

## **EXPLANATORY MEMORANDUM**

### **FISCAL CHARGES AND IMPOSITIONS BILL 2011**

The purpose of this Bill is to increase fees payable under the *Land Administration Fees Act 1996* and the *Business Transactions (Levy Imposition) Act 2006*.

The Bill is in 3 Parts, the first of which provides the usual basic information of the Bill's contents and provides that whenever it becomes law, the changes made by it come into effect on 1 July 2011.

Part 2 of the Bill amends the *Land Administration Fees Act 1996* to increase the Land Administration Fee for the registration of instruments subject to section 4, from 3% to 4%.

Part 3 of the Bill amends the *Business Transactions (Levy Imposition) Act 2006* to increase the levy on the conveyance of property subject to the Act, other than property subject to fees under the *Land Administration Fees Act 1996*, from 3% to 4%. The Bill also changes the explanatory note which shows the effect of the change.

Part 4 of the Bill is intended to make it clear that the increases in fees or levies imposed by this Bill do not apply to any legally binding agreement or transaction that was entered into before 22 June 2011 but only upon those coming into effect on that day or subsequently. It is to be noted that both affected enactments contain provisions imposing penalties for seeking to evade payment of fees and levies and these penalties will apply to attempts to back-date transactions to obtain the benefit of Part 4.

24 June 2011