



Vehicles provided for evaluation, product launches, raffles etc -

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 This document has changed over time. This is a consolidated version of the ruling which was published on *1 July 2010*



Motor Vehicle Industry Partnership

Vehicles provided for evaluation, product launches, raffles etc

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

This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

Vehicles provided for evaluation, product launches, raffles, etc.

Vehicles provided for evaluation

1. The supply of a vehicle to a motoring writer or dealer for evaluation and report back to the supplier – is a taxable supply because the motoring writer or dealer is required to prepare an evaluation.
2. The supply of a vehicle to a motoring writer, where the motoring writer has no obligation to provide a report back to the supplier – is not a taxable supply as nothing is received in return by the supplier.
3. The supply of a vehicle to a dealer, for the dealer's employees to become familiar with the vehicle – is not a taxable supply as nothing is received in return by the supplier.
4. The supply of a vehicle to a potential customer to see if it suits the needs of the customer and there is no requirement to report to the supplier – is not a taxable supply as nothing is received in return by the supplier.

Vehicles displayed at product launches etc

5. Vehicles displayed at product launches etc – probably not a taxable supply. Usually the supplier rents space from the organiser and therefore the vehicle is not supplied to the organiser. Even if the space was provided at no charge, it is doubtful whether there is a supply.
6. Vehicles displayed by non-profit body in connection with raffle – is a taxable supply as recipient has use of vehicle in order to promote the raffle and the supplier receives an advertising benefit from the recipient.
7. Vehicles displayed under sponsorship arrangements – is a taxable supply as the recipient has use of the vehicle, either in promoting their event or the ability to use the vehicle for travel, and the supplier receives an advertising benefit from the recipient.

Vehicles provided to a charitable or non-profit organisation for restricted use

8. Supply of a vehicle to charitable or non-profit body for restricted use – is a taxable supply for the reason mentioned above.