

# EXPOSURE DRAFT

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

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**Commencement information**

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<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions</b>	<b>Commencement</b>	<b>Date/Details</b>
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.	

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## 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).

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## 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 Act as amended by this Schedule.

*old subsection 25-1(4)* means subsection 25-1(4) of the Act as in force immediately before the commencement of this Schedule.