

When do I have to pay stamp duty?

Note: Only buyers are required to pay stamp duty and not the seller.

Stamp duty is payable once you purchase a property in Australia whether buying in cash or buying with bank.

At this time of writing, NSW Government is assisting buyers on their first time purchase of real estate property. NSW Government provides exemption or concession on transfer duty that includes vacant land. Eligible purchaser will be exempted on stamp duty on new and existing home valued up to \$650,000 and concession on duty between \$650,000 and \$800,000.

For the vacant land of residential land, purchaser will pay no duty on vacant land valued up to \$350,000 and will receive concession between \$350,000 and \$450,000.

WARNING! Above assistance will change from time to time. Assistance from the Government will vary depending on Government's new policy. It is wise for you to check the link below for new update.

<http://www.revenue.nsw.gov.au/first-home-buyers>

In paying stamp duty you have 2 masters: The **Office of State Revenue (OSR)** and the **Bank**.

The OSR set the rule as when you must pay stamp duty by.

However, we have a more powerful master which is the bank.

At settlement, bank will not settle if evidence of Stamp Duty payment is not presented. NO stamp duty cheque payment, NO settlement. It's as simple as that.

Therefore, even if you agree and able to settle earlier or later than the standard 42days settlement, the Office of State Revenue will not ask you to pay yet, but the bank master will **NOT** agree.



By:
Kristie Chong
LLB, BSc