

# BULLETIN

## Industry Divisions



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Dear Member

Please see below information provided by VicRoads to all LMCTs on how the exemption from super luxury duty on vehicles purchased before 28 May 2019 should be handled.

It is important to note that the duty reduction for luxury passenger cars that have had delayed delivery do not apply to luxury passenger cars with market value between \$67,525 and \$100,000. The duty rate of \$10.40 applies to any registration or transfer of these vehicles after 30 June 2019.

Please advised the super-luxury duty only applies to passenger cars only. The definition extracted from the Duties Act 2000 that describes a passenger car as:

*passenger car means—*

- (a) a motor vehicle constructed principally for the carriage of passengers; or
- (b) a motor vehicle that—

- (i) is designed principally for the conveyance of not more than 8 adults; and

- (ii) is constructed either on a truck chassis or with special features for off-road operation—

but does not include—

- (c) a motor cycle; or

- (d) a motor vehicle having a utility or panel van type body in which the forward part of the body form and the greater part of the mechanical equipment are the same as those in a passenger car manufactured by the manufacturer of the motor vehicle; or

- (e) a motor vehicle constructed for the carriage of passengers and equipped to seat more than 8 adults (including the driver);

You can view the entire Duties Act 200 by taking this [link](#).

Conversations with SRO today have confirmed that a utility ( e.g. Holden Maloo ) or a dual cab utility ( e.g. Nissan Navara) are not considered to be passenger cars.

### About the exemption

The New motor vehicle duty rates for luxury passenger cars came into effect on 1 July.

The State Revenue Office has advised that it has agreed to allow a reduction in duty for luxury passenger cars (with a dutiable value of over \$100,000) that could not be registered or transferred prior to 1 July 2019:

- with a dutiable value of more than \$100,000; and,
- were contracted to be sold before 28 May 2019.

For cars in this category, the previous rate of MVD applies.

## Rates of duty

As of 1 July 2019, new motor vehicle duty rates for luxury passenger cars have come into effect. However, if a luxury passenger car with a dutiable value of more than \$100,000 was contracted to be sold before 28 May 2019, the previous rate of motor vehicle duty applies upon processing. The customer must be able to provide proof of “good reason”\* the vehicle could not be registered or transferred until after 30 June 2019.

The following duty rates per \$200 of dutiable value apply for passenger vehicles:

- Contracted to **be purchased before 28 May 2019**; and
- Registered or transferred after 30 June 2019.

## MVD rates and duty reduction for luxury passenger cars where delivery was delayed until after 30 June 2019.

### Duty applicable to luxury passenger cars contracted to be sold prior to 28 May 2019 and unable to be registered or transferred until after 30 June 2019.

Market value is:	New registration	Second-hand registration	Transfer
Up to \$67,525	\$8.40	\$8.40	\$8.40
Over \$67,525 up to \$100,000	\$10.40	\$10.40	\$10.40
<b>Over \$100,000 up to \$150,000</b>	<b>\$10.40</b>	<b>\$8.40</b>	<b>\$8.40</b>
<b>More than \$150,000</b>	<b>\$10.40</b>	<b>\$8.40</b>	<b>\$8.40</b>

Please note: The duty reduction for luxury passenger cars that have had delayed delivery do not apply to luxury passenger cars with market value between \$67,525 and \$100,000. The duty rate of \$10.40 applies to any registration or transfer of these vehicles after 30 June 2019.

## Dealer justification for exemption from Super-luxury duty

### What is “good reason”?

The above duty concession has been agreed to by the Treasurer on the basis that the delay in registering or transferring a luxury passenger vehicle was unavoidable. This might include entering a Contract of Sale for a vehicle that has not yet arrived in Australia or was delayed in clearing Customs. In the case of delayed registration or transfer of a second-hand luxury passenger car, an example of an acceptable reason may be a delay in obtaining a certificate of roadworthiness due to repairs need to be made.

Evidence to provide proof of “good reason”:

A customer **must** provide:

- A Contract of Sale with proof of a deposit paid (dealer sales), or
- A receipt with proof of deposit paid (private sales)
- A statement from the customer that the delivery was delayed for good reason and that no windfall gain was received by the customer or dealer.

A customer **must also provide at least one** of the following documents:

- Evidence of reason for delayed delivery, such as statement from the vehicle dealer/importer advising of a shipping delay.
- Evidence that the vehicle could not have been registered prior to 1 July 2019, such as a statement from a vehicle repairer that a RWC could not be obtained due to lack of parts.

If a customer fails to provide two documents as proof of “good reason” together with the statement, the registration or transfer must be processed at the full applicable duty rate as of 1 July 2019. The customer should be advised to seek a refund from the State Revenue Office with necessary evidence.

**The State Revenue Office has advised that duty concessions on the basis of delayed delivery will be heavily scrutinised.**

If a registered operator seeks a refund of luxury passenger car duty already paid as they are claiming delivery of the vehicle was delayed until after 30 June 2019, they must be directed to the SRO to obtain a refund. VicRoads will not process duty refunds in this circumstance. The SRO has advised, it will only consider refund requests made by registered operators, not by LMCTs.

Please feel free to call me directly with any queries.

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