Exempt wheelchair accessible commercial passenger vehicles that provide unbooked services from motor vehicle duty

# Background

Motor vehicle duty (MVD) is payable on application to register or transfer registration of a motor vehicle in Victoria. The MVD amount depends on the type of vehicle and its dutiable value, and any exemptions or reductions that may apply.

Currently, an exemption from MVD applies to eligible privately owned wheelchair accessible vehicles. This exemption is not available for commercial passenger vehicles. However, wheelchair accessible commercial passenger vehicles are eligible for a $24 000 reduction in the dutiable value of the vehicle (this represents a MVD reduction of $1 908 on a $90 000 vehicle).

# Proposed changes

The Victorian Government will introduce a MVD exemption for eligible wheelchair accessible commercial passenger vehicles that provide unbooked services. This exemption will apply to vehicles registered on or after 1 July 2022.

This change will encourage the provision of wheelchair accessible transport options, and support wheelchair users in being able to access the transport method that best suits their circumstances.

The measure is estimated to cost $2.7 million over the budget and forward estimates.

Without this exemption, the MVD payable on a $90 000 wheelchair accessible commercial passenger vehicle would be $2 772 (2021-22).

Better services for wheelchair users

Exempting eligible wheelchair accessible commercial passenger vehicles from motor vehicle duty will save operators thousands of dollars and help ensure better services are provided to wheelchair users, who make more than 1 million commercial passenger vehicle trips per year. These trips can be both unbooked, by hailing a taxi on the street, or booked in advance.

# Eligibility

This exemption will apply to the sale or transfer of light passenger vehicles less than two years old that:

* are capable of carrying a passenger in a wheelchair
* are registered with Commercial Passenger Vehicles Victoria
* meet the requirements to provide unbooked commercial passenger vehicle services, such as being fitted with a fare calculation device.

In 2021, 975 wheelchair accessible vehicles were registered with Commercial Passenger Vehicles Victoria and met the requirements to provide unbooked commercial passenger vehicle services (*Commercial Passenger Vehicles Victoria Annual Report 2020-21*).

# Implementation

The State Revenue Office (SRO) will be responsible for administering the exemption and determining the eligibility of vehicles according to the legislated criteria.