

STAMP DUTY FOR PHARMACIES

In any purchase or business restructure of a pharmacy or of an interest in a pharmacy, one of the largest costs is stamp duty.

The extent of this cost is outlined in the following table:

Purchase Price	Stamp Duty (NSW)
\$1 500 000	67 990
2 000 000	95 490
3 000 000	150 490

The NSW State Government is abolishing duty on the transfer of business assets under contracts entered into on or after 1 July 2012. Based on the costs above, there is obviously a significant saving if you can arrange your affairs to delay buying an interest until after that date.

However, waiting until after 1 July 2012 may not be feasible or possible, so what other options are available?

There is an exemption from stamp duty in the *NSW Duties Act 1997* that was intended to allow pharmacists to take advantage of the changes to ownership rules in the *Health Practitioner Regulation National Law (NSW)* by permitting a pharmacist to restructure from a sole trader or partnership to a company without paying stamp duty.

Depending upon the business structure of the seller, with careful planning and advice this exemption may also be used in certain circumstances to reduce stamp duty for a pharmacist seeking to purchase a pharmacy, or an interest in a pharmacy.

At Bentley Brett & Vincent we specialise in the business structuring of pharmacies, so if you are considering selling or buying a pharmacy or an interest in a pharmacy, or restructuring an existing pharmacy, then please contact us to discuss if the above exemption can be used to your advantage.

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