

Are sellers required to make any declarations?

Sellers are required to declare of the sale price of the vehicle within 14 days of the sale. Declarations may be made in the application forms referred to above .

For registered vehicles, sellers are also required under the *Motor Vehicles Act*, to make a declaration of the sale price in a separate *Notice of Disposal*. This notice is available in the forms referred to above.

What happens if I make a false declaration?

It is an offence to make a false declaration. Upon conviction, a court may impose a penalty up to 50 penalty units (currently \$6 500).

The Commissioner of Territory Revenue may also recover any unpaid duty together with a interest and penalty tax.

Are there any exemptions?

There are a number of exemptions from payment of duty. For details, please refer to the brochure titled *Exemptions for stamp duty on a motor vehicle*.

Are declarations audited?

Regular data-matching of declarations made by sellers and purchasers are undertaken together with matching against industry guides on values of vehicles. Other audits, such as inspection of seller's records, are also made.

How to contact Territory Revenue Office

Correspondence GPO Box 154
Darwin NT 0801

Email ntrevenue.ntt@nt.gov.au

Telephone 1300 305 353

Fax (08) 8999 5577 or (08) 8999 6395

www.revenue.nt.gov.au

How to contact Motor Vehicle Registry

Correspondence GPO Box 530
Darwin NT 0801

Email mvr@nt.gov.au

Telephone 1300 654 628

Fax (08) 8999 3103

www.mvr.nt.gov.au

All TRO publications and brochures can be accessed via our website at www.revenue.nt.gov.au

Stamp Duty and Motor Vehicles

territory revenue office



Northern
Territory
Government

Stamp duty and motor vehicles

Territory Revenue Office (TRO) is a division of Northern Territory Treasury. Our role is to administer the Territory's taxes.

In the Northern Territory, stamp duty is payable on the issue and transfer of a motor vehicle certificate of registration.

Following is a brief description of the ways in which the *Stamp Duty Act* impose stamp duty on the issue and transfer of a motor vehicle certificate of registration as at 1 January 2008.

This information does not constitute a ruling and if any uncertainty exists with a particular aspect of the information provided, contact TRO or seek professional advice.

What is the rate of duty?

Duty is calculated at a rate of \$3.00 per \$100 or part thereof on the dutiable value of the vehicle.

What is the dutiable value?

Depending on the circumstances, stamp duty is calculated on either the sale price or the market value (as described below).

Sale Price

In the case of an 'arm's length' transaction the dutiable value is the sale price of the vehicle, including accessories and any GST payable.

As a general rule, an arm's length sale and purchase is a transaction made in good faith between parties with independent interests (eg. between a dealer and a member of the public). Typically, the parties are not related and do not have any business connections.

The sale price is the total amount paid by the purchaser including the amount of any deposit paid, trade-in allowance, dealer delivery charges and the

amount paid for any accessories or other equipment added to the vehicle.

Accessories include bull bars, airconditioning, towbars, window-tinting, etc. More substantive equipment, such as a tipper fitted to a cab-chassis vehicle, is also included.

Example

Mr Brown purchased a new Commodore for \$29 500, having negotiated a discount of \$2 000 from the recommended retail price of \$31 500. He paid a further \$2 500 for accessories (airconditioning, bull bar, towbar and tinting). Dealer delivery charges were an additional \$990. Mr Brown was given a trade-in allowance of \$10 500 for his old vehicle.

Duty is calculated as follows:

Negotiated price*	29 500
<i>plus</i> Accessories	2 500
<i>plus</i> Delivery charges	990

Dutiable value	32 990
Duty @ \$3 per \$100 or part thereof	990.00

* including GST & not reduced for any trade-in allowance

NOTE: Stamp duty calculators are available on our website. Follow the links from the home page.

If the purchaser has negotiated a discount such as a trade or fleet discount, or the vehicle is not subject to GST, the dutiable value is the negotiated price.

Market value

In any other case, the dutiable value is whichever is the greater of:

- the vehicle's market value at the date of the transaction, or
- the vehicle's market value at the date of transfer.

Market value is the price at which the motor vehicle, including accessories and any other equipment fitted to the vehicle, might reasonably be sold on the open market. It must also include GST, if applicable.

Who is liable for payment of duty?

The person applying for registration or transfer of registration is liable for the payment of duty.

When and where is duty paid?

Duty is payable to the Motor Vehicle Registry at the time application for registration or transfer is made.

Under the *Motor Vehicles Act*, an application for transfer must be made within 14 days of the person becoming the owner of the vehicle.

What happens if an application for transfer is not made within 14 days?

If an application for transfer is not made within 14 days of the person becoming an owner of a vehicle the Commissioner of Territory Revenue may issue an assessment for the duty payable together with interest and penalty tax.

What am I required to do when applying for a registration or transfer?

Purchasers are required to make a declaration of the sale price and market value of the vehicle.

The declarations are included in the Motor Vehicle Registry form R11 (*Application to Register/Renew/Transfer a Vehicle*) and, in the case of a registered vehicle, in the *Application to Transfer* form on the reverse side of the *Registration Certificate*.