

EXPLANATORY STATEMENT

Issued by the authority of the Treasurer of Queensland

Commonwealth Places (Mirror Taxes) Act 1998

Commonwealth Places (Mirror Taxes) Modification of Applied Laws (Queensland)
Amendment Notice 2002 (No.1)

The *Commonwealth Places (Mirror Taxes) Modification of Applied Laws (Queensland) Notice 2002* (the modification notice), together with other legislation and arrangements entered into between the Commonwealth and Queensland, form a scheme to address the effect of the 1996 High Court decision in *Allders International Pty Ltd v Commissioner of State Revenue (Victoria)*, which held that State stamp duty on a lease covering part of Commonwealth land was constitutionally invalid. The intention of the scheme in relation to Queensland is to continue taxation arrangements in respect of Commonwealth places situated in Queensland. A taxpayer's liability under the scheme is to be as nearly as possible the same as it would be under the Queensland law alone if the Commonwealth places in Queensland were not Commonwealth places.

Under section 6 of the *Commonwealth Places (Mirror Taxes) Act 1998* of the Commonwealth (the Commonwealth Act), the provisions of State taxing laws that would be excluded by section 52(i) of the *Commonwealth Constitution* from applying to Commonwealth places are taken to apply as applied laws of the Commonwealth. Under section 8 of the Commonwealth Act, the State Treasurer may, by notice in writing, prescribe modifications of those applied laws.

By the modification notice, the Treasurer of Queensland prescribed modifications to the provisions of certain State taxing laws including the *Stamp Act 1894*.

On 1 March 2002, the *Stamp Act 1894* was repealed and replaced by the *Duties Act 2001*. An amendment to the modification notice is required to reflect this.

By this Notice, which amends the modification notice, the Treasurer of Queensland prescribes modifications to the provisions of the *Duties Act 2001* as applied laws in relation to Commonwealth places in Queensland.

In accordance with section 8(4) of the Commonwealth Act, the modifications are made to either enable the effective operation of an applied law as a law of the Commonwealth, or to enable an applied law to operate so that the combined tax liability of a taxpayer under the applied law and the corresponding State taxing law will be as close as possible to what the taxpayer's liability would have been if the State taxing law applied to all places in Queensland, including Commonwealth places.

The Notice is taken to have commenced on 1 March 2002.