

TASMANIA

DUTIES AMENDMENT (MOTOR VEHICLE INDUSTRY RED TAPE REDUCTION) BILL 2016

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**DUTIES AMENDMENT (MOTOR VEHICLE
INDUSTRY RED TAPE REDUCTION) BILL 2016**

*(Brought in by the Treasurer, the Honourable Peter Carl
Gutwein)*

A BILL FOR

An Act to amend the *Duties Act 2001*

Be it enacted by Her Excellency the Governor of Tasmania, by
and with the advice and consent of the Legislative Council and
House of Assembly, in Parliament assembled, as follows:

1. Short title

This Act may be cited as the *Duties Amendment
(Motor Vehicle Industry Red Tape Reduction)
Act 2016*.

2. Commencement

This Act commences on the day on which this
Act receives the Royal Assent.

3. Principal Act

In this Act, the *Duties Act 2001** is referred to as
the Principal Act.

*No. 15 of 2001

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4. Section 192 amended (Imposition of duty)

Section 192 of the Principal Act is amended as follows:

- (a) by omitting from paragraph (b) “*Vehicle and Traffic Act 1999*; or” and substituting “*Vehicle and Traffic Act 1999*.”;
- (b) by omitting paragraph (c).

5. Section 193 amended (Lodgment of statement of dutiable value)

Section 193 of the Principal Act is amended by omitting subsection (2) and substituting the following subsection:

- (2) If –
 - (a) under section 204, a person was, when an application to register a motor vehicle was made, not required to pay duty in relation to the application to register; and
 - (b) the motor vehicle has, under section 204(4), ceased to be exempted under section 204(1) from duty –

the person must, within 14 days, lodge with the Commissioner a statement, in relation to the motor vehicle, of the dutiable value of the motor vehicle as at

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the time the application to register the motor vehicle was made.

Penalty: Fine not exceeding 100 penalty units.

6. Section 194 amended (Failure to register or give notice)

Section 194 of the Principal Act is amended by omitting “or” first occurring and substituting “, to give a notice in relation to the vehicle as required under section 216, or to”.

7. Section 195 amended (Who is liable to pay the duty?)

Section 195(c) of the Principal Act is amended by omitting “a motor dealer, the motor dealer” and substituting “a motor dealer or a licensed motor vehicle trader, the motor dealer or licensed motor vehicle trader”.

8. Section 196 amended (When does duty become payable?)

Section 196 of the Principal Act is amended by inserting after paragraph (a) the following paragraph:

- (ab) the day 14 days after the day, if any, on which the motor vehicle has, under section 204(4), ceased to be exempted under section 204(1) from duty; or

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9. Chapter 8, Part 3: Heading amended

Part 3 of Chapter 8 of the Principal Act is amended by omitting “**TRADING STOCK AND DEMONSTRATOR VEHICLES OF MOTOR DEALERS**” from the heading to that Part and substituting “**TRADING STOCK, DEMONSTRATOR VEHICLES AND COURTESY VEHICLES**”.

10. Section 204 substituted

Section 204 of the Principal Act is repealed and the following sections are substituted:

203A. Interpretation of Part 3

- (1) For the purposes of this Part, a motor vehicle is used as a demonstrator vehicle if –
 - (a) the motor vehicle is available for prospective purchasers of a motor vehicle of the same make to test drive; and
 - (b) it is used in accordance with paragraph (a) and is not otherwise used except –
 - (i) as a courtesy vehicle; or
 - (ii) for the display of an advertisement on the relevant motor vehicle if the advertisement relates

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solely to a motor dealing business of the person registering or transferring the registration of the motor vehicle; or

(iii) by sales staff (being persons whose job involves the sale of that make of motor vehicle) in order to familiarise themselves with the motor vehicle; or

(iv) for sale after it has been used as a demonstrator vehicle.

(2) For the purposes of this Part, a motor vehicle is used as a courtesy vehicle if –

(a) the motor vehicle is lent or available to be lent without charge to customers of the person registering or transferring the registration of the motor vehicle while the motor vehicles of those customers are being serviced or repaired; and

(b) it is used in accordance with paragraph (a) and is not otherwise used except –

(i) as a demonstrator vehicle;
or

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- (ii) for the display of an advertisement on the relevant motor vehicle if the advertisement relates solely to a motor dealing business of the person registering or transferring the registration of the motor vehicle; or
 - (iii) by sales staff (being persons whose job involves the sale of that make of motor vehicle) in order to familiarise themselves with the motor vehicle; or
 - (iv) for sale after it has been used as a courtesy vehicle.
- (3) For the purposes of this Part, a motor vehicle is not to be taken to be used for a use other than the use for which it was acquired by reason only that the person who acquired the motor vehicle lends the motor vehicle to a charity that uses it for charitable purposes.
- (4) In subsection (3) –

charitable purpose means any purpose that in the opinion of the Commissioner is charitable;

charity means an institution that is a religious, scientific, charitable or public educational institution exempted by or under the *Income Tax Assessment Act 1936* of the Commonwealth from the payment of income tax under that Act.

204. Exemptions for motor dealers and traders

- (1) Duty under this Chapter is not payable by –
 - (a) a licensed motor vehicle trader in respect of an application to register a motor vehicle; or
 - (b) a motor dealer in respect of an application to register a motor vehicle that is of a type specified in an exemption certificate held by the motor dealer –

if the motor vehicle is acquired for an exempted use under subsection (2), an appropriate record is made under subsection (3) in relation to the motor vehicle and the motor vehicle has not, under subsection (4), ceased to be exempted under this subsection from duty.

- (2) A motor vehicle is acquired for an exempted use if the motor vehicle –

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- (a) is a new motor vehicle and it is acquired for use as a demonstrator vehicle or as a courtesy vehicle, or for use both as a demonstrator vehicle and as a courtesy vehicle; or
 - (b) is a used motor vehicle and it is acquired for resale in the ordinary course of business; or
 - (c) is acquired, by the holder of an exemption certificate, or by a licensed motor vehicle trader who is a wholesaler, for sale to –
 - (i) other holders of exemption certificates; or
 - (ii) other licensed motor vehicle traders; or
 - (iii) motor dealers in other States or in Territories.
- (3) An appropriate record is made in relation to a motor vehicle if the holder of the exemption certificate or the licensed motor vehicle trader records the unique identifying number of the exemption certificate or motor vehicle trader licence on the application to register the motor vehicle.
- (4) A motor vehicle ceases to be exempted under subsection (1) from duty if –

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- (a) the motor vehicle is a new motor vehicle, it was acquired for use as a demonstrator vehicle or as a courtesy vehicle (or both) and –
 - (i) it is used for another use;
or
 - (ii) within 12 months after it is registered under the *Vehicle and Traffic Act 1999* it has, by the odometer, travelled a distance of more than 15 000 kilometres since the day it was registered;
or
- (b) it is not sold within 12 months after it is registered under the *Vehicle and Traffic Act 1999* or a longer period specified by the Commissioner in a determination under subsection (6) in relation to the motor vehicle; or
- (c) the motor vehicle is a used motor vehicle, it is acquired for resale in the ordinary course of business and it is used for a use other than resale; or
- (d) the motor vehicle is acquired, by the holder of an exemption certificate, or by a licensed motor

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vehicle trader who is a wholesaler, for sale to –

- (i) other holders of exemption certificates; or
- (ii) other licensed motor vehicle traders; or
- (iii) motor dealers in other States or in Territories –

and it is used for a use other than for such a sale.

- (5) A holder of an exemption certificate or a licensed motor vehicle trader may, before the end of the period of 12 months after a motor vehicle is registered under the *Vehicle and Traffic Act 1999*, apply to the Commissioner for a determination that a real attempt to sell the vehicle has been made.
- (6) If the Commissioner receives an application under subsection (5) in relation to a motor vehicle, the Commissioner may determine –
 - (a) that a real attempt to sell the motor vehicle has been made; and
 - (b) a period in which, if the motor vehicle is sold within the period, subsection (4)(b) is to be taken

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not to apply in relation to the motor vehicle.

11. Section 214 repealed

Section 214 of the Principal Act is repealed.

12. Section 215 substituted

Section 215 of the Principal Act is repealed and the following section is substituted:

215. Improperly obtaining exemption

A person must not use, or attempt to use, an exemption certificate, or a motor vehicle trader licence, to obtain an exemption in relation to a motor vehicle if the vehicle is not a vehicle that is acquired for an exempted use within the meaning of section 204(2).

Penalty: Fine not exceeding 100 penalty units.

13. Section 216 amended (Notification if exemption ceases to apply in relation to motor vehicle)

Section 216 of the Principal Act is amended as follows:

- (a) by omitting from subsection (1) “of any change in the purpose specified in section 214(1) for which a motor vehicle

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was acquired and used within 14 days after the change occurred.” and substituting “within 14 days if a motor vehicle, acquired by the holder or trader, becomes a motor vehicle that has ceased under section 204(4) to be exempted under section 204(1) from duty.”;

(b) by omitting subsections (3) and (4).

14. Section 217 repealed

Section 217 of the Principal Act is repealed.

15. Repeal of Act

This Act is repealed on the three hundred and sixty fifth day from the day on which it commences.