

AUSTRALIAN CAPITAL TERRITORY

DUTIES ACT 1999

GUIDELINES FOR MOTOR VEHICLE DEALERS AUTHORISATION SCHEME

INSTRUMENT NO. 124 OF 2000

Under section 214A of the *Duties Act 1999*, I DETERMINE the following guidelines for the purpose of subsection (1):

**GUIDELINES FOR OBTAINING A LICENSED MOTOR VEHICLE DEALER'S
AUTHORISATION UNDER SECTION 214A OF THE *DUTIES ACT 1999***

1. The purpose of section 214A of the *Duties Act 1999* (the Duties Act) is to introduce a scheme whereby a licensed motor vehicle dealer who will hold a demonstrator or trading stock motor vehicle:

- (i) for greater than twelve months;
- (ii) the purchase price of which was \$35,000 or above; and
- (iii) that travels less than 10,000 kilometres a year;

may, after meeting the requirements of these guidelines and the payment of an administrative fee, obtain an annual authorisation issued by the Commissioner for ACT Revenue. This authorisation will enable the dealer to continue the exemption provided under section 214 of the Duties Act for certain motor vehicles provided they remain registered and comply with the conditions set out in the Determination.

2. An authorisation issued to a licensed motor vehicle dealer will operate, in respect of a motor vehicle, from, or after, the expiration of the period of exemption provided for under section 214 of the Duties Act.

DEFINITIONS FOR THE PURPOSES OF THESE GUIDELINES

3. In this determination:

administrative fee means an amount of \$250.00;

authorisation means an authorisation certificate issued by the Commissioner to a licensed motor vehicle dealer under these guidelines, enabling the dealer to continue the exemption provided under section 214 of the Duties Act for certain motor vehicles provided they remain registered and comply with the conditions set out in the Determination;

Commissioner means the Commissioner for ACT Revenue;

dealer means a licensed motor vehicle dealer;

demonstrator means a new motor vehicle used solely for the sale of another motor vehicle of the same kind;

Duties Act means the *Duties Act 1999*;

eligible dealer means a licensed motor vehicle dealer who holds an authorisation certificate issued by the Commissioner under these guidelines;

eligible motor vehicle means a demonstrator or trading stock motor vehicle, the purchase price of which was \$35,000 or above and that travels less than 10,000 kilometres a year;

licensed motor vehicle dealer means a licensed dealer under the *Sale of Motor Vehicles Act 1977*;
purchase price of the vehicle means the consideration paid for the vehicle;
records means a separate list of motor vehicles, kept and maintained by the eligible dealer, to which the authorisation applies, and is to include the vehicle make, model and month/year of manufacture; registration number; engine number; vehicle identification number (VIN); odometer readings when the vehicle was purchased and when the authorisation applied; the purchase price of the vehicle, the garaging address of the vehicle, the date the vehicle was purchased and if it was registered;
scheme means the Motor Vehicle Dealers Authorisation Scheme established by these Guidelines under section 214A of the Duties Act;
tax officer has the same meaning as defined under the *Taxation Administration Act 1999*;
trading stock means a motor vehicle offered or exposed for sale by a dealer in the course of the dealer's business, other than a motor vehicle used –

- (a) personally by the dealer or a member of the dealer's staff or family; or
- (b) for the general purposes of the dealer's business;

year means:

- (i) for the purposes of an authorisation, the period commencing on 1 March and finishing on 28 February (or 29 February in a leap year); or
- (ii) for the purposes of considering whether or not a motor vehicle fits, or fitted, within the guidelines defining an eligible motor vehicle, the distance the vehicle travels in a year relates to the period that:
 - ◆ commenced on the day the motor vehicle was purchased by the dealer and finishes on the day immediately before the first mentioned day, 365 days later;
- (iii) for the purposes of considering whether or not a motor vehicle remained within the guidelines for being an eligible motor vehicle during an authorisation period, the distance the vehicle travelled in a year relates to the period that:
 - ◆ commenced on the day the authorisation provided under these guidelines applied to the motor vehicle and finishes on the day immediately before the first mentioned day, 365 days later.

PROCEDURAL

4. An application for an authorisation must be made in the form of a letter to the Commissioner addressing each of the issues specified in the guidelines that are relevant to the authorisation. The application must:

- (a) identify the dealer's name and trading name, the dealer's licence number and the address of the ACT premise or premises from which the dealer trades;
- (b) state the following details relating to any vehicles for which the authorisation is being sought:
 - (i) make, model and month/year of manufacture of each vehicle;
 - (ii) the identification number (VIN), engine number, registration number of each vehicle;
 - (iii) the date of purchase and registration number at that time;
 - (iv) odometer readings when each vehicle was purchased and at the time of seeking the authorisation;

- (v) the purchase price of each vehicle;
- (vi) the garaging address or addresses of each vehicle;
- (c) include the administrative fee.

5. An application for an authorisation under these guidelines may be made at anytime. However, all authorisations expire on 28 February each year (or 29 February in a leap year), unless earlier revoked, and regardless of the period it has run for the respective dealer.

AUTHORISATION

6. For the purposes of obtaining an authorisation:
- (a) an application by a dealer for an authorisation may be approved by the Commissioner, subject to any conditions imposed on:
 - (i) the payment of the administrative fee;
 - (ii) the application complying with the requirements set out in paragraphs 4 to 5 in “PROCEDURAL” above;
 - (iii) the applicant meeting the requirements to be an eligible dealer as defined in these guidelines;
 - (iv) any motor vehicles subject to the application being an eligible motor vehicle as defined in these guidelines

- (b) in considering whether or not to approve an application by a dealer for an authorisation, the Commissioner shall have regard to the best interests of the scheme and/or the ACT.

7. The authorisation granted by the Commissioner applies to:
- (i) the list of eligible motor vehicles provided to the Commissioner at the time of the application;
 - (ii) any additional eligible motor vehicles included in the records required to be kept by the eligible dealer, under these guidelines,

providing all requirements contained in the guidelines and any conditions imposed by the Commissioner are met.

8. An authorisation may be revoked at the discretion of the Commissioner if the eligible dealer fails to comply with any one of the requirements set out in these guidelines or conditions imposed by the Commissioner in respect of the authorisation.

9. The effect of the revocation of the authorisation is that the dealer is liable to immediately pay the duty that would have been payable at the time of a vehicle’s first registration pursuant to section 214, as if the exemption from duty and authorisation had not existed.

APPROVALS

10. Under subsection 214A, the Commissioner may grant approval subject to such conditions as the Commissioner determines, including:

- (a) the dealer must sign a declaration acknowledging that he or she is aware that:

- (i) an eligible motor vehicle owned by an eligible dealer must not travel more than 10,000 kilometres during the year in which the authorisation for that vehicle applies. Otherwise, duty that would have been payable at the time of the vehicle's first registration pursuant to section 214 of the Duties Act will become due and payable immediately by the eligible dealer as if the exemption from duty and authorisation had not applied to that vehicle;
 - (ii) an eligible motor vehicle must be offered for sale or available for demonstration purposes at the eligible dealer's place of trading during that business's normal trading hours;
 - (iii) the eligible dealer is to keep records in accordance with the details defined as records in these guidelines;
 - (iv) tax officers will undertake inspections during the business's trading hours for the purposes of ensuring compliance with these guidelines and any conditions imposed on an eligible dealer through the approval of an authorisation. At the time of such inspection and upon request by a tax officer, the eligible dealer (or that person's staff) must produce all records required to be kept under the guidelines and the conditions of approval of the authorisation;
 - (v) the authorisation may be permanently revoked on all vehicles if the dealer fails to comply with the guidelines or any conditions imposed on the authorisation issued by the Commissioner;
 - (vi) the eligible dealer is liable to pay all duty required to be paid immediately, where an authorisation is revoked or a motor vehicle is found not to fit within the guidelines;
- (b) the Commissioner may require an eligible dealer to enter into an undertaking to abide by conditions imposed by the Commissioner for the purposes of the operation of these guidelines.

DATE OF COMMENCEMENT

11. This determination applies to authorisations provided on or after 1 March 2000.

Date: 23 April 2000

Gary Humphries

Treasurer