



Luxury Car Tax – Increased Refunds

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Luxury Car Tax – Increased Refunds for Eligible Primary Producers

From 1 January 2020, primary producers can claim a refund of luxury car tax (LCT) they have paid on one eligible vehicle per financial year, up to a maximum of \$10,000 (previously \$3,000), for vehicles delivered to them on or after 1 July 2019.

If an eligible vehicle was delivered to a primary producer on or before 30 June 2019, they can only claim a refund of 8/33 of the LCT they have paid, up to a maximum of \$3,000.

For LCT purposes, a primary producer is an individual, partnership, trust or company carrying on a primary production business, including:

- plant or animal cultivation
- fishing or pearling
- tree farming or felling.

What is the luxury car tax & how does it work?

LCT is a tax collected by the Australian Taxation Office (ATO) on luxury cars.

LCT is charged in addition to the GST on a vehicle, though you do not have to pay LCT on the full price of a vehicle. Instead, it's only payable at a 33% rate on the value of the vehicle which exceeds the LCT threshold. For the 2019-20 financial year, this threshold stands at \$67,525, while fuel-efficient cars have a higher threshold of \$75,526. The threshold is reviewed every year and there are other conditions that will determine whether or not a car qualifies for LCT.

When calculating the value of a car for LCT purposes, the value of parts, accessories or attachments supplied with the car will be taken into account.

Claiming the refund

You can claim a refund on the [Application for luxury car tax refund – for primary producers and tourism operators](#) form.

This refund must be claimed within four years of becoming entitled to it.

If you've lodged a claim for an eligible vehicle delivered on or after 1 July 2019, you won't need to make another claim to receive the increased refund amount.

From 1 January 2020 when the law comes into effect, the ATO will adjust your refund based on the amount you have already received.

You can't claim these refunds on your BAS or from the Department of Home Affairs.



Of course you should always seek professional advice before committing to any purchase.

This advice has been prepared by Bvfields Business Advisers. ABN 15 319 016 394, 2 Williams Road, Narrogin, WA, and is general advice and does not take account of your objectives, financial situation or needs. Before acting on this general advice you should therefore consider the appropriateness of the advice having regard to your situation. We recommend you obtain financial, legal and taxation advice before making any financial investment decision.