or unencumbered value of the residential property. See the ['Foreign Transfer Duty' fact sheet](#) for further information.

Vehicle licence duty

Duty is payable on the grant or transfer of a motor vehicle licence and is calculated on the dutiable value of a vehicle.

The Duties Act distinguishes between a 'new vehicle', 'other vehicles' and 'specialised vehicles' when determining the dutiable value.

New vehicles

The dutiable value of a new vehicle that is not a heavy vehicle is the sum of the retail selling price and the additional amount fixed by the manufacturer for the retail sale of each optional feature in or of the vehicle.

Other vehicles

The dutiable value for a vehicle that is a heavy vehicle or not a new vehicle is calculated on the amount for which the vehicle might reasonably be sold, free of encumbrances, in the open market.

Specialised vehicles

The dutiable value for a specialised vehicle (vehicle B) is calculated as if the specialised equipment attached to it at the time of the application for the grant or transfer of the licence were not attached to it if:

- the applicant holds the licence for another specialised vehicle (vehicle A) and
- the applicant is the last person to hold a licence for vehicle A and
- the duty paid for vehicle A was assessed on the dutiable value of vehicle A including the value of the specialised equipment and
- the specialised equipment has been removed from vehicle A and attached to vehicle B and
- the application for the grant or transfer of the licence for vehicle B includes a declaration in the approved form.

Rates of vehicle licence duty

For the grant or transfer of a licence for a vehicle that is not a heavy vehicle, the amount of duty is:

- a) 2.75% of the dutiable value if the dutiable value of the vehicle does not exceed \$25,000
- b) if the dutiable value of the vehicle exceeds \$25,000 but does not exceed \$50,000, the percentage rate of:
$$\left[2.75 + \left(\frac{DV - 25,000}{6,666.66} \right) \right] \% \text{ of the dutiable value (DV).}$$

- c) 6.5% of the dutiable value if the dutiable value of the vehicle exceeds \$50,000.

For the grant or transfer of a licence for a heavy vehicle (with a gross vehicle mass of more than 4.5 tonnes), the amount of duty is the lesser of –

- a) 3% of the dutiable value and
- b) \$12,000.

Note: This is only a sample of some of the more common transactions that attract duty. Please contact us for more information.

Contact RevenueWA			
Web enquiry	www.osr.wa.gov.au/DutiesEnquiry	Website	WA.gov.au
Office	200 St Georges Terrace Perth WA 6000	Phone	(08) 9262 1100 1800 245 836 (toll free)
Postal	GPO Box T1600 Perth WA 6845		

Note: This fact sheet provides guidance only. Refer to the Duties Act 2008 (WA) (CI) & (CKI) for complete details.