

# BULLETIN

## Industry Divisions



Reference No: SRO duty relief/mm-05-20

Date issued: 26/05/2020

As a result of ongoing dialogue between VACC and the Victorian Government I can advise that the SRO has published temporary rules (see below) that will apply for LMCT's that have been impacted by coronavirus (COVID-19).

More specifically, the current length of ownership rule (i.e. the demo vehicle needs to be held for no longer than 12 months after it was initially registered in the name of the LMCT as a demonstrator vehicle) will be temporarily adjusted, so that a motor vehicle can be considered as being used solely or primarily as a demonstrator vehicle or a service demonstrator vehicle where it has been held for up to 18 months after it was initially registered in the name of the LMCT.

This temporary 18 month rule will apply for all vehicles registered as a demonstrator vehicle or service demonstrator vehicle by an LMCT **between 1 March 2019 (1 July 2019 for service demonstrator vehicles) and 30 September 2020**. The normal 12 month rule will apply to vehicles registered after this date.

The advice states that if a vehicle has travelled a distance of more than 7500km since its acquisition and initial registration in the name of the LMCT, it will still be the case that a change in use will be considered to have occurred. In these instances, the LMCT must lodge a 'change in use statement' and pay the applicable duty. **VACC believes this interpretation to be harsh and would suggest that a pro rata methodology be applied. VACC will seek further specific guidance from SRO on this issue.**

SRO believe this should assist VACC members to be able to comply with the demonstrator / special demonstrator vehicle conditions by providing them with this extended time period in which they can hold the vehicles (but obviously continue to use them as demonstrator vehicles).

### Other

VACC is to meet with Treasurer Pallas office this week to discuss the lack of dealer/LMCT specific relief measures announced by the Victorian Government.

VACC believes the time has come for this Government to cut through the red tape and put aside the farfetched philosophical arguments put forward by SRO and DTF and allow for Dealers / LMCTs by:

- Excluding duty on accessories and aftermarket fittings being included in a vehicle's dutiable value.
- Accelerating the VACC position to allow for a heavily regulated consignment selling arrangement between dealer and consumer.
- Review the impact of the Super Luxury Duty on vehicle sales.
- Auditing private-private sales to ensure accuracy of vehicle valuation.
- Allow for temporary suspension of registration and the subsequent re- roadworthy requirement on LMCT trading stock and Fleet operator ( e.g. rental company ) stock.



#### *Motor vehicle duty*

*The Commissioner of State Revenue has announced a temporary measure to assist licensed motor car traders (LMCTs) who have been impacted by coronavirus.*

*The length of ownership associated with exemptions from motor vehicle duty available for LMCTs for their demonstrator or service demonstrator vehicles has been extended from 12 to 18 months. This applies to a vehicle registered as a:*

- demonstrator vehicle between 1 March 2019 and 30 September 2020, or a
- service demonstrator vehicle between 1 July 2019 and 30 September 2020.

This measure has been flagged on Revenue Rulings [DA.034v2](#) and [DA.035v2](#).

#### *Land transfer duty*

Guidance on the treatment of [a resident's interest in a retirement village for duty purposes](#) has been added to our web page about economic entitlements.