



144TACD2020

BETWEEN/

[APPELLANT]

Appellant

-and-

THE REVENUE COMMISSIONERS

Respondent

DETERMINATION

Appeal

1. This is an appeal to the Appeal Commissioners pursuant to section 146 of the Finance Act, 2001 (as amended) against a determination made by the Revenue Commissioners. The appeal concerns the value of a vehicle for the purposes of a charge to vehicle registration tax (VRT), the value being measured as the open market selling price (OMSP) of the vehicle at the time of the charging of the tax.
2. This appeal is adjudicated without a hearing in accordance with section 949U of the Taxes Consolidation Act, 1997.

Background

3. The vehicle, the subject matter of this appeal, is a Mitsubishi Lancer Evo IV CN9A 4DR (1996), bearing registration number [redacted]. The Appellant registered the vehicle on 7 July 2018. The date of first registration of the vehicle



is [redacted] 1996 and mileage at the date of registration in the State was 161,684.

4. An OMSP of €11,000 was originally determined for the vehicle resulting in a VRT charge of €3,960 (a calculation of €11,000 @ 36%). The Appellant appealed to the Revenue Commissioners under section 145 of the Finance Act, 2001 (as amended). On appeal an OMSP of €9,000 was determined for the vehicle resulting in a VRT charge of €3,240 (a calculation of €9,000 @ 36%). This was notified to the Appellant by letter dated 3 September 2018. The revised OMSP gave rise to a refund to the Appellant of €720. The Appellant was aggrieved by the determination of the Revenue Commissioners and appealed to the Appeal Commissioners against the determination. A notice of appeal was received by the Tax Appeals Commission on 13 September 2018.

Legislation

5. Section 146 of the Finance Act, 2001 (as amended) provides:

“(1) Except where section 145(3) applies, any person who –

- (a) has paid an amount of excise duty,*
- (b) has received a notice of assessment under section 99A, or is otherwise called upon by the Commissioners to pay an amount of excise duty that, in their opinion, that person is liable to pay, or*
- (c) has received a repayment of excise duty or has made a claim for such repayment that has been refused,*

and is aggrieved by any of the matters referred to in paragraphs (a) to (c), may, subject to subsection (3), in respect of the liability to excise duty concerned or the amount of that liability, or the amount of the repayment or the refusal to repay, appeal to the Appeal Commissioners in accordance with section 949I of the Taxes Consolidation Act, 1997 within the period specified in subsection (2).

- (1A) *Any person aggrieved by any of the following matters may appeal to the Appeal Commissioners in accordance with section 949I of the Taxes Consolidation Act, 1997 within the period specified in subsection (2)*
- (a) *a determination of the Commissioners under section 145;*
 - (b) *a refusal to authorise a person as an authorised warehousekeeper, or to approve a premises as a tax warehouse, under section 109, or a revocation under that section of any such authorisation or approval;*
 - (c) *a refusal to authorise a person as a registered consignee under section 109IA or a revocation under that section of any such authorisation;*
 - (d) *a refusal to authorise a person as a registered consignor under section 109A or a revocation under that section of any such authorisation;*
 - (e) *a refusal to approve a person as a tax representative under section 109U(2) or a revocation under that section of any such approval;*
 - (f) *a refusal to grant a licence under section 101 of the Finance Act 1999 or a revocation under that section of any such licence that has been granted.*
- (2) *The period specified for the purpose of making an appeal under this section is the period of 30 days after the date of –*
- (a) *the payment of excise duty in the case of an appeal under subsection (1)(a),*
 - (b) *the notice of assessment or other notice calling for payment of the amount concerned in the case of an appeal under subsection (1)(b),*
 - (c) *the repayment or the notice of the refusal to repay in the case of an appeal under subsection (1)(c), or*



(d) *the notice of the determination, refusal or revocation concerned in the case of an appeal under subsection (1A)."*

6. Section 133 of the Finance Act, 1992 (as amended) provides:

"(1) Where the rate of vehicle registration tax charged in relation to a category A vehicle or a category B vehicle is calculated by reference to the value of the vehicle, that value shall be taken to be the open market selling price of the vehicle at the time of the charging of the tax thereon.

(2) (a) For a new vehicle on sale in the State which is supplied by a manufacturer or sole wholesale distributor, such manufacturer or distributor shall declare to the Commissioners in the prescribed manner the price, inclusive of all taxes and duties, which, in his opinion, a vehicle of that model and specification, including any enhancements or accessories fitted or attached thereto or supplied therewith by such manufacturer or distributor, might reasonably be expected to fetch on a first arm's length sale thereof in the open market in the State by retail.

(b) A price standing declared for the time being to the Commissioners in accordance with this subsection in relation to a new vehicle shall be deemed to be the open market selling price of each new vehicle of that model and specification.

(c) Notwithstanding the provisions of paragraph (b), where a price stands declared for a vehicle in accordance with this subsection which, in the opinion of the Commissioners, is higher or lower than the open market selling price at which a vehicle of that model and specification or a vehicle of a similar type and character is being offered for sale in the State while such price stands declared, the open market selling price may be determined from time to time by the Commissioners for the purposes of this section.

(d) *Where a manufacturer or sole wholesale distributor fails to make a declaration under paragraph (a) or to make it in the prescribed manner, the open market selling price of the vehicle concerned may be determined from time to time by the Commissioners for the purposes of this section.*

(3) *In this section –*

“new vehicle” means a vehicle that has not previously been registered or recorded on a permanent basis –

(a) *in the State under this Chapter or, before 1 January 1993, under any enactment repealed or revoked by section 144A or under any other provision to like effect as this Chapter or any such enactment, or*

(b) *under a corresponding system for maintaining a record for vehicles and their ownership in another state,*

and where the vehicle has been acquired under general conditions of taxation in force in the domestic market.

“open market selling price” means –

(a) *in the case of a new vehicle referred to in subsection (2), the price as determined by that subsection.*

(b) *in the case of any other new vehicle, the price, inclusive of all taxes and duties, which in the opinion of the Commissioners, would be determined under subsection (2) in relation to that vehicle if it were on sale in the State following supply by a manufacturer or sole wholesale distributor in the State,*

- (c) *in the case of a vehicle other than a new vehicle, the price, inclusive of all taxes and duties, which, in the opinion of the Commissioners, the vehicle might reasonably be expected to fetch on a first arm's length sale thereof in the State by retail and, in arriving at such price –*
- (i) *there shall be included in the price, having regard to the model and specification of the vehicle concerned, the value of any enhancements or accessories which at the time of registration are not fitted or attached to the vehicle or sold therewith but which would normally be expected to be fitted or attached thereto or sold therewith unless it is shown to the satisfaction of the Commissioners that, at that time, such enhancements or accessories have not been removed from the vehicle or not sold therewith for the purpose of reducing its open market selling price, and*
- (ii) *the value of those enhancements or accessories which would not be taken into account in determining the open market selling price of the vehicle under the provisions of subsection (2) if the vehicle were a new vehicle to which that subsection applied shall be excluded from the price.”*

Submissions

7. The OMSP ascertained in relation to the vehicle the subject matter of this appeal was €9,000. The Appellant appealed to the Appeal Commissioners on the basis that the OMSP determined by the Revenue Commissioners of €9,000 was excessive. The Appellant submits that, at the date of registration of his vehicle in the State, the value of a Mitsubishi Lancer Evo 4 in good condition was between €5,500 and €6,500. In support, the Appellant provided printouts from websites. The Appellant submits that his vehicle was in poor condition and

required repairs of approximately €5,000. In support, the Appellant provided an estimate from a business specialising in truck, car and plant repair. The Appellant submits that his vehicle, being an Evo 4 CN9A, has a design flaw in the engine from manufacture. In support, the Appellant provided printouts from an online discussion forum. The documentary evidence presented by the Appellant was:

- (a) Printout from an Irish website advertising a private sale of a Mitsubishi Lancer Evo 4 (1996) with 135,000 kilometres for €6,500.
- (b) Printout from an Irish website advertising a private sale of a Mitsubishi Lancer Evo 4 (1997) with 109,000 kilometres for €6,750.
- (c) Printout from an Irish website advertising a private sale of a Mitsubishi Lancer Evo 7 (2001) with 207,000 kilometres for €9,750.
- (d) Printout from an Irish website advertising a private sale of a Mitsubishi Lancer Evo 7 (2002) with 150,000 kilometres for €7,600.
- (e) Printout from an Irish website advertising a private sale of a Mitsubishi Lancer Evo 3 (needs repaired) for €4,450.
- (f) Printout from a website ([redacted]) describing the imported price of a Mitsubishi Evo 4 as €6,400.
- (g) Printout from a website ([redacted]) describing the landed and cleared price of a Mitsubishi Evo 4 as €5,500.
- (h) An estimate from [redacted], Truck, Car and Plant Repair dated 12 July 2018 in the amount of €4,913.90 for labour and parts.
- (i) Printouts from an online discussion forum with the heading ‘Mitsubishi Lancer Register Forum’ discussing ‘crankwalk’.

8. In the appeal to the Appeal Commissioners, the Revenue Commissioners submit that the OMSP of €9,000 is correct. In support, the Revenue Commissioners provided a VRT Appeals Worksheet and a Valuation Appeal Report, which were prepared for the purposes of the section 145 appeal to the Revenue Commissioners. The Valuation Appeal Report includes handwritten notes of telephone contact with car dealers and states that ‘*the dealer should be asked*

for his/her opinion of the likely selling price on the date of registration in Ireland. The report states *‘trader should be asked to give an opinion in relation to a vehicle in good, saleable, serviceable condition.’* The report provides the following vehicle valuations:

- (a) [redacted] (Kilkenny) provided an opinion on 24 August 2018 of a selling price of €5,000 - €6,000.
- (b) [redacted] (Galway) provided an opinion on 24 August 2018 of a selling price of €11,000.
- (c) [redacted] (Dublin) provided an opinion on 27 August 2018 of a selling price of €11,000.

In the VRT Appeals Worksheet the Revenue Commissioners determined an OMSP of €9,000 by reference to the average of the above three valuations ($€5,000 + €11,000 + €11,000 = €27,000 \div 3 = €9,000$). The Revenue Commissioners stated that the printouts provided by the Appellant were not comparable and that no reduction was given for condition as the estimate provided was for NCT precheck and the works were enhancement related. The VRT Appeals Worksheet prescribes boxes for three valuations and percentage adjustments. No percentage adjustment was applied by the Revenue Commissioners in determining the OMSP of the vehicle the subject matter of this appeal.

Analysis and Findings

9. All vehicles are subject to VRT on first registration in the State. The rate of VRT is calculated according to the CO₂ emissions. In accordance with section 133 of the Finance Act, 1992 (as amended), the OMSP of a vehicle other than a new vehicle is the price which the vehicle might reasonably be expected to fetch on a first arm's length sale in the State by retail at the time of charging the tax. The value of the vehicle for the purposes of calculating VRT is the OMSP of the vehicle at the date of registration in the State.
10. In this appeal, it is the function of the Appeal Commissioners to determine the price that a Mitsubishi Lancer Evo IV CN9A 4DR (1996), bearing registration number [redacted], might reasonably be expected to fetch on a first arm's length sale in the State by retail on 7 July 2018. If comparator vehicle valuations are provided in support of an appeal, the vehicles should be the same model and specification, of similar type and character and sale by retail. In my view, the extent of the variation in the valuations provided by the Revenue Commissioners is relevant – one valuation of €5,000 is less than half the other valuations of €11,000. A further consideration is that the comparator vehicle valuations provided by the Appellant includes vehicles of different models and specifications than his vehicle and are private sales rather than sales by retail.
11. In the circumstances, and based on a review of the facts and a consideration of the submissions, materials and evidence provided by both parties, I am satisfied that €6,750 is a fair and reasonable OMSP in relation to the vehicle, measured by reference to the average of the three valuations of €5,000 [at 8(a) above], €6,500 [at 7(a) above] and €11,000 [at 8(b) above], and reduced by 10% as an adjustment for the vehicle the subject matter of the appeal.

Determination

12. Based on a review of the facts and a consideration of the submissions, materials and evidence provided by both parties I determine €6,750 as the OMSP of the vehicle the subject matter of the appeal. This appeal is hereby determined in accordance with section 949AL of the Taxes Consolidation Act, 1997.

FIONA McLAFFERTY
APPEAL COMMISSIONER

15 MAY 2020