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**Public Ruling
Duties Act:**

**EXTENSION OF TIME TO LODGE
PARTNERSHIP ACQUISITIONS AND TRUST
ACQUISITIONS FOR CERTAIN
PROFESSIONAL PARTNERSHIPS**

A public ruling, when issued, is the published view of the Commissioner of State Revenue (the Commissioner) on the particular topic to which it relates. It therefore replaces and overrides any existing private rulings, memoranda, manuals and advice provided by the Commissioner in respect of the issue(s) it addresses. Where a change in legislation or case law (the law) affects the content of a public ruling, the change in the law overrides the public ruling—that is, the Commissioner will determine the tax liability or eligibility for a concession, grant or exemption, as the case may be, in accordance with the law.

What this ruling is about

1. The purpose of this public ruling is to explain when the Commissioner may grant an extension of time to lodge dutiable transactions involving partnership interests in professional partnerships in certain circumstances.
2. Section 19(3) of the *Duties Act 2001* (Duties Act) provides that parties liable to pay transfer duty relating to a dutiable transaction must lodge documents evidencing the transaction within 30 days after the liability arises.
3. A person who fails to comply with s.19(3) of the Duties Act commits an offence and may be liable for unpaid tax interest (UTI) and penalty tax under the *Taxation Administration Act 2001* (Administration Act).
4. Section 151 of the Administration Act provides the Commissioner with the discretion to extend the date for complying with a lodgement requirement.
5. The Commissioner acknowledges that, for certain professional partnerships, there may be a large number of small fractional interests acquired in the partnership throughout the year resulting from partner appointments and retirements, and equity interest adjustments.
6. In recognition of the unique nature of these transactions, the Commissioner may extend time for lodgement of the transactions where certain criteria are satisfied.

Ruling and explanation

7. The following details the Commissioner's practice in determining whether an extension of time should be granted for lodging a partnership acquisition and any associated trust acquisition¹ in a professional partnership.

Considerations for extension of time

8. Subject to other matters mentioned in this public ruling, an extension of time for lodgement of a partnership acquisition, and any associated trust acquisition, in a professional partnership occurring in a financial year² will generally be granted where one or more of the following criteria apply:
- (a) The partnership is a top-tier, large, generally city-based firm that may be multi-jurisdictional or even a global partnership.
 - (b) The partnership is a mid-tier or medium-sized firm that is generally city-based.
 - (c) The partnership typically has more than \$30 million in annual revenue.
 - (d) The partnership has more than 20 partnership acquisitions in the relevant financial year.
9. An extension of time will not be granted where the partnership acquisitions and any associated trust acquisitions arise as a result of a structural change; for example, a merger of partnerships or a partnership splitting into smaller partnerships. In these circumstances, normal lodgement timeframes apply.
10. When considering applications to extend the time for lodgement, the Commissioner will also consider the partnership's past compliance behaviour including, for example, the provision of suitable evidence of value for prior lodgements.³

Time for lodgement if extended

11. Where an exercise of the Commissioner's discretion to extend the time for lodgement as contemplated in this public ruling is sought, the partnership acquisitions and associated trust acquisitions must be lodged with the Commissioner within 30 days after the end of the financial year in which the liability for the acquisition arose.

How to apply

12. In order for an application for an extension of time to be considered under this ruling, the application must be lodged within 30 days after the end of the financial year in which the liability for the acquisition arose and at the same time as lodgement of the relevant partnership acquisitions and associated trust acquisitions under paragraph 11 for the financial year.

¹ Section 30 of the Duties Act will apply to aggregate a partnership acquisition with a trust acquisition where the transactions together form, evidence, give effect to or arise from what is substantially one arrangement. Separate lodgement requirements apply to any associated trust acquisition.

² A period of one year beginning on 1 July

³ Refer to [Lodgement requirements for partnership acquisitions for professional partnerships](http://qro.qld.gov.au) available from qro.qld.gov.au.

13. The application must:
- (a) outline the paragraph 8 criteria the partnership meets and state the reasons that those criteria make it unreasonable for the partnership to comply with lodgement requirements within 30 days after the liability arises
 - (b) outline the circumstances under which the acquisition arose (e.g. as a result of the retirement of a partner).
14. Where a partnership does not meet any of the criteria in paragraph 8, or where partnership acquisitions arise from a structural change, the Commissioner will consider any application for an extension of time for lodgement on a case-by-case basis based on the circumstances of each case. In such cases, the application must be lodged before the lodgement due date for each individual acquisition.

Unpaid tax interest

15. Unpaid tax interest (UTI) will not be payable under s.54 of the Administration Act solely because lodgement occurs later than the period specified in s.19 of the Duties Act provided:
- (a) the Commissioner has exercised a discretion to extend the time for lodgement under this public ruling
 - (b) lodgement occurs within the time required as outlined under paragraph 11 of this ruling.
16. The partnership's compliance with lodgement requirements including the suitability of evidence of value provided will be a further factor the Commissioner will consider when determining whether UTI will be payable.

Date of effect

17. This public ruling takes effect from the date of issue.

Amy Rosanowski
Acting Commissioner of State Revenue
Date of issue: 21 September 2023

References

Public Ruling	Issued	Dates of effect	
		From	To
DA019.2.1	21 September 2023	21 September 2023	Current

Attachment 1

This attachment has some examples on when an extension of time and remission of interest may be granted and may not be granted by the Commissioner.

Example 1: Partnership meets the criteria, provides all required documents and applies in required timeframe

There have been 30 partnership acquisitions during the 2021–22 financial year in Partnership One. Twenty partnership acquisitions occurred on 1 July 2021 and the remaining 10 partnership acquisitions occurred on an ad-hoc basis during that financial year. On behalf of the partners acquiring the partnership interests, Partnership One applies to the Commissioner by 30 July 2022 to seek an extension of time for lodgement of the partnership acquisitions. Partnership One submits the partnership acquisition lodgements with the application and provides suitable evidence of value of dutiable property including Queensland business assets with the lodgements that is accepted by the Commissioner.

The Commissioner would grant the extension of time to make the partnership acquisition lodgements by 30 July 2022 because Partnership One meets one of the criteria in paragraph 8 of this ruling. In this example, UTI would be remitted as outlined under paragraph 15.

Example 2: Partnership meets the criteria, provides all required documents and applies in required timeframe but there are also trust acquisitions

Partnership Two is a mid-tier firm based in Brisbane. There were 10 partnership acquisitions in the partnership and 5 associated trust acquisitions occurring at the end of November 2021. On behalf of the partners acquiring the interests, Partnership Two applies to the Commissioner by 30 July 2022 to seek an extension of time for lodgement of the partnership and trust acquisitions. Partnership Two submits the partnership acquisition and trust acquisition lodgements with the application and provides suitable evidence of value of dutiable property including Queensland business assets with the lodgements that is accepted by the Commissioner.

The Commissioner would grant the extension of time to make the partnership acquisition lodgements and trust acquisition lodgements by 30 July 2022 because Partnership Two meets one of the criteria in paragraph 8 of this ruling.⁴ In this example, UTI would be remitted as outlined under paragraph 15.

Example 3: Partnership meets the criteria but provides little evidence of value of dutiable property

Partnership Three has more than \$30 million in annual revenue. There have been 40 partnership acquisitions and 10 associated trust acquisitions occurring on 10 May 2022. On behalf of the partners acquiring the partnership interests, Partnership Three applies to the Commissioner by 30 July 2022 to seek an extension of time for lodgement of the partnership and trust acquisitions.

⁴ Separate lodgements are required for the partnership and trust acquisitions. However, where the dutiable transactions together form, evidence, give effect to or arise from what is substantially one arrangement, the aggregation rules will apply, and the transactions will be treated as a single dutiable transaction (section 30 of the Duties Act).

Partnership Three submits the partnership and trust acquisition lodgements with the application but provides insufficient evidence of value of dutiable property for Queensland business assets with its lodgements. Partnership Three has a history of providing little evidence of value of dutiable property, and what has been previously provided was not supported with any justification.

Although Partnership Three meets one of the criteria in paragraph 8 of this ruling to seek an extension of time for lodgements, the partnership's historical non-compliance with lodgement requirements is a factor the Commissioner would consider in deciding whether to extend the time for lodgement and in determining whether or not to remit UTI as per paragraph 15.

The Commissioner would not grant an extension of time to make the partnership and associated trust acquisition lodgements. UTI would be payable in accordance with s.54 of the Administration Act.

If Partnership Three had not previously complied with lodgement requirements, the Commissioner would have previously advised the partnership that future requests to seek an extension of time would not be granted until the partnership is compliant with lodgement requirements.

Example 4: Small partnership that does not meet criteria and does not lodge within 30 days of liability arising

Partnership Four is a small partnership. Five partnership acquisitions occurred on 30 September 2022. On behalf of the partners acquiring the partnership interests, Partnership Four lodges the partnership acquisitions by 30 July 2023 and, at that time, applies to the Commissioner for an extension of time for lodgements to 30 July 2023. Because Partnership Four does not meet any of the criteria in paragraph 8 of this ruling, this example falls outside the scope of this ruling. In this case, the Commissioner would not grant an extension of time to make the partnership acquisition lodgements within 30 days of financial year end. UTI would be payable in accordance with s.54 of the Administration Act.

However, if the partners of Partnership Four are of the view that, based on the particular circumstances of the partnership, they are unable to meet the lodgement timeframe of within 30 days of the liability arising (i.e. by 30 October 2022), then an application would need to be made to the Commissioner before 30 October 2022 for an extension of time. Partnership Four would need to have regard to Public Ruling TAA151.1 *Circumstances where the Commissioner will extend the date for complying with an information or lodgement requirement* when applying for an extension of time to the Commissioner within 30 days of the liability arising.

If an application for an extension of time was made before 30 October 2022 and the application was granted by the Commissioner, the Commissioner would consider the relevant factors for remitting UTI as outlined in Public Ruling TAA060.1 *Remission of unpaid tax interest* when considering whether or not to remit UTI.