



**CIRCULAR V.L.D. 5    VEHICLE LICENCE DUTY**  
**VEHICLES LOANED FOR CHARITABLE, SCHOOL**  
**DRIVER EDUCATION, PHILANTHROPIC OR**  
**OTHER PRESCRIBED PURPOSES**  
**CHANGE OF USE - EXEMPT TO NON-EXEMPT**  
**PURPOSE**

The *Duties Act 2008* (“Duties Act”) provides that no duty is payable on vehicle licences granted or transferred to a motor vehicle dealer, where the vehicle is to be loaned by the dealer in the following circumstances:

- to a charitable organisation to be used solely for providing assistance to underprivileged or disadvantaged persons or for providing emergency assistance;
- to a school to be used solely for student driver training;
- to an individual solely for a philanthropic purpose approved by the Commissioner of State Revenue (“Commissioner”); or
- solely for a purpose prescribed by regulation.

The information provided in this circular is not an exhaustive explanation and reference should also be made to the Duties Act and the Explanatory Memorandum. For the latest tax information and links to legislation please visit the website at <http://www.osr.wa.gov.au>.

**LOAN VEHICLE - CHARITABLE, SCHOOL DRIVER EDUCATION**

At present, an exempt licence and consequently an exemption from vehicle licence duty, is provided by the Department for Planning and Infrastructure (“DPI”) to a charitable organisation that has been endorsed by the Australian Taxation Office as a charitable or public benevolent institution, and the vehicle is to be used for providing direct relief to persons in need of assistance.

The vehicle licence duty exemption for a vehicle loaned by a dealer to a charitable organisation is aligned with the exemption that would apply if the vehicle were directly owned and licensed by the charitable organisation.

The Dealer’s Certificate (s13 form) provides for instances where a vehicle is loaned for charitable, school driver education, philanthropic or other prescribed purposes, on the initial grant or transfer of the motor vehicle licence. The Dealer’s Certificate must be forwarded to DPI along with the application for the grant or transfer of the motor vehicle licence, and a completed Loan Vehicle Dealer’s Declaration form should be forwarded to the Commissioner and retain a copy for their records.

Where a vehicle is to be loaned for charitable, school driver education, philanthropic or other prescribed purposes, and the vehicle is already in the dealers' name, and is exempt for other purposes, the dealer does not need to submit a new Dealer's Certificate to DPI. The dealer must complete a Loan Vehicle Dealer's Declaration form and forward it to the Commissioner and retain a copy for their records

Where a dealer loans a vehicle to a school for student driver training, the school must fit the description provided in the [School Education Act 1999](#).

## **LOAN VEHICLE - PHILANTHROPIC PURPOSES**

The philanthropic purpose approved by the Commissioner will be based on the same purpose for which an exemption from vehicle licence duty is available when a vehicle is loaned to a charitable organisation. However, in all cases this exemption will apply only to vehicles loaned to individuals. Accordingly, the purpose must be consistent with providing assistance to under privileged or disadvantaged persons or for providing emergency assistance.

An example of a philanthropic purpose that would be generally approved is where a dealer loans a vehicle to the parent/s of a child who has severe physical or cognitive disabilities and requires transport to medical facilities, as they cannot afford the appropriate vehicle.

## **LOAN VEHICLE - OTHER PRESCRIBED PURPOSES**

No other purposes have been prescribed. However should a dealer seek to have a purpose prescribed within the *Duties Regulations 2008*, a written submission is to be made to the Commissioner outlining that purpose and the reasons why it should be prescribed.

## **APPROVED FORM**

Loan Vehicle Dealer's Declaration form for charitable, school driver education, philanthropic and other prescribed purposes are available from the Office of State Revenue or may be downloaded from: <http://www.osr.wa.gov.au>.

## **CHANGE OF USE – EXEMPT TO NON-EXEMPT PURPOSE**

In circumstances where a dealer has acquired a vehicle solely for an exempt purpose such as for resale, demonstration, or loaning the vehicle for charitable, school driver education, philanthropic or other prescribed purposes, and subsequently the use of the vehicle changes to a non-exempt purpose, then for the purpose of working out the amount of duty payable, the dutiable value of the vehicle is to be determined as at the time of the change of use where the dealer notifies the Commissioner.

Where there is a change in use of the vehicle, and the dealer remains the licensee, the dealer is to complete a Change Of Use - Exempt To Non-Exempt Purpose form and forward it to the Commissioner within one month after the day on which the use of the vehicle changed. The Commissioner will then assess the vehicle licence duty payable on the grant or transfer of the motor vehicle licence and issue an assessment notice, which is payable within one month after the date of the assessment notice.

A copy of the Change Of Use - Exempt To Non-Exempt Purpose form may be obtained from the Office of State Revenue or may be downloaded from: <http://www.osr.wa.gov.au>.

## **RECORD KEEPING**

A dealer must keep the records necessary to enable the Commissioner to determine the dealer's liability under Chapter 5 of the Duties Act, along with other prescribed records.

For more information, please refer to Circular V.L.D. 7

For further information in relation to this issue please contact the Office of State Revenue on 9262 1108 or 9262 1556 or via web enquiry at [www.osr.wa.gov.au/DutiesEnquiry](http://www.osr.wa.gov.au/DutiesEnquiry).

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