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| **EXPOSURE DRAFT** |

Inserts for

Treasury Laws Amendment (Fairer for Families and Farmers) Bill 2024: Luxury Car Tax

| Commencement information | | |
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| Column 1 | Column 2 | Column 3 |
| Provisions | Commencement | Date/Details |
| 1. Schedule 1 | The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent. |  |

Schedule 1—Luxury Car Tax

A New Tax System (Luxury Car Tax) Act 1999

1 Subsections 25‑1(3) and (3A)

Repeal the subsections, substitute:

Luxury car tax threshold—general

(3) Subject to subsection (4), the ***luxury car tax threshold*** is:

(a) $80,567 if the supply of the car occurs, or the car is \*entered for home consumption, in the 2024‑25 \*financial year; or

(b) if that supply, or entry for home consumption, is in a later financial year—the amount worked out for that financial year after indexing $80,567 annually using Subdivision 960‑M of the \*ITAA 1997.

2 Subsection 25‑1(4)

Omit “7 litres”, substitute “3.5 litres”.

3 Subsection 25‑1(6)

Repeal the subsection, substitute:

Indexation

(6) In indexing the \*luxury car tax threshold or \*fuel‑efficient car limit, Subdivision 960‑M of the \*ITAA 1997 applies as if:

(a) the table in section 960‑265 of that Act included an item referring to (as the case may be):

(i) the luxury car tax threshold and subsection (3) of this section; or

(ii) the fuel‑efficient car limit and subsection (5) of this section; and

(b) the reference in subsection 960‑270(1) of that Act to provisions of that Act included a reference to subsection (3) or (5) of this section (as the case may be); and

(c) the reference in subsection 960‑280(2) of that Act to the car limit included a reference to the luxury car tax threshold or fuel‑efficient car limit (as the case may be).

4 Application of amendments

Application of amendments—general

(1) The amendments made by this Schedule apply in relation to supplies, and importations, of cars on or after 1 July 2025.

Continued application of old subsection 25‑1(4) if car was used for certain purposes before 1 July 2025

(2) However, old subsection 25‑1(4) continues to apply, in relation to a supply or importation of a car on or after 1 July 2025, if, before that date:

(a) a person made a supply or importation of the car; and

(b) the car was used for a purpose other than a purpose mentioned in subsection 9‑5(1) of the Act.

Definitions

(3) In this item:

***Act*** means the *A New Tax System (Luxury Car Tax) Act 1999*.

***new subsection 25‑1(4)*** means subsection 25‑1(4) of the Actas amended by this Schedule.

***old subsection 25‑1(4)*** means subsection 25‑1(4) of the Actas in force immediately before the commencement of this Schedule.