



61TACD2020

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.



Facts

3. The vehicle, the subject matter of this appeal, is a Ford S-Max 2.0 TDCI Titanium 163PS 5DR (2014), bearing registration number [NUMBER redacted]. The Appellant registered the vehicle on [DATE redacted] 2017. The Vehicle Import Receipt describes the date of first registration as [DATE redacted] 2014 and mileage at the date of registration of 51,771.
4. An OMSP of €24,965 was originally determined for the vehicle resulting in a VRT charge of €4,743 (a calculation of €24,965 @ 19%). The Appellant appealed to the Revenue Commissioners under section 145 of the Finance Act, 2001 (as amended). On appeal an OMSP of €22,440 was determined for the vehicle resulting in a VRT charge of €4,264 (a calculation of €22,440 @ 19%). This was notified to the Appellant by letter dated 11 October 2017. The revised OMSP gave rise to a refund to the Appellant of €479. 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 1 November 2017.

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 enhancement 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 and Analysis

7. All vehicles are subject to VRT on first registration in the State. The rate of VRT is calculated according to the CO₂ emissions. Section 133 of the Finance Act, 1992 (as amended) provides that the value of the vehicle for the purposes of calculating VRT is the OMSP (as defined) of the vehicle at the time of charging the VRT. The OMSP of a vehicle other than a new vehicle is the price, inclusive of all taxes and duties, which the vehicle might reasonably be expected to fetch on a first arm's length sale in the State by retail.
8. The OMSP ascertained in relation to the vehicle the subject matter of this appeal was €22,440. The Appellant appealed to the Appeal Commissioners on the basis that the OMSP determined by the Revenue Commissioners of €22,440 was excessive. The Appellant submits that the OMSP of the vehicle the subject matter of the appeal should be around €18,500 or €19,000. An OMSP of €18,500 or €19,000 gives rise to a VRT charge of €3,515 (a calculation of €18,500 @ 19%) or €3,610 (a calculation of €19,000 @ 19%). In support of the appeal, the Appellant presented the following documentary evidence as comparator vehicle valuations:
 - (a) Printout from an Irish website advertising vehicles for sale of a Ford S-Max 2.0 Titanium 163BHP (2014) with 109,435 kilometres for €19,500 (retail).
 - (b) Printout from an Irish website advertising vehicles for sale of a Ford S-Max 2.0 TDCI Zetec 140PS (2014) with 40,000 miles for €15,950 (private).
 - (c) Printout from an Irish website advertising vehicles for sale of a Ford S-Max 2.0 TDCI Zetec 140PS (2014) with 58,741 kilometres for €18,000 (private).
 - (d) Printout from an Irish website advertising vehicles for sale of a Ford S-Max 2.0 TDCI Zetec 140 (2014) for €17,600 (retail).
 - (e) Printout from an Irish website advertising vehicles for sale of a Ford S-Max 2.0 TDCI Zetec 140 (2014) for €17,900 (retail)



- (f) Printout from an Irish website advertising vehicles for sale of a Ford S-Max 2.0 TDCI Titanium 140PS (2014) with 89,382 kilometres for €19,950 (retail).

The Appellant also provided details of an advertisement placed by the Appellant online for the vehicle the subject matter of the appeal which described the vehicle as a Ford S-Max TDCI Titanium 163BHP with 60,226 km and having '*many extras over standard models*'.

9. At the date of registration of the vehicle in the State the OMSP was determined at €24,965. On appeal to the Revenue Commissioners the OMSP was determined at €22,440. The Revenue Commissioners submit that the revised OMSP was arrived at by reference to three Irish comparator vehicle valuations (€23,900, €24,950 and €25,950) with the average of the three valuations being €24,933. The Revenue Commissioners reduced the average of the valuations by 10% to calculate an OMSP of €22,440. An OMSP of €22,440 gives rise to a VRT charge of €4,264 (a calculation of €22,440 @ 19%). The Revenue Commissioners presented the following documentary evidence as comparator vehicle valuations:
 - (a) Printout from an Irish website advertising vehicles for sale of a Ford S-Max 2.0 Titanium (2014) with 75,879 kilometres for €23,900 (retail).
 - (b) Printout from an Irish website advertising vehicles for sale of a Ford S-Max 2.0 TDCI Titanium (2014) with 45,097 kilometres for €24,950 (retail).
 - (c) Printout from an Irish website advertising vehicles for sale of a Ford S-Max 2.0 TDCI Titanium 163PS 5DR (2014) with 69,451 kilometres for €25,950 (retail).
10. 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.

The documentary evidence presented by the Appellant was not solely sale by retail or solely for a Ford S-Max 2.0 Titanium. If comparator vehicle valuations are provided by the parties in support of the appeal, the vehicles should be the same model with similar specification and sale by retail, where possible.

11. In the circumstances, and based on a review of the facts and a consideration of the submissions, material and evidence, and having regard to the five comparator vehicle valuations presented by the parties for a Ford S-Max 2.0 Titanium for sale by retail and reducing the average of the five valuations by 10%, I am satisfied that €20,565 is a fair and reasonable OMSP in relation to the vehicle.

Determination

12. Based on a review of the facts and a consideration of the submissions, material and evidence provided by both parties I determine €20,565 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

16th JANUARY 2020