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*Practice Group(s):*  
*Corporate and*  
*Transactional*

## It's Like Déjà Vu – All Over Again NSW Defers the Abolition of Stamp Duty

*NSW Government has again deferred the abolition of duties that were due to be abolished in New South Wales on 1 July 2013*

**By Murray Landis & Marise Fraser**

### Abolition of NSW duties deferred again

The NSW Government has indicated that the abolition of Inter-Governmental Agreement taxes, including duties on:

- marketable securities (shares and units)
- non-land business assets
- mortgages

that were due to be abolished in NSW effective on 1 July 2013, is "temporarily" deferred.

Implementation of the abolition of stamp duties has been deferred in NSW on a number of previous occasions, and the NSW Government will first need to pass legislation to amend the relevant provisions of the *Duties Act 1997* to effect the deferral beyond 1 July 2013. At this time, this amending legislation has not been passed and no deferral date has been announced.

### The announcement

On 23 April 2013, the NSW Premier announced that the NSW Government had agreed with the Federal Government to implement the Gonski national education reforms, which has secured additional Federal Government funding of AUD5 billion for NSW schools.

Tucked away within this announcement was the reference that the abolition of stamp duties in NSW will be "temporarily" deferred as a means to help fund NSW's AUD1.7 billion share of the costs of the education reforms. Click [here](#) to view the announcement in full.

The Inter-Governmental Agreement signed by the Federal and State Governments in 1999 which established the framework whereby Goods and Services Tax (GST) revenue would be collected by the Federal Government and allocated amongst the States and in return, the States each agreed to abolish specifically identified taxes and duties continues. As a consequence, the abolition of stamp duties in NSW must theoretically still occur – it is only a timing issue.

### Impact for clients

Few details have been provided about this most recent deferral of duty and K&L Gates will keep you apprised of further announcements and developments. In the meantime, the continued deferrals create uncertainty for clients where the ongoing effect of duties on their transactions and businesses results in more complexity and cost.

## NSW Defers the Abolition of Stamp Duty

The deferral will affect in particular:

- borrowers, as NSW remains the last jurisdiction in Australia to impose duty on borrowers granting security over property in NSW
- clients involved in transactions involving the transfer of marketable securities (shares and units) in NSW or the transfer of businesses in NSW.

Consideration should be given to the jurisdiction in which new companies are registered. There is no marketable securities transfer duty now imposed on the transfer of shares in companies incorporated in any jurisdiction other than NSW.

Please contact a member of the K&L Gates team if you have any questions in relation to any of the above and the implications for your current or prospective transactions or operations.

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## NSW Defers the Abolition of Stamp Duty

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