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Public Ruling General:

WITHDRAWAL OF ROYALTY RULINGS

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 the public rulings system is to publish the views of the Commissioner in respect of the interpretation and application of the revenue laws—being the *Duties Act 2001*, *Taxation Administration Act 2001* (Taxation Administration Act), *First Home Owner Grant and Other Home Owner Grants Act 2000*, *Payroll Tax Act 1971*, *Land Tax Act 2010*, *Betting Tax Act 2018*—and the royalty laws; that is, the royalty provisions¹ of the *Mineral Resources Act 1989* (Mineral Resources Act) and the *Petroleum and Gas (Production and Safety) Act 2004* (Petroleum and Gas Act).
2. Before the commencement of the *Royalty Legislation Amendment Act 2020* on 1 October 2020, the views of the Commissioner in relation to the interpretation and application of the royalty laws were published as royalty rulings.
3. The purpose of this public ruling is to abolish the royalty ruling system and withdraw all royalty rulings in force under that system as at 30 September 2020.

Ruling and explanation

4. All royalty rulings that were in effect immediately before midnight on 30 September 2020² are no longer in effect as of midnight on 30 September 2020.

¹ 'Royalty provisions' means chapter 11 of the Mineral Resources Act, chapter 6 of the Petroleum and Gas Act and any other provisions of those Acts to the extent they are administered by the Minister with Ministerial responsibility for the Taxation Administration Act.

² 'Midnight' is defined in s.36 of the *Acts Interpretation Act 1954* as 'in relation to a particular day... the point of time at which the day ends'.

5. Due to the withdrawal of Royalty Ruling ROY001 – *Royalty ruling system: explanation and status*, no further royalty rulings will be issued by the Commissioner on or after 1 October 2020. From that date, the Commissioner’s views as to the interpretation and application of the royalty laws will be published as public rulings.
6. In the event where there is an inconsistency between a public ruling and a royalty ruling, the Commissioner’s views as expressed in the public ruling will prevail—that is, when:
 - (a) a public ruling is issued that has a retrospective date of effectand
 - (b) a royalty ruling in relation to the subject matter of the public ruling was in effect on or after the date of effect of the public ruling.
7. For an assessment of mineral or petroleum royalty made from 1 October 2020:
 - (a) the principles for remission of unpaid tax interest (UTI) set out in Public Ruling TAA060.1 – *Remission of unpaid tax interest* are relevant to UTI that applies under s.54 of the Taxation Administration Act to a royalty liability arising from 1 October 2020
 - (b) the principles for remission of penalty tax set out in Public Ruling TAA060.2 – *Penalty tax* are relevant to penalty tax that applies under s.58 of the Taxation Administration Act to a royalty liability arising from 1 October 2020
 - (c) the principles for remission of unpaid royalty interest (URI) set out in Royalty Ruling ROY002 – *Remission of unpaid royalty interest* are relevant to URI that applies under s.332(1) of the Mineral Resources Act³ or s.602(2) of the Petroleum and Gas Act⁴ to a royalty liability arising before 1 October 2020
 - (d) the principles for remission of royalty penalty set out in Royalty Ruling ROY003 – *Remission of royalty penalty* are relevant to royalty penalty that applies under s.331E(1) of the Mineral Resources Act⁵ or s.601(1) of the Petroleum and Gas Act⁶ to a royalty liability arising before 1 October 2020.

Date of effect

8. This public ruling takes effect from 1 October 2020.

Mark Jackson
Commissioner of State Revenue
Date of issue: 1 October 2020

³ As in force before 1 October 2020.

⁴ As in force before 1 October 2020.

⁵ As in force before 1 October 2020.

⁶ As in force before 1 October 2020.

References

Public Ruling	Issued	Dates of effect	
		From	To
GEN011.1	1 October 2020	1 October 2020	Current