

THE MONEY IS BETTER — IN YOUR POCKET!



Recently the State government announced proposed changes to the State Taxation Act which is likely to effect the drive-away price of motor vehicles over \$100,000. A summary of the introduction to a formal document sent to us from EY - a reputable accounting firm - is detailed below:

Further to the Victorian 2019-20 State Budget that was handed down on 27 May 2019, the State Taxation Acts Amendment Bill 2019 (the Bill) introduced into Parliament, contains some significant changes to the Duties Act 2000 (Victoria) (the Act) impacting foreign purchasers, property owners and developers, private equity investors and corporate groups.

In fact, the proposed changes which affects the Automotive Sector are best summarised as the following;

Increase in Motor Vehicle Duty for Luxury Vehicles

- From July 1 2019, there will be scaled increase in the rates of motor vehicle registration duty on cars worth more than \$100,000. The new rates will be:
- 7% for vehicles over \$100,000; and
- 9% on vehicles over \$150,000.
- The same rates will apply to both new and second-hand vehicles.
- Exemptions are to be available for caravans, motorhomes, low-emission vehicles, and primary producer passenger vehicles.
- There exemption for motor vehicle dealer demonstrator vehicles will be extended to include service demonstrator vehicles.

In order to quantify how these changes in the duty rates effect you, we have provided a table below outlining the current pricing, the proposed pricing and the potential savings for you if you purchase a new vehicle before June 30:

Current Drive-Away Price*	Current Drive-Away Price*	Proposed Drive-Away Price (after Stamp Duty Increase, 1 July 2019)*	Potential Saving^
LS 500 Sports Luxury	\$209,281	\$217,904	\$8,622
LS 500h Sports Luxury	\$210,497	\$218,149	\$7,652
LX 450d	\$146,690	\$147,826	\$1,136
LX 570 with Enhancement Pack	\$175,845	\$182,140	\$6,295
RC F	\$149,164	\$151,678	\$2,514
RX 350 Sports Luxury	\$110,533	\$113,178	\$2,645
RX 350L Sports Luxury	\$112,244	\$114,921	\$2,677
RX 450h Sports Luxury	\$120,010	\$122,926	\$2,916
RX 450hL Sports Luxury	\$121,724	\$124,671	\$2,947
LC 500 with Enhancement Pack	\$204,160	\$211,473	\$7,313
LC 500h Sports Luxury	\$210,497	\$218,149	\$7,652

* Pricing is provided as an example only. Price will fluctuate based on the structure of the transaction and the inclusion of options and accessories. Lexus of Blackburn is not responsible for any price variation.

^ Potential saving is to be used as a guide only.



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