

SOUTH AUSTRALIA



STATE TAXATION OFFICE

Stamp Duties

Circular No 68

MOTOR VEHICLES - DEALER EXEMPTIONS

The Stamp Duties Act, 1923 allows a person who carries on the business of selling motor vehicles to be exempt from the payment of stamp duty on applications to register and applications to transfer the registration of motor vehicles used for the purpose of sale or demonstration.

EXEMPT VEHICLES

New vehicle stock and demonstration vehicles.

Used vehicle stock.

These vehicles may be used occasionally for other business related purposes, such as parts delivery or loan vehicles, **providing** that they are -:

normal trading stock sold by the dealer; and

readily available for sale.

The vehicles eligible for the exemption would have the appropriate schedule under the Second-Hand Motor Vehicles Act prominently displayed.

NON-EXEMPT VEHICLES

Vehicles used for the purpose of

parts delivery;

courtesy cars/vans;

towing;

other business purposes;

are not eligible for exemption.

These vehicles are likely to be permanently sign-written in the business name, capitalised in the business or not normally stocked for resale purposes.

RENEWALS OF REGISTRATION

The maximum registration period for a vehicle on which a dealer's exemption is claimed would normally be twelve months. If a subsequent renewal is lodged with the Motor Registration Office, details will be forwarded to this Office for investigation. Justification of the renewal without payment of stamp duty will be required. An example of justification for an extension of the dealer's exemption may be a high priced imported vehicle that appeals to a very limited market.

AMNESTY ON VOLUNTARY DISCLOSURES

Dealers who have vehicles registered pursuant to a dealer's exemption that do not meet the criteria for the exemption should apply to have the vehicle registered in their name as the owner and not under the exemption.

This Office is prepared to accept payment of stamp duty on the purchase price or value of the vehicle at the time of registration **without penalty** until 28 February 1993

DEFAULT ASSESSMENTS

Section 42c of the Stamp Duties Act, 1923 enables the Commissioner to make an assessment of the duty payable, on the basis of estimates if necessary, where the Commissioner has reason to believe or suspect that a person has:-

- (i) failed to lodge an application for registration or transfer of registration of a motor vehicle as required under the Motor Vehicles Act; or
- (ii) failed to pay any duty or has paid insufficient duty in respect of the registration or transfer of registration of a motor vehicle as required by the Motor Vehicles Act.

Where an assessment is made, the Commissioner must serve notice in writing of the assessment upon the person in default. The person is also liable to pay further duty by way of penalty up to 200% of the duty avoided.

If the amount specified in the assessment notice is not paid by the date required, an offence is committed (penalty of \$2,000 plus twice the amount specified in the assessment notice).

DATE OF OPERATION

Use of the dealer's exemption will be more closely monitored from 1 January, 1993 and default assessments may be issued as a result of compliance activities. Any renewal of registration under the dealer's exemption will come under closer scrutiny.

Enquiries concerning stamp duty on motor vehicle applications can be directed to 226 3714.

24 December, 1992

COMMISSIONER OF STAMPS