



LCTD 2004/1 - Luxury car tax: what is the luxury car tax threshold for the 2004-2005 financial year?

 This cover sheet is provided for information only. It does not form part of *LCTD 2004/1 - Luxury car tax: what is the luxury car tax threshold for the 2004-2005 financial year?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *30 June 2004*



Luxury Car Tax Determination

Luxury car tax: what is the luxury car tax threshold for the 2004-2005 financial year?

Preamble

*This document is a ruling for the purposes of section 37 of the **Taxation Administration Act 1953**. You can rely on the information presented in this document which provides advice on the operation of the LCT system.*

1. The luxury car tax threshold for the 2004-2005 financial year is equal to the car limit and is used to determine if luxury car tax is payable.¹
2. The car limit for the 2004-2005 financial year is \$57,009. This limit is indexed annually in line with movements in the motor vehicle purchase sub-group of the Consumer Price Index.
3. For the 2002-03 year this index was 424.9 and for the 2003 -04 year the index was 415.4 resulting in an indexation factor of 0.978, that is, less than 1. The law requires that where the indexation factor is less than 1, the car limit is not to be indexed.² As a result, the car limit remains the same as that which applied in 2003-2004 financial year.

Example

4. On 2 July 2004 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 \$57,009, luxury car tax may be payable.

Date of effect

6. This Determination applies to the financial year commencing on 1 July 2004.

Commissioner of Taxation

30 June 2004

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 2004/27.

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

LCTD 2004/1

Previous draft:

Not previously released as a draft.

Previous Rulings/Determinations

LCTD 2003/1

Related Rulings/Determinations:

GSTR 1999/1; TD 2004/27

Subject references:

- Car limit
- Luxury car tax threshold

Legislative references:

- TAA 1953 Part IVAAA
- ANTS (LCT)A 1999 25-1(3)
- ITAA 1997 960-270(2)

ATO references

NO: 2004/6084

ISSN: 1448-4919