

BULLETIN

Victorian Automobile Dealers Association



Reference No: Luxury Car Tax

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Luxury Car Tax Threshold 2018-2019

The Australian Taxation Office has advised via Luxury Car Tax (LCT) Determination LCTD 2018/1 (FED) that the threshold for application of LCT will rise from the 2017-18 threshold of \$65,094 to an indexed threshold figure of \$66,331 for 2018/19.

The fuel-efficient car limit for the 2018--19 financial year remains at \$75,526. For more information on LCTD 2018/1 please click [here](#).

From what date does the new threshold apply?

The determination applies to the financial year commencing 1 July 2018.

What should you do if you have negotiated a deal at the old rate for a new car being registered after 30 June 2018?

If you are using VACC 'New and/or Used Car Contracts of Sale', Sections 2(a) and 2(b) make an allowance for an increase in the amount of stamp duty or any other tax payable in respect of the motor vehicle between the date of the contract and the date of delivery.

Under these or similar terms and conditions, you can pass on the increase to the purchaser. These sections also make the requirement to use reasonable endeavours to advise the purchaser of the increase in duty as soon as reasonably practicable. Advising the purchaser of this well before delivery is recommended.

Other actions

Dealers are advised to adapt changes to any Dealer Management Systems to reflect the change.

If you have further queries you should consult your own financial or taxation advisor or for further information on LCT please [take this link](#).

Please feel free to call me direct with any other queries.

Kind regards

Michael McKenna MBA
Industry Policy Advisor

Industry Divisions

VACC

Level 7 | 464 St Kilda Road | Melbourne Vic 3004

P: 03 9829 1280 | **M:** 0418 822 939 | **F:** 03 9867 1795 | **W:** vacc.com.au