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MTA NSW calls upon Federal Government to abolish outdated Luxury Car Tax

The Motor Traders' Association of NSW (MTA NSW), an Employers Association representing thousands of automotive businesses in NSW, strongly calls upon the Federal Government to use their election mandate to abolish the current luxury car tax (LCT). The Association would lend its support to the NSW State Government to take the lead on this issue and raise the matter with the Federal Government to look at abolishing this outdated tax that presents an unnecessary impost on family vehicle buyers.

This stand by MTA NSW, reinforces the outlined policy of the Association which calls for the luxury car tax to be abolished by the Federal Government as this tax distorts the market for higher value vehicles and penalises dealers, distributors and consumers.

"The luxury car tax was introduced in 2000 to encourage buyers to purchase locally manufactured vehicles instead of imported prestige vehicles. The end of passenger vehicle manufacturing in Australia now makes this tax redundant. With the ongoing downturn in vehicle retail sales adversely affecting dealerships and the flow on affect to service suppliers, the automotive environment would welcome any relief that an abolished luxury car tax would provide," MTA NSW CEO, Stavros Yallouridis said.

Motor vehicles above a GST inclusive value of \$67,525 for non-fuel-efficient vehicles (as at 2019-2020) and motor vehicles above a GST inclusive value of \$75,526 for fuel efficient vehicles (as at 2019-2020) are subject to an additional 33% luxury car tax. These thresholds are absurdly low and affect many working vehicles. This includes four-wheel-drive vehicles that meet the needs of rural consumers, such as the Toyota Land Cruiser and Nissan Patrol. They are priced above the LCT threshold. It also penalises those who wish to make a green purchase.

"We again call upon the newly elected Federal Government to abolish the luxury car tax," Mr. Yallouridis added.