

REVENUE RULING NO. SD 014

CHEQUES DRAWN BY GOVERNMENTS OUTSIDE NSW RECEIVED IN NEW SOUTH WALES

PREAMBLE

Over a lengthy period, there has been some doubt as to the effect of the provisions of the Stamp Duties Act 1920 (N.S.W.) (sec. 48 and 51) relative to recipients in New South Wales of cheques drawn outside New South Wales by government departments (State and Federal) which are deposited to bank accounts in New South Wales.

The prima facie obligation to pay duty has been the subject of conflicting rulings.

RULING

In order to clarify the position and to ensure uniformity, it has been decided that in so far as cheques are concerned, as distinct from bills of exchange in respect of which liability falls on the drawer or acceptor, there is no liability to New South Wales stamp duty on the recipient or on the bank in New South Wales to which a cheque is deposited where the drawer is the Crown and consequently not liable to duty.

A cheque drawn by an overseas government or government department is considered to share the same immunity and is also not liable when received and deposited to the recipient's bank account in New South Wales.

In appropriate cases, a taxpayer will need to establish whether or not the drawer of the cheque is a government department or a Crown Authority deemed to be a corporation representing a State or the Commonwealth.

(Departmental references: Opinion 84; SF 39; T.I. 109)

A. D. CLYNE,
Chief Commissioner of Stamp Duties.
1 December, 1985

Last Updated: 17-Jan-2001