



## FACT SHEET – CHANGES TO MOTOR VEHICLE DUTY

### Background

Motor vehicle duty is payable on registrations and transfers of motor vehicles in Victoria.

Passenger vehicles (e.g. sedan, hatch, 4WD) with a market value above the luxury threshold are classed as luxury cars, and are subject to higher duty rates. The luxury threshold is currently \$66,331 and is indexed annually with CPI.

Currently, duty rates can differ depending on whether the vehicle is new or second hand.

Separate rates apply to non-passenger vehicles (e.g. ute, dual cab ute, motorhomes).

### Proposed changes

- The amendments to the Duties Act will result in both new and used passenger vehicles being charged the same duty rate
- Two new super-luxury thresholds will be introduced:
  - Between \$100,001 and \$150,000
  - More than \$150,000

### New concessions from luxury car tax (details below)

- Green vehicles
- Primary producer vehicles

### New Motor Vehicle duty rates effective from 1 July 2019 (changes in blue)

Type of vehicle/value	Vehicle rate (both new and used vehicles)	Vehicle rate (LCT concessions)
Passenger car \$0 - \$66,331	\$8.40 per \$200 or part thereof	\$8.40 per \$200 or part thereof
Luxury passenger car \$66,331 - \$100,000	\$10.40 per \$200 or part thereof	\$8.40 per \$200 or part thereof
Luxury passenger car \$100,001 - \$150,000	\$14.00 per \$200 or part thereof	\$8.40 per \$200 or part thereof
Luxury passenger car More than \$150,000	\$18.00 per \$200 or part thereof	\$8.40 per \$200 or part thereof

**Notes:**

- The 2019-20 luxury threshold is yet to be published (indexed by CPI)
- No changes have been made to non-passenger vehicle duty rates

## Eligibility for vehicle concessions

### Low-emission vehicles ('green cars')

Low emission passenger cars with carbon dioxide emissions less than 120g/km will be entitled to a concessionary motor vehicle duty of \$8.40 per \$200 of market value.

This is a reduction in the duty rate for low emission passenger cars valued above the luxury car tax threshold.

### Primary production vehicles

Passenger cars owned by primary producers used in the business of primary production are entitled to a concessionary motor vehicle duty of \$8.40 per \$200 of market value.

This is a reduction in the duty rate for eligible cars valued above the luxury car tax threshold.

## Existing exemptions continue to apply

Existing exemptions and reductions from motor vehicle duty will continue to apply in the following circumstances:

- Death of owner
- Breakdown of marriage or domestic relationship
- Transfers involving trustees or nominees
- Licenced motor car traders
- Interstate registrations
- Transport of disabled, handicapped, incapacitated or injured person(s) and/or wheelchairs
- Primary production, firefighting, emergency response, mobile plant and special purpose vehicles
- Consular vehicles
- Amalgamations, restructures and repossessions

No changes are proposed for non-passenger vehicles. All new and used non-passenger vehicles, including utility vehicles, will continue to be subject to existing concessionary rates.