



Pursuant to section 266 of the *Duties Act 1997*: *The dutiable value of a motor vehicle is -*
(a) the consideration in money or money's worth given for the acquisition of the vehicle, or
(b) the market value of the vehicle at the time duty is payable,
whichever is the greater.

In a transaction between a motor dealer and the general public we would consider the transaction to be at arm's length and the consideration to be reflective of market value. Therefore, the consideration and market value would be the money or money's worth given for the acquisition of the vehicle. This would be inclusive of any additional costs for optional extras, GST, LCT and dealer delivery. These all make up the consideration for the acquisition of the vehicle. If there is a reduction in purchase price due to a sale, this is a valid reduction in the dutiable value. It would be assumed that the sale, and consequently the price reduction, would be available to the general public. As it is available to the general public, it also reduces the market value, as anyone could avail themselves of a similar deal at that point in time. It is important to note however, if a dealer offers a factory rebate after the sale of the vehicle, the price is not to be reduced by the amount of the rebate. A rebate is not treated the same as a price reduction, duty would be calculated on the full amount the purchaser paid to acquire the vehicle.

If it is a purchase on the open market we would consider the sale price to be equal to market value. We would usually only revert back to the listed price when there is an indication that reduction would not be generally available, such as in a transaction that is not at arm's length, or if there is some other indication that the vehicle is being sold significantly below market value.