



## **CIRCULAR V.L.D. 6    VEHICLE LICENCE DUTY**

### **RETAIL SELLING PRICE - PRICE VARIATION DURING NEW VEHICLE PROMOTIONS**

The *Duties Act 2008* provides that the dutiable value of a new vehicle is to be based on the retail selling price of the vehicle fixed by the manufacturer, importer or principal distributor. Please refer to Circular V.L.D. 4.

The Commissioner of State Revenue (“Commissioner”) accepts that the retail selling price for a new vehicle may differ from the official manufacturer’s price list during a promotional period, where the manufacturer, importer or principal distributor amends the retail selling price by way of advertisement or pricing bulletin.

The Commissioner would accept an advertised price or pricing bulletin issued by the manufacturer, importer or principal distributor as the retail selling price for vehicle licence duty purposes in place of the official manufacturer’s price list, during a particular promotional period.

#### **COMMISSIONER’S INTERPRETATION - RETAIL SELLING PRICE DURING PROMOTIONAL PERIOD**

The Commissioner is of the opinion that the definition of dutiable value in relation to a new vehicle can be interpreted to mean a retail selling price published in an advertisement or detailed in a temporary pricing bulletin, provided the manufacturer, importer or principal distributor has fixed the price for that particular promotional period.

The price must be fixed and listed in the advertisement or in the temporary bulletin in order for it to be accepted as the new retail selling price for vehicle licence duty purposes. For example, an advertisement stating that a particular vehicle may be purchased for \$18,000 during the course of a promotion will be accepted as the new retail selling price provided it is fixed and backed by the manufacturer. Such a variation to the new retail selling price will also include those vehicles advertised, or promoted as \$18,000 “drive away” for the period of any promotion and duty will be charged on \$18,000. Where a promotional price variation is broken down by the manufacturer to show the new retail selling price, vehicle licence duty, licensing and dealer delivery fees, then duty will only be charged on the new retail selling price.

An advertisement stating that a purchaser will save \$8,500 if a particular model or class of vehicle is purchased during a particular promotion or period or that \$5,000 of added extras will be included with a sale, will mean that such an advertisement will **not** be accepted as the new retail selling price.

The price must be fixed and listed in any advertisement or in the temporary pricing bulletin, by the manufacturer, importer or principal distributor, in order for it to be accepted as the new retail selling price.

In circumstances where vehicle licence duty has been paid based on the manufacturer's normal recommended retail price list, although a lower vehicle price was specified in an advertisement by the manufacturer or listed in a temporary pricing bulletin issued by the manufacturer, for a promotion, it will be necessary for the purchaser to approach the Commissioner directly with the appropriate records to substantiate their claim for a reassessment of vehicle licence duty.

### **TIME OF LICENSING**

Dealers should note that the retail selling price in the above instances will only apply at the time of granting or transferring the licence of a vehicle. Should a promotion cease on a date **before** the vehicle license is granted or transferred, then the advertised promotion price will no longer be considered to be the dutiable value of the new vehicle for vehicle licence duty calculation purposes.

In such cases, the vehicle licence duty will be calculated on the non-promotional retail selling price.

### **DEALERS RECORD KEEPING**

It is suggested that all dealers should keep a copy of the advertisement or temporary pricing bulletin that sets out the new retail selling price for the period of the promotion for audit purposes. Please note that the lack of such records may result in such dealings being assessed on the manufacturer, importer or principal distributor's recommended retail price list at the time of licensing the vehicle.

For further information on this or other vehicle licence duty issues, 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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