

**SOUTH AUSTRALIA**



**RevenueSA**

**Stamp Duties**

**Circular No 211**  
(replaces Circular No 208)

**STAMP DUTY ON MOTOR VEHICLES  
DEALER EXEMPTION, VEHICLE VALUATION AND INTEREST  
AND PENALTY TAX AMNESTY**

This Circular replaces Circulars numbered 68, 150, 154 and 208.

The purpose of this Circular is to:-

- clarify the proper application of dealer's exemptions and provide dealers with an opportunity to voluntarily rectify any associated non-compliance. Form 1 at the back of this Circular should be completed and returned with payment of outstanding stamp duty where such non-compliance has occurred. A full remission of penalty tax and interest will apply to those matters voluntarily declared to RevenueSA by 28 February 2001;
- clarify for appropriately Licensed Motor Vehicle Dealers and Licensed Motor Cycle Dealers the determination of the value of a motor vehicle. (A motor vehicle includes a motor car, a passenger vehicle, a motor cycle and a commercial vehicle.)

**1. DEALER EXEMPTION**

**1. Exempt Vehicles**

1. Dealers registering or transferring the registration of a motor vehicle can claim a dealer's exemption on new and used vehicles registered for the purpose of resale and on new vehicles used as demonstrator vehicles.
2. All such exempt vehicles should be readily available for sale and where applicable, display sales schedules pursuant to the *Second-Hand Vehicle Dealers Act 1995*.
3. The maximum registration period for a vehicle for which a dealer's exemption can be claimed is twelve (12) months. The onus is on the dealer to advise this Office after this period elapses, of any circumstances surrounding the registration of any particular vehicle that may support continued exemption. Where no record of this advice is received by this Office, the dealer will no longer be entitled to the dealer's exemption. If a subsequent registration renewal is lodged with TransportSA, the Registration and Licensing Section will forward detail to this Office for further

investigation. Where inappropriate use of the exemption is identified, penalty and interest may be imposed, (refer to Compliance Audit heading below).

4. Stock vehicles may be used by dealer staff on a **limited basis**. For the purposes of consistency, the Commissioner of State Taxation will accept that the criteria for exemption have been met, where such exempt vehicles are used occasionally for purposes other than directly related to the sale of the vehicle and the total vehicular use is limited to a maximum of 7,500 kilometres for metropolitan dealers and 12,000 kilometres for non-metropolitan dealers. Vehicles used by the principals of a dealer (including company directors) for personal use, ie after hours, are not subject to this condition but such vehicles must be readily available for sale at all times.
5. Demonstrator vehicles may be used by dealer staff on a **limited basis**. For the purposes of consistency, the Commissioner will accept that the criteria for exemption have been met, where such exempt vehicles are used occasionally for purposes other than directly related to the sale or demonstration of the vehicle and the total vehicular use is limited to a maximum of 7,500 kilometres or a period of six (6) months (whichever is attained first) for metropolitan dealers and 12,000 kilometres or a period of twelve (12) months (whichever is attained first) for non-metropolitan dealers. Vehicles used by the principals of a dealer (including company directors) for personal use, ie after hours, are not subject to these conditions but such vehicles must be readily available for demonstration and sale at all times.
6. Metropolitan and non-metropolitan are defined by the postcode of the dealer's yard or business premises where the vehicles will be most usually available for demonstration or sale. Listed below are metropolitan postcodes. These postcodes will be periodically reviewed to accommodate the development and expansion of the Adelaide metropolitan area.

5000	5018	5037	5050	5071	5088	5108	5126	5169
5006	5019	5038	5051	5072	5089	5109	5127	5170
5007	5020	5039	5052	5073	5090	5110	5158	5413
5008	5021	5040	5061	5074	5091	5112	5159	5710
5009	5022	5041	5062	5075	5092	5113	5160	5942
5010	5023	5042	5063	5076	5093	5114	5161	5950
5011	5024	5043	5064	5081	5094	5115	5162	
5012	5025	5044	5065	5082	5095	5116	5163	
5013	5031	5045	5066	5083	5096	5117	5164	
5014	5032	5046	5067	5084	5097	5118	5165	
5015	5033	5047	5068	5085	5098	5120	5166	
5016	5034	5048	5069	5086	5106	5121	5167	
5017	5035	5049	5070	5087	5107	5125	5168	

7. Dealers must maintain sufficient records to establish the eligibility of any particular vehicle for exemption as a vehicle for resale or demonstration. However, no special records (ie log books) are required. Records should be available indicating the vehicle's details (ie make, model, registration number), date of acquisition, date of disposal, and odometer reading on acquisition and disposal.

8. A Licensed Motor Cycle Dealer is **only** entitled to claim a dealer's exemption on a motor cycle. A Motor Vehicle Dealer's licence must be held if dealer exemption is to be claimed in relation to a motor car or a light commercial vehicle.

## 2. Vehicles which do not qualify for a dealer's exemption

1. Vehicles which are provided to organisations as promotional aids, eg to sporting organisations.
2. Vehicles used by dealers which have the dealer's name or logo sign written thereon.
3. Vehicles primarily used by dealers for:-
  - parts delivery;
  - courtesy and loan vehicles;
  - towing;
  - provision to potential customers or clients for fee or reward other than the reimbursement of fuel, insurance and other bona fide costs;
  - other business purposes where the dealer has claimed depreciation for taxation purposes pursuant to the *Income Tax Assessment Act 1997* (except demonstrator vehicles).
4. Vehicles used for evaluation by motoring organisations and media representatives.
5. Vehicles leased by dealers from manufacturers, importers or principal distributors and used in a manner which does not fall within the exemption criteria.

**WHERE A VEHICLE HAS BEEN REGISTERED ON A STAMP DUTY EXEMPT BASIS AND IT IS NOW APPARENT THAT THE EXEMPTION IS INAPPROPRIATE IN ANY OF THE CIRCUMSTANCES MENTIONED ABOVE, IT WILL BE NECESSARY TO NOTIFY REVENUESA, PROVIDE THE CORRECT VALUE OF THE MOTOR VEHICLE AND PAY THE APPROPRIATE STAMP DUTY TO REVENUESA**

6. Dealers may have sold or arranged for a vehicle(s) to be delivered to customers but the vehicle's registration has not been transferred into the customer's name within the prescribed time limit of 14 days. The dealer should provide details of the vehicle(s) to RevenueSA, where the contract of sale or delivery of the motor vehicle(s) states that the dealer is to arrange the transfer. (These details can be provided using Form 2 at the end of this circular).

Where a dealer, on a voluntary basis, provides RevenueSA with a completed Form 2 and promptly lodges with the Registration & Licensing Section of TransportSA the required application for transfer of registration accompanied by the appropriate stamp duty, late fee and registration fee, penalty tax will be remitted in full.

**REVENUESA IS UNABLE TO RECEIVE AND PROCESS REGISTRATION AND LATE FEES SO IT WILL BE NECESSARY TO HAVE THE PAYMENT MADE TO ANY REGISTRATION & LICENSING SECTION OF TRANSPORTSA WHERE THIS SITUATION ARISES.**

7. Where a contract for the sale of a vehicle states that the customer is to arrange the transfer of registration and this is not done within the prescribed time limit of 14 days then dealers should complete Form 3 with a copy of the associated contract of sale to advise RevenueSA as soon as practicable. Compliance with this process will result in traffic infringement notices, parking fines etc being directed to the correct owner.

## 2. VOLUNTARY DECLARATIONS

Dealers are encouraged to examine the status of vehicles currently registered in their name prior to the conduct of a compliance audit. Where a dealer exemption is no longer applicable to the registration of a particular vehicle, the attached stamp duty exemption form can be completed and forwarded/faxed to the Compliance Services Branch of RevenueSA. No penalty tax will be applied in relation to the outstanding stamp duty in such cases of voluntary disclosure, although interest may still be applicable.

## 3. COMPLIANCE AUDITS

Where a compliance audit detects an incorrect claim for a dealer's exemption or incorrect information has been provided regarding vehicles sold or delivered to customers, interest and penalty tax may be imposed. Where a claim or information is determined to be incorrect and the exemption or transfer is deemed to have ceased or occurred after 1 July 1997, penalty tax ranging from 25% to 75% can be applied depending on the circumstances. Further, where a claim or information is provided that is determined to be incorrect and the exemption or transfer is deemed to have ceased or occurred after 30 June 1997, interest at 8% plus the market rate (currently 5.95%) will be imposed from the date the exemption or transfer is deemed to have ceased or occurred. RevenueSA Circular No 159, issued on 9 October 1997, outlines further details in relation to interest and penalty tax.

RevenueSA audits have identified a number of stamp duty issues such as:

- new and second-hand motor vehicles inappropriately utilising trade plates and thereby evading stamp duty on registration; and
- low values and unrealistic values being declared on second-hand imported motor cars.

Future audits and investigations will be conducted in these areas and where such situations are identified, penalty tax and interest may be applied as mentioned above.

Audits have also found consolidation of various items within the "Details Of Purchase" heading on contracts of sale for new and used motor vehicles. It is recommended that motor vehicle dealers examine sales contracts to ensure that such contracts are completed correctly so that values are itemized into the respective sections such as cash price paid, registration, on-road costs, transfer fees and stamp duty. If these costs are consolidated and cannot be itemized, then a higher stamp duty value may be applicable.

#### 4. VEHICLE VALUATION

##### 1. Value of a Motor Vehicle previously granted a dealer's exemption

1. For stamp duty purposes, where the registration of a motor vehicle is no longer subject to a dealer's exemption, its value will be determined as at the time that the eligibility for exemption ceased.
2. For luxury or collectable vehicles that appreciate in value after purchase and are no longer entitled to a dealer's exemption, the market value is determined as at the time that the eligibility for exemption ceased and is based on the higher of consideration paid or the market value.

##### 2. New Vehicles - List Price

1. **The list price is the price fixed by the manufacturer, importer or principal distributor as the retail selling price in the State of a motor vehicle of the make and model in question including Goods and Services Tax ("GST") and Luxury Car Tax where applied by the Australian Taxation Office. In most cases this will be the Recommended Retail Price to the public at large in South Australia.** Lower list prices are applicable for stamp duty purposes where a motor vehicle manufacturer/importer provides new published list prices as part of a sales incentive, (eg where there is a "factory runout"). The list price applicable to "Drive-Away" deals for stamp duty purposes where the manufacturer recommends an all inclusive retail price, is that recommended retail price. For example, let us say that a manufacturer's list price for a motor vehicle that includes free air-conditioning and power steering for a drive-away deal is \$14,990. \$14,990 is the value for stamp duty purposes. Amounts for items such as registration fees and dealer delivery charges are **NOT** to be deducted for stamp duty purposes.
2. It is recognised that there may be other recommended retail prices (list prices) for segments of the market, eg fleet, business, primary producers etc. These are **NOT** to be used in the determination of value for stamp duty purposes.
3. Optional equipment to be included in the value of a motor vehicle for which there is no list price, constitutes:-
  - a particular kind of transmission;
  - power steering;
  - any other prescribed equipment or feature (currently under the *Stamp Duties Act 1923* there is no other prescribed equipment or feature).
4. If a particular vehicular model has a range of vehicles with incremental levels of standard equipment and the value of these incremental levels of standard equipment is included in the list price, then this list price is to be used in the calculation of value for stamp duty purposes. The value of any incremental level of standard feature is not to be deducted in determining the value of the vehicle. For example, if a vehicle is supplied standard with central locking for a list price of say, \$25,000 and through the manufacturer's pricing data for vehicles within a model's range, it is possible to determine the value of the central locking to be \$750, that amount must **NOT** be

deducted in the determination of the value for stamp duty purposes. The value of the vehicle in this example would be \$25,000.

### 3. Used Vehicles

- A used vehicle's value is the consideration for the sale inclusive of GST (usually the price paid for the vehicle) or the market value of the vehicle, whichever is the higher. In most circumstances, RevenueSA will accept the price paid as the appropriate value for the vehicle. The price paid may comprise both cash and the value of any item used as a trade-in or exchange for the vehicle.

### FURTHER INFORMATION

***Location***

RevenueSA  
Taxpayer Services  
Ground Floor  
State Administration Centre  
200 Victoria Square East  
ADELAIDE SA 5000

***Postal***

Commissioner of State Taxation  
RevenueSA  
GPO Box 2149  
ADELAIDE SA 5001

***Telephone***

(08) 8226 3756

***Facsimile***

(08) 8226 3834

***Website***

<http://www.treasury.sa.gov.au/revenuesa>

22 December 2000

COMMISSIONER OF STATE TAXATION



**STAMP DUTY - MOTOR VEHICLE DEALER EXEMPTION AMNESTY FORM**

(to be returned to RevenueSA with payment of any outstanding stamp duty)

Company/Business Name: .....  
Address: .....  
LVD Number: .....  
Date: .....

Table with 5 columns: Registration Number, Date Vehicle Purchased, Date Not Entitled to Exemption, Vehicle Value\*, Stamp Duty Payable. Includes a large red watermark 'Historical Use Only'.

TOTAL STAMP DUTY .....

• For vehicle value please refer to pages 5 & 6 of Circular 211.





Name: .....



**STAMP DUTY MOTOR VEHICLE DEALER AMNESTY FORM**

(Where contract of sale states that the customer was to arrange for transfer of registration & stamp duty)

**Company/Business Name:** .....

**Address:** .....

**MVD Number** .....

**Date:** .....

Table with 4 columns: Registration Number, Date Vehicle Sold, Purchaser(s), Vehicle Value. Includes a large red watermark 'Historical Use Only'.

\*please attach copies of contracts of sale for the vehicles.

Signed: .....

Name: .....

Historical Use Only