



REVENUE RULING

Superseded

DA 6.0

DUTIES

DUTIABLE VALUE – SPECIAL PROMOTIONS ON NEW VEHICLES

RULING HISTORY

Revenue Ruling	Effective Dates	
	From	To
DA 6.0	July 2008	8 September 2015

This revenue ruling only applies to transactions entered into on or after 1 July 2008. Revenue Ruling SD 35 applies to instruments executed and transactions entered into on or before 30 June 2008.

INTRODUCTION

1. The purpose of this revenue ruling is to explain the circumstances under which the Commissioner of State Revenue will accept a price that has been fixed by a manufacturer, importer or principal distributor, which is restricted to a particular period, class of purchaser or directed at a particular segment of the market as the **retail selling price of a vehicle**.
2. Section 229 of the *Duties Act 2008* (“Duties Act”) imposes duty on the grant or transfer of a licence for a vehicle. The amount of duty payable is determined in accordance with section 236 of the Duties Act. Section 236 refers to the calculation of vehicle licence duty based on the dutiable value of the vehicle.
3. Section 237 of the Duties Act provides that the dutiable value of certain new vehicles is as follows:
 - (1) The dutiable value of a vehicle —
 - (a) that is a new vehicle; and
 - (b) that is of a class prescribed for the purposes of this section; and
 - (c) for which a price has been fixed by the manufacturer, importer or principal distributor as the retail selling price in Western Australia of a vehicle of that make and model,is the sum of —

- (d) the price fixed as described in paragraph (c); and
 - (e) for each optional feature in or of the vehicle — the additional amount fixed by the manufacturer, importer or principal distributor for the retail sale in Western Australia of the optional feature.
- (2) This section has effect subject to section 239.
4. Circular VLD 6, states that the Commissioner will accept an advertised price or temporary pricing bulletin issued by a manufacturer, importer or principal distributor as the retail selling price for vehicle licence duty purposes in place of the official manufacturer's price list, provided the price is fixed and listed in the advertisement or temporary pricing bulletin.
 5. Under normal circumstances, a manufacturer, importer or principal distributor will fix one retail selling price as the retail selling price for a make and model of a vehicle.
 6. However, a manufacturer, importer or principal distributor may, in certain circumstances, fix another price for a particular vehicle and accordingly, there will be more than one retail selling price fixed in respect of that make and model of vehicle, for example, where a promotional price is fixed in respect of a particular class of purchaser for a particular period.

RULING

7. Where a manufacturer, importer or principal distributor fixes a price as the retail selling price for a new vehicle that only applies to a particular class of purchaser, the price fixed will be accepted as a retail selling price for that vehicle for that class of purchaser for the purposes of calculating vehicle licence duty on the vehicle licence, provided that price is current at the time of the grant or transfer of the licence.
8. Those purchasers of vehicles who do not meet the requirements of a promotional price so fixed, will be required to pay vehicle licence duty on the grant or transfer of the licence based on the non-promotional retail selling price for the vehicle which is current at the time of the grant or transfer of the licence.
9. For example, if the retail selling price fixed by a manufacturer for all purchasers for a particular vehicle is \$22,000, but for a period of six months a promotional price of \$20,000 is fixed by the manufacturer for that particular vehicle model for holders of an Australian Business Number (ABN), vehicle licence duty may be calculated on the amount of \$20,000 for a purchaser who is an ABN holder who purchases the vehicle and licenses it during the promotional period. Non ABN holders who purchase the same vehicle but do not have access to the promotional price so fixed, will be required to pay vehicle licence duty on the retail selling price of \$22,000.

10. Where the vehicle is purchased during a non-promotional period, but at the time of grant or transfer of the licence for the vehicle, the promotional price so fixed is available for that particular vehicle model and the purchaser would have been entitled to purchase the vehicle at the promotional price, then vehicle licence duty is to be calculated on the promotional price.

NOTE: As previously advised in Circular VLD 6, and in accordance with the record keeping provisions of section 256 of the Duties Act, where a manufacturer, importer or principal distributor fixes a price as the retail selling price for a new vehicle that only applies to a particular class of purchaser, evidence of the existence of that retail selling price and eligibility to that particular class should be retained with, or available to support, contracts of sale reflecting that retail selling price.