

TD 95/25 - Income tax: is a hearse a motor car or a station wagon for the purposes of section 57AF of the Income Tax Assessment Act 1936 and therefore subject to the limit on cost price for depreciation?

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! This document has changed over time. This is a consolidated version of the ruling which was published on *22 June 1995*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Taxation Determination

Income tax: is a hearse a motor car or a station wagon for the purposes of section 57AF of the *Income Tax Assessment Act 1936* and therefore subject to the limit on cost price for depreciation?

1. No. A hearse is not a motor car or station wagon within the meaning of paragraph 57AF(1)(b) and therefore is not subject to the limit on cost price for depreciation.
2. Section 57AF applies to a unit of property (other than an excluded unit of property) being:
 - (a) a unit of property in respect of which depreciation is allowable under this Act; and
 - (b) a motor vehicle (including a vehicle known as a four wheel drive vehicle) that is a motor car or station wagon.
3. The *Macquarie Dictionary* defines a hearse as 'a funeral vehicle for conveying a dead person to the place of burial'.
4. Whether a hearse is a unit of property for the purposes of section 57AF depends on whether it can be said to be a motor car or a station wagon. The *Macquarie Dictionary* defines a station wagon as 'a car with an extended interior allowing extra space behind the rear seat, and a door or tailgate at the back'. It further includes a 'motor car' in its definition of 'car'. For the purposes of this determination it is considered that nothing turns on the issue of whether the hearse is derived from a motor car or a station wagon.
5. In *Case Z25 92 ATC 247*; *Case 8063 (1992) 23 ATR 1211* in considering whether a stretched limousine qualified as a motor car for the purposes of section 57AF, Dr Gerber said (92 ATC at 250; 23 ATR at 1213-4):

'...the term "motor car" as used in subsecs 57AF(1), 57AG(1) and 82AF(2) is to be restricted to a closed or semi-closed vehicle *primarily* for the carriage of passengers, and only for the *incidental* carriage of goods'.
6. The conversion of a motor vehicle into a hearse involves extensive modifications which effect a permanent alteration to the vehicle so as to change its inherent design (see paragraphs 7 and 8 of Miscellaneous Taxation Ruling MT 2033).

7. As a matter of common usage and looking at the way hearses are made and used, we do not consider them to be either a motor car or station wagon for the purposes of paragraph 57AF(1)(b).

Commissioner of Taxation

22/06/95

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Related Determinations:

Related Rulings: MT 2033

Subject Ref: allowable deductions; depreciation; depreciation limit; hearse; motor vehicles

Legislative Ref: ITAA 57AF; ITAA 57AF(1); ITAA 57AF(1)(b); ITAA 57AG(1); 82AF(2)

Case Ref: *Case Z25 92* ATC 247; *Case 8063* (1992) 23 ATR 1211

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