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**Public Ruling
Duties Act:**

**ADMINISTRATIVE ARRANGEMENT –
SECTION 375 OF THE *DUTIES ACT 2001* –
INSURANCE DUTY EXEMPTION FOR HEALTH
INSURANCE**

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. Section 375 of the *Duties Act 2001* (the Duties Act) provides that insurance duty is not imposed on a contract of insurance entered into in the course of an insurer's health insurance business as defined in the *Private Health Insurance Act 2007 (Cwlth)* (the PHI Act), section 121-1.
2. Other States and Territories use a different form in their legislation to exempt private health insurance from insurance duty. The majority of jurisdictions exempt specified medical benefits insurance issued by a private health insurer within the meaning of the PHI Act.
3. On 14 October 2014, an administrative arrangement was approved to permit the Commissioner of State Revenue to administer the exemption in a manner consistent with the jurisdictions mentioned above, pending amendment to the Duties Act.
4. As a consequence, the exemption under s.375 applies to overseas student health cover and temporary visa holder health cover offered by private health insurers as defined in the PHI Act.
5. The administrative arrangement is published under this ruling.

Ruling and explanation

6. As from 14 October 2014, s.375 of the Duties Act is administered on the basis that insurance duty is not imposed on medical benefits insurance, being insurance effected by a contract of insurance that is issued by a private health insurer within the meaning of the PHI Act and that provides hospital benefits or medical benefits (or both), whether or not other benefits are also provided.

Date of effect

7. This Public Ruling takes effect from 14 October 2014.

Elizabeth Goli
Commissioner of State Revenue
Date of issue: 14 October 2014

References

Public Ruling	Issued	Dates of effect	
		From	To
DA375.1.1	14 October 2014	14 October 2014	11 December 2016