

Guideline

Dutiable value of motor vehicles

Duties Act 2001

Introduction

This guideline sets out the rates and calculations of duty that apply to the dutiable value of a motor vehicle being registered or having the registration transferred. Duty is calculated on the dutiable value of the vehicle at the time of registration.

Duty is charged on:

- a) an application to register a motor vehicle;
- b) an application to transfer the registration of a motor vehicle;
- c) a notice of change of beneficial ownership, and
- d) a notification of a change in the purpose of a motor vehicle lodged by a motor vehicle dealer.

Dutiable value of a motor vehicle

New motor vehicle's dutiable value

Dutiable value means what has been paid (in money and/or in kind) to purchase the vehicle, if the Commissioner is satisfied that what has been paid is adequate for the value of vehicle.

Registered motor vehicle dutiable value

The dutiable value is the greater of:

- a) what was paid (in money and/or in kind) for purchasing the vehicle; or
- b) the market value of the vehicle at the time of buying it or lodging a notice of change of beneficial ownership of the vehicle.

Dutiable value in any other case

The dutiable value of a motor vehicle is the greater of:

- a) what was paid (in money and/or in kind) for purchasing the vehicle; or
- b) the market value of the vehicle at the time of registering it.

Calculating the dutiable value of a motor vehicle

New motor vehicles

The dutiable value of a new motor vehicle (including those purchased with the benefit of a manufacturer's fleet discount) is the consideration (purchase price) paid for the vehicle.

Purchase price (the dutiable value) **includes**:

- a) the value of trade-ins;
- b) amounts paid for accessories fitted and after-market treatments carried out before the sale date;
- c) dealer delivery fee;
- d) GST; and
- e) luxury car tax.

The dutiable value does **not** include:

- a) a premium paid for extended warranty insurance;
- b) the value of any equipment transferred from another vehicle registered or previously registered in the name of the applicant which it replaces;
- c) the value of any independently operated equipment that is unrelated to the use of the vehicle for transportation; or
- d) the value of free-of-charge accessories or discounts negotiated by the purchaser.

Sale date is deemed to be the date the customer takes delivery of the vehicle.

Example of dutiable value on a new vehicle

	\$
Purchase price	30 000
Dealer delivery fee	1 500
Alloy wheels	2 000
Body and fabric protection	1 000
Subtotal	34 500
Less manufacturer's fleet discount	5 000
Subtotal	29 500
GST	2 950
Dutiable value	\$32 450

If the purchase price is not fully declared or is clearly inadequate compared to the market value of the vehicle, the Commissioner may reassess the duty payable based on the market value.

Used motor vehicle

The dutiable value of a used motor vehicle is the greater of its purchase price or market value.

Vehicle purchased at auction

Where a vehicle is purchased at auction, the total purchase price will be taken as being the dutiable value of the vehicle.

Important: the purchase price is the total amount paid by the purchaser to the auction house, including any fees charged by the auction house (such as “buyer’s premium” or similar fee, credit card fee, delivery fee and so on).

Notes

1. If a registered vehicle has not been sold on the open market, the dutiable value may be greater than the purchase price. For example, a vehicle may be purchased from a friend, relative or employer for a lower price than could be obtained on the open market. The dutiable value is assessed, not on the actual purchase price, but on the price that could have been obtained if the vehicle had been offered for sale on the open market.
2. Where an unregistered, damaged vehicle is purchased, the dutiable value is the *value at the time of the application for registration*; that is, the price that could reasonably be obtained if the vehicle was sold on the open market on the day the application to register was made. In this instance, the dutiable value includes any improvements that have been made to the vehicle.

Rates of duty

The rates of duty for all vehicle types are defined in section 197 of the [Duties Act 2001](#).

Current rates of duty for a passenger vehicle

Dutiable value	Rate of duty
\$600 or less	\$20
\$601 to \$35 000	\$3 per \$100, or part thereof
\$35 001 to \$40 000	\$1 050 plus \$11 for each \$100, or part thereof, of the value that exceeds \$35 000
\$40 001 or greater	\$4 per \$100, or part thereof

[Click here](#) for the duty calculator or go to www.sro.tas.gov.au.

Rates for other vehicles

For all other vehicles, other than heavy vehicles and vehicles subject to a manufacturer’s fleet discount, the rate is \$3 per \$100 or part thereof. The rate of duty for heavy vehicles is \$1 per \$100 or part thereof.

Manufacturer’s fleet discount

Vehicles purchased through a manufacturer’s fleet discount attract a flat rate of duty of \$3.50 per \$100 or part thereof of the dutiable value. A manufacturer’s fleet discount is defined in section 197(6) of the [Duties Act 2001](#) as a discount:

- a) that is given to the purchaser of the vehicle by the manufacturer of the vehicle; and
- b) that is deducted from the normal retail price of the vehicle; and
- c) that is not available to the general public.

The dutiable value of a motor vehicle purchased through a manufacturer’s fleet discount is calculated similarly as a new vehicle.

Notes

1. A discount granted solely on the basis that the purchaser holds a current Australian Business Number (ABN) is **not**, for the purposes of the Duties Act, a manufacturer's fleet discount. ABNs are available to the general public, therefore discounts given on this basis do **not** meet the "Manufacturer's fleet discount" definition set out under the previous heading. The normal rate of duty would apply.
2. Some manufacturers require dealers to obtain a client's ABN for granting a fleet discount to members of peak bodies/associations (for example, the National Farmers' Federation or Master Builders Associations). It is considered that the manufacturer's fleet discount has been provided because of the arrangement between the manufacturer and the peak body/association, not merely because the purchaser is able to provide an ABN. Therefore, the fleet discount rate of 3.5% applies.
3. When considering which rate of duty should apply, dealers should determine how the manufacturer's fleet discount is being provided. Is it being offered simply because the purchaser has a current ABN or because of the purchaser's buying power (or peak body/association of which the purchaser is a member)?

The basis for the discount should always be shown on associated paperwork to assist State Revenue Office audits.

Important

- **Disposal Notices** must be lodged with the [Registrar of Motor Vehicles](#) within seven (7) days of the vehicle being sold – notices are available from [Service Tasmania](#).
- **Applications to transfer the registration** of a motor vehicle must be lodged with the Registrar of Motor Vehicles within 14 days of the vehicle being purchased – applications are available from Service Tasmania.

More information from the State Revenue Office

Phone

(03) 6166 4400 (press menu option 4, then 3)
(weekdays, 9:00am to 5:00pm)

Email

dutyhelp@treasury.tas.gov.au

Website

www.sro.tas.gov.au

In person

Ground floor
Salamanca Building Parliament Square
4 Salamanca Place HOBART TAS 7000
(weekdays, 9:00am to 5:00pm)