



TAXPAYER ALERT ON LUXURY CAR TAX AVOIDANCE SCHEMES

10 November 2021

To: ALL AADA MEMBERS

The Australian Taxation Office (ATO) has issued a [taxpayer alert](#) in an effort to stop structured Luxury Car Tax (LCT) avoidance schemes.

The alert outlines the ATO's concerns with some arrangements involving the sale of new and second-hand luxury cars. These kinds of arrangements involve illegitimate car Dealers or agents selling luxury cars cheaper than genuine Dealers by setting up structures to avoid paying LCT and improperly obtaining refunds.

Dealers should be aware of participating in these arrangements when asked to move cars through their books or to claim the LCT back from the ATO in exchange for a commission or fee.

The ATO now reviews every LCT refund claim and will stop and investigate all claims that appear higher risk. Entering into these arrangements, including knowingly buying a car that is part of an arrangement, may also result in penalties or sanctions.

More information about the LCT and getting claims right is available at ato.gov.au/getLCTright.

If you have any questions or need further information, please contact:

Brian Savage

CHIEF OPERATING OFFICER

Australian Automotive Dealer Association Ltd.

E: bsavage@aada.asn.au

M: +61 418 377 594

