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## Public Ruling Duties Act:

### Vehicle registration duty—duration period for exemption for charitable institutions

*A Public Ruling, when issued, is the published view of the Commissioner of State Revenue (the Commissioner) on the particular topic to which it relates. It therefore replaces and overrides any existing private rulings, memoranda, manuals and advice provided by the Commissioner in respect of the issue(s) it addresses. Where a change in legislation or case law (the law) affects the content of a Public Ruling, the change in the law overrides the Public Ruling—that is, the Commissioner will determine the tax liability or eligibility for a concession, grant or exemption, as the case may be, in accordance with the law.*

## What this Ruling is about

1. The *Duties Act 2001* (Duties Act) provides an exemption from vehicle registration duty<sup>1</sup> for charitable institutions<sup>2</sup> that use vehicles solely or almost solely for a qualifying exempt purpose (the exemption).<sup>3</sup> A qualifying exempt purpose is defined in section 415 of the Duties Act.
2. To be eligible for the exemption, a charitable institution must start to use the vehicle for a qualifying exempt purpose immediately after the application to register or transfer the vehicle is made (the start date)<sup>4</sup> and continue to use that vehicle for that purpose for one year (the duration period).<sup>5</sup>
3. On 25 February 2014, an administrative arrangement was approved, pending legislative amendment of the Duties Act, to enable the exemption to be administered on the basis that the duration period is nine months, rather than one year.
4. This Public Ruling sets out the terms of the administrative arrangement.

<sup>1</sup> Chapter 9 Duties Act

<sup>2</sup> 'Charitable institution' means an institution registered under the *Taxation Administration Act 2001*, part 11A: Schedule 6 of the Duties Act.

<sup>3</sup> Sections 414(1)(d), 414(2) and 415 of the Duties Act

<sup>4</sup> Section 416(2)(a) and 416(3)(d) of the Duties Act

<sup>5</sup> Section 416(2)(b) and 416(4)(d) of the Duties Act

## Ruling and explanation

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5. For the purpose of section 416(4)(d) of the Duties Act, a duration period of nine months has applied since 25 February 2014.
6. Therefore, the nine-month duration period applies:
  - (a) for all transactions with a start date on or after 25 February 2014; and
  - (b) for any transaction with a start date prior to 25 February 2014, provided the new duration period requirements are met on or after 25 February 2014.

### Example 1

*Charitable institution A applies to register Vehicle 1 on 25 February 2014. From that date until 25 November 2014, it uses the vehicle for a qualifying exempt purpose. The exemption applies.*

### Example 2

*Charitable institution B applies to register Vehicle 2 on 1 April 2013. From that date until 1 March 2014, it uses the vehicle for a qualifying exempt purpose. However, it sells the vehicle on 2 March 2014. The exemption applies because as at 25 February 2014, B had continued to use the vehicle for a qualifying exempt purpose for at least 9 months from the start date.*

### Example 3

*Charitable institution C applies to register Vehicle 3 on 1 January 2013. It used the vehicle for a qualifying exempt purpose from that date until 1 November 2013, when it sold the vehicle. The exemption does not apply because the new duration period requirements were not met on or after 25 February 2014.*

## Date of effect

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7. This Public Ruling takes effect from the date of issue.

Elizabeth Goli  
for the Commissioner of State Revenue  
Date of issue: 26 March 2014

## References

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Public Ruling	Issued	Dates of effect	
		From	To
DA416.1.1	26 March 2014	26 March 2014	23 June 2015