



Purchase Price Rebates, Discounts and Cash-back



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As you may be aware, there have been concerns raised by the Office of State Revenue, The Registrar of Titles, Valuation Services and the Queensland Law Society regarding the treatment of rebates, discounts and cash-backs on a transaction.

As a result of that, there have been discussions between the Office of State Revenue, The Registrar of Titles, Valuation Services and the Queensland Law Society.

What has now occurred is that a direction has been given by Office of State Revenue, The Registrar of Titles, Valuation Services and the Queensland Law Society whereby, a rebate, discount, or cash-back on settlement has to be reported in the following ways:-

1. On the Form 1 Transfer the consideration must be the rebated sale price. That is, the Purchase Price on the Contract less the rebate, discount or cash-back provided for in the Contract; and
2. On the Form 24 Property Information which attaches to and relates to the Form 1 Transfer, where the details of sale price are recorded on that form, again the rebate, discount or cash-back must be shown as a negative figure. The total would therefore be the rebated sale price.

Despite these requirements that have now been imposed, the rebate, discount or cash-back does not reduce the dutiable value of the transaction under the *Duties Act 2001*. Accordingly, the Buyer will have to pay duty on the full Contract Price ignoring the rebate, discount or cash-back.

We thought it wise to bring these matters to your attention so that you are up to date with the latest Government requirements as they may affect the way that you deal with your Sales Contracts.

Should you require any further information of course please do not hesitate to contact us.

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