



Australian
BORDER FORCE

Australian Customs Notice No. 2025/13

Change to the definition of fuel-efficient vehicle and no changes to LCT thresholds for FY 2025-26

This Notice advises of a change to the definition of fuel-efficient vehicle under amendments to *A New Tax System (Luxury Car Tax) Act 1999*.

From 1 July 2025:

- a fuel-efficient car is defined as a vehicle that has a fuel consumption that does not exceed 3.5 litres per 100 kilometres as a combined rating under the vehicle standards in force under section 12 of the *Road Vehicle Standards Act 2018*
- indexation rates applying to the thresholds for fuel-efficient vehicles and other vehicles will be aligned

The onus is on the importer to correctly declare if the imported vehicle is a fuel-efficient vehicle.

This Notice further advises that the luxury car tax threshold for both fuel-efficient vehicles and other vehicles will not increase for the 2025-26 financial year.

From 1 July 2025, the:

- luxury car tax threshold for fuel-efficient cars will remain at \$91,387
- luxury car tax threshold for all other luxury cars will remain at \$80,567

These thresholds will apply for the 2025-26 financial year.

Further information

For further information about the definition of fuel-efficient vehicles and LCT thresholds, visit the Australian Taxation Office website at [Definitions-Luxury Car Tax](#) and [Luxury car tax rate and thresholds](#).

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