

Australian Capital Territory

Taxation Administration (Amounts Payable—Motor Vehicle Duty) Determination 2015 (No 1)

Disallowable instrument DI2015–183

made under the

Taxation Administration Act 1999, section 139 (Determination of amounts payable under tax laws)

EXPLANATORY STATEMENT

Purpose

1. The purpose of this instrument is to determine the amounts of duty payable on the application to register a motor vehicle.

Summary

2. The *Taxation Administration Act 1999* (TAA) deals with the administration of various tax laws relating to the imposition and collection of certain taxes, duties and licence fees.

3. Section 139 of the TAA empowers the Minister to determine the amount of taxes, duties and licence fees payable under a tax law, including under the *Duties Act 1999* (the Duties Act). The Duties Act imposes duty on a range of transactions at determined rates and permits the application, adoption or incorporation of an instrument that is subject to frequent change, such as the Green Vehicle Guide.

4. This instrument determines the differential rates of duty applicable to the application to register a motor vehicle.

Changes in this instrument

5. This instrument updates the previous Disallowable Instrument (DI2010-133) to incorporate amendments made to the Green Vehicle Guide by the Commonwealth. Prior to these amendments, the environmental performance of a vehicle was determined using its air pollution rating and greenhouse rating. Together, these ratings provided an environmental performance score that would be used to determine the applicable rate of duty payable when registering the vehicle (and as determined by DI2010-133).

6. The Vehicle Emission Reduction Scheme (previously known as the Green Vehicle Duty Scheme) will continue to charge duty based on four rating categories (A, B, C and D). However, the environmental performance score is now replaced with a performance ranking based on the grams of CO₂ emitted by the vehicle per kilometre. Appropriate modelling has been undertaken to ensure that the change from performance score to CO₂ emission bands is broadly revenue neutral.

7. This new approach focuses on CO₂ emissions, which will allow for consumers to better understand the environmental impact of a new vehicle. The need to change the approach arose from significant improvements in the environmental performance of new vehicles in relation to greenhouse and air pollutant emissions, despite having relatively high CO₂ emissions.

8. This instrument provides definitions of terms relevant to motor vehicles under the Vehicle Emission Reduction Scheme. *Table 1, Green Vehicle Rating* (in paragraph 3 of the instrument) provides the green vehicle rating of each new vehicle under the scheme that corresponds to the grams of carbon dioxide (CO₂) emitted per kilometre by the vehicle. The details on the CO₂ emissions of vehicles are obtained from the Commonwealth's Green Vehicle Guide, available at <http://www.greenvehicleguide.gov.au>.

Determination

9. For the purpose of section 208 (1) of the Duties Act, column 2 of table 2 (in paragraph 4 of the instrument) determines the amount of duty payable on the application to register motor vehicles that correspond to the vehicle ratings in column 1. For the purpose of section 208 (2), column 2 of table 3 (also in paragraph 4 of the instrument) determines the duty payable in relation to vehicles that correspond to the ratings in column 1.

10. For vehicles that have no green vehicle rating (that is, those that are not new motor vehicles, or that are not included in the Green Vehicle Guide), the amount of duty payable under this instrument is equivalent to the amount of duty payable for a vehicle with a C-rating under the Green Vehicle Guide.

11. Duty does not apply to caravans or to camper trailers. However, duty remains payable on all other trailers (e.g. goods carrying, box) that are not camper trailers.

New Motor Vehicles and Demonstrators

12. In order to qualify for the differential rates of duty applicable to green vehicles, a demonstrator vehicle must be sold or otherwise disposed of within 1 year of the date it first became a registered motor vehicle. Demonstrators that do not meet the definition of *demonstrator* under this instrument **and** are not disposed of by a licensed vehicle dealer within 1 year will not qualify for the differential rates of duty applicable to green vehicles.

13. This instrument specifies that section 47 (6) of the [Legislation Act 2001](#) does not apply to the Green Vehicle Guide. That section would require the text of the Green Vehicle Guide to be remade as a new Notifiable Instrument every time the Green Vehicle Guide is amended, which is as frequent as 2–3 times per week,

whenever a new vehicle model becomes available for sale. The displacement of that section will ensure that the Green Vehicle Guide can be applied automatically for the purposes of this instrument when it is amended by the Commonwealth without the requirement to continually remake it as a Notifiable Instrument.

14. This instrument specifies that vehicles listed in section 208 (2) (b) of the Duties Act are excluded from the application of amounts payable under table 3 in paragraph 4 of the instrument. The rate of duty applicable to these vehicles is determined under table 2 of the instrument.

Authorised by the Treasurer
Andrew Barr MLA