



LCTD 2008/1 - Luxury car tax: what is the luxury car tax threshold for the 2008-2009 financial year?

 This cover sheet is provided for information only. It does not form part of *LCTD 2008/1 - Luxury car tax: what is the luxury car tax threshold for the 2008-2009 financial year?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *30 June 2008*



Luxury Car Tax Determination

Luxury car tax: what is the luxury car tax threshold for the 2008-2009 financial year?

1 This publication provides you with the following level of protection:

*This document is a ruling for the purposes of section 105-60 of Schedule 1 to the **Taxation Administration Act 1953**. You can rely on the information presented in this document which provides advice on the operation of the Luxury Car Tax system.*

1. The luxury car tax threshold for the 2008-2009 financial year is **\$57,180** which is equal to the car limit and is used to determine if luxury car tax is payable.¹
2. The car limit for the 2007-2008 financial year is \$57,123. This limit is indexed annually in line with movements in the motor vehicle purchase sub-group of the Consumer Price Index.
3. For the 2006-2007 year this index was 396.3 and for the 2007-2008 year the index was 396.7 resulting in an indexation factor of 1.001, that is, more than 1. The law requires that where the indexation factor is less than 1, the car limit is not to be indexed.² As the indexation factor is more than 1, the car limit has increased to \$57,180 for the 2008-2009 financial year.

Example

4. On 2 July 2008 a dealer supplies a car with a GST inclusive value of \$66,000.
5. As the GST inclusive value exceeds the luxury car tax threshold of \$57,180, luxury car tax may be payable.

Date of effect

6. This Determination applies to the financial year commencing 1 July 2008.

Commissioner of Taxation

30 June 2008

¹ Subsection 25-1(3) of the *A New Tax System (Luxury Car Tax) Act 1999*. The car limit is also used to calculate depreciation deductions under the income tax law - see Taxation Determination TD 2008/17.

² Subsection 960-270(2) of the *Income Tax Assessment Act 1997*.

References

Previous draft:

Not previously issued as a draft.

Related Rulings/Determinations:

TD 2008/17

Previous Rulings/Determinations

LCTD 2003/1; LCTD 2004/1; LCTD 2005/1;
LCTD 2006/1; LCTD 2007/1

Subject references:

- car limit
- luxury car tax threshold

Legislative references:

- ANTS(LCT)A 1999 25-1(3)
- ITAA 1997 960-270(2)
- TAA 1953 Sch 1 105-60

ATO references

NO: 2004/6084
ISSN: 1448-4919
ATOlaw topic: Luxury Car Tax