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Public Ruling Duties Act:

RELIEF FROM ADDITIONAL VEHICLE REGISTRATION DUTY FOR CONTRACTS TO PURCHASE VEHICLES ENTERED INTO BEFORE 1 JULY 2018

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. Under Chapter 9 of the *Duties Act 2001* (the Duties Act), vehicle registration duty is imposed on applications to register or transfer vehicles.¹ Vehicle registration duty is generally calculated on the dutiable value of the vehicle.² For a vehicle that has not been previously registered, the dutiable value is generally the total of the vehicle's list price and the price of all items of optional equipment not included in the list price.³ For a vehicle that has been previously registered, or for which there is no list price, the dutiable value is generally the greater of the total consideration payable by the purchaser or the market value of the vehicle.⁴
2. Vehicle registration duty is usually imposed at the rates set out in Schedule 4C of the Duties Act which generally differ depending on the number of cylinders that a vehicle has.⁵ From 1 July 2018, an additional \$2 per \$100 of dutiable value applies to applications to register or transfer vehicles (other than special vehicles or heavy vehicles) with a dutiable value of more than \$100,000 (additional vehicle registration duty).⁶
3. On 29 June 2018, an administrative arrangement was approved to enable the Duties Act to be administered on the basis that relief will be provided to ensure that additional vehicle registration duty does not apply to an application to register or transfer a vehicle, made on or after 1 July 2018, where a contract or agreement for the purchase or sale of the vehicle was entered into before 1 July 2018.
4. This public ruling sets out the terms of the administrative arrangement.

¹ Section 377(1) of the Duties Act

² Section 377(2) of the Duties Act

³ Section 378(1) of the Duties Act

⁴ Section 378(2) of the Duties Act

⁵ Section 383(1)(a) of the Duties Act

⁶ Section 383(1)(b) and (2) of the Duties Act

Ruling and explanation

5. For the purposes of administering Chapter 9 of the Duties Act, relief will be provided to ensure the rate of vehicle registration duty imposed on an application to register or transfer a vehicle valued over \$100,000 (other than a special vehicle and a heavy vehicle) is as stated in Schedule 4C provided the following conditions are satisfied:
- (a) an application to register or transfer the vehicle is made on or after 1 July 2018 and
 - (b) the application relates to a vehicle for which an agreement for its purchase or sale was made before 1 July 2018 and
 - (i) for an application to transfer, the transfer is from the seller under the agreement to the purchaser under the agreement or
 - (ii) for an application to register made by a vehicle dealer on behalf of a vehicle purchaser, the application is made by the vehicle dealer listed in the written contract to register the vehicle in the name of the purchaser listed in the contract or
 - (iii) for other applications to register, the vehicle is registered in the name of the purchasers listed in the written contract.
6. If, under the agreement or written contract, the purchaser has paid or is required to pay an amount representing the additional vehicle registration duty, then this administrative arrangement will only apply if the seller or vehicle dealer has reimbursed or will reimburse the purchaser for the additional vehicle registration duty. If this paragraph applies, s.39(3) and (4) of the *Taxation Administration Act 2001* apply with appropriate modifications to enable application of those provisions to this administrative arrangement.
7. Where a declaration about any of the conditions of this administrative arrangement is made in support of an application to register or transfer a vehicle, the declaration is taken to be part of the application for the purposes of the Duties Act.

Date of effect

8. This public ruling takes effect from 1 July 2018.

Elizabeth Goli
 Commissioner of State Revenue
 Date of issue: 29 June 2018

References

Public Ruling	Issued	Dates of effect	
		From	To
DA383.1.1	Date of issue	1 July 2018	Current