

**VEHICLE AND TRAFFIC AMENDMENT (HEAVY
VEHICLE CHARGES) BILL 2008**

CLAUSE NOTES

- Clause 1 Short title and citation.
- Clause 2 The Act will commence on 1 July 2008.
- Clause 3 The Principal Act is the *Vehicle and Traffic Act 1999*
- Clause 4 Amends section 34 of the Principal Act by removing all references to the imposition of motor tax for heavy vehicles in order to confine section 34 to providing for the imposition of motor tax for light vehicles only.
- Clause 5 Amends the Principal Act by inserting a new section 34A, which provides for the imposition of motor tax for heavy vehicles as prescribed by Schedule 2.
- Clause 6 Amends Schedule 1 of the Principal Act by omitting the heading ‘Rates of Motor Tax’ and substituting ‘Rates of Motor Tax for Light Vehicles’ in order to confine Schedule 1 to prescribing rates of motor tax for light vehicles only.
- Clause 7 Amends the Principal Act by inserting a new Schedule 2, which prescribes the amount of motor tax that is to apply to heavy vehicles from 1 July 2008.

Schedule 2 establishes the tax payable in respect of categories of heavy vehicles. It does so by –

- (a) stipulating the relevant determined taxes for each year;
- (b) phasing-in the taxes in as follows:
- All truck and prime mover registration tax increases and decreases are fully implemented in year one (2008-09), with the exception of trucks with 2 or more axles nominated for use in a combination having one trailer and more than 6 axles or a mass entitlement exceeding 42.5 tonnes, where the vehicle component of the registration tax increase is phased in equally over two years from commencement.
 - For tri-axle and quad-axle semi-trailers and B-double tandem axle, triaxle and quad-axle lead trailers, the axle charge will be phased in over three years with the year one tax (2008-09) being equivalent to the axle rate for all other trailers and the balance being implemented evenly in the remaining years. For all other trailers, the increase in the axle rate is implemented in year one (2008-09).

- (c) providing for the modified annual adjustment process during the phase-in period for the relevant categories of vehicles; and
- (d) providing for the unmodified application of the annual adjustment process from 30 June 2011 onwards.

Schedule 2 clause 1(1) defines the terms used in Schedule 2

Schedule 2 clause 1(2) facilitates allocation of a vehicle to the appropriate charging category where a converter dolly or low loader dolly is to be used in conjunction with another trailer.

Schedule 2 clause 1(3) facilitates allocation of a vehicle to the appropriate charging category where there are close-spaced axles.

Schedule 2 clause 2 establishes the tax payable for heavy vehicles for the financial year 2008- 2009. The amount of tax payable for a heavy vehicle type specified in column 2 of the tax table is the amount correspondingly specified in column 3 of the tax table.

Schedule 2 clause 3(1) defines the term 'base tax' for the purposes of clause 3.

Schedule 2 clause 3(2) establishes the tax payable for heavy vehicles for the financial year 2009-2010. It does so by applying the annual adjustment factor determined in accordance with clause 6 to the base tax prescribed in column 3 of the tax table in clause 3.

Schedule 2 clause 4(1) defines the terms 'additional tax' and 'previous tax' for the purposes of clause 4. The definition of 'previous tax' facilitates the calculation undertaken in clause 4 through the removal of doubt as to the effect of non-payment of a previous year's tax.

Schedule 2 clauses 4(2) and 4(3) establish the tax payable for heavy vehicles for the financial year 2010-2011. Two separate charging mechanisms have been created.

For vehicles other than tri-axle and quad-axle semi-trailers and tandem axle, tri-axle and quad-axle B-double lead trailers the relevant tax is calculated by –

- (a) multiplying the tax payable for the previous financial year by the annual adjustment factor percentage determined in accordance with clause 6;
- (b) adding the result to the previous year's tax; and
- (c) rounding the figure in (b) up or down to the nearest whole dollar amount (rounding an amount of 50 cents upwards).

For tri-axle and quad-axle semi-trailers and B-double tandem axle, tri-axle and quad-axle lead trailers the relevant tax is calculated similarly, except that an additional amount is added to the previous year's tax before undertaking the adjustment and rounding calculations as above. The purpose of this additional step is to give effect to the final instalment of the tax that has deferred under the phasing-in process.

Schedule 2 clause 5(1) defines the terms 'out financial year' and 'previous tax' for the purposes of clause 5. The definition of 'previous tax' facilitates the calculation undertaken in clause 5 through the removal of doubt as to the effect of non-payment of a previous year's tax.

Schedule 2 clause 5(2) establishes the means by which the annual adjustment process is to be undertaken for the financial year 2011-2012 and beyond.

Schedule 2 clause 6 provides that the annual adjustment factor for a financial year is calculated based on the formula determined by the National Transport Commission in respect of that financial year and is the figure specified by the Minister by notice published in the Gazette.

Schedule 2 clause 7 provides a means of determining the tax payable for a heavy vehicle that falls within two or more categories of heavy vehicle.