



**Comptroller and Auditor General  
Special Report**

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## **Administration and Collection of Motor Tax**

## 2 Administration and Collection of Motor Tax

# Report of the Comptroller and Auditor General

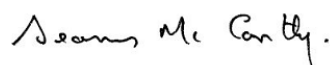
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## Administration and Collection of Motor Tax

I have, in accordance with the provisions of Section 9 of the Comptroller and Auditor General (Amendment) Act 1993, carried out an examination of the administration and collection of motor tax.

This report was prepared on the basis of information, documentation and explanations obtained from the Department of Housing, Planning, Community and Local Government, the Department of Transport, Tourism and Sport and local authorities. The Departments were asked to review and comment on the draft report. Where appropriate, the comments received were incorporated in the final version of the report.

I hereby submit my report for presentation to Dáil Éireann in accordance with Section 11 of the Act.



**Seamus McCarthy**  
**Comptroller and Auditor General**

21 December 2016

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## Summary

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# Summary

This examination was carried out in cooperation between the Office of the Comptroller and Auditor General and the Local Government Audit Service. Its aim was to review the trends in motor tax receipts, the costs of collection and the effectiveness of controls in ensuring compliance with motor tax regulations.

The Department of Local Government, the Department of Transport and local authorities all play roles in the administration and collection of motor tax. The Department of Local Government is responsible for motor tax policy and legislation. Motor tax can be paid online on a website managed by the Department of Transport or in motor tax offices operated by local authorities.

## Motor tax receipts

Just over €1 billion in motor tax was collected in 2015, of which two-thirds was collected through online payments. While the number of taxed vehicles has increased in recent years, revenue has fallen. Significantly lower average tax is paid in respect of newer private cars taxed on the basis of engine emissions, compared to those taxed on the basis of engine size. If other factors remain unchanged, this will result in a fall in annual revenue of around €260 million by 2024.

Motor tax revenue from commercial vehicles is expected to fall by €43 million in 2016 due to changes in tax rates.

## Collection costs

The overall cost of administering the motor tax system is not centrally compiled or reported. Data compiled for this examination suggests that the Department of Transport and local authorities incurred costs of around €49 million in collecting and administering the motor tax system.

It also indicates that the cost of processing a tax payment by a customer in a motor tax office is around twice that of an online payment.

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### Costs of motor tax collection and number of payment transactions, 2014

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	Motor tax offices	Online	Total
Costs	€million	€million	€million
Payment processing	19.1	15.3	34.4
Other motor tax services	14.3	—	14.3
<b>Total</b>	<b>33.4</b>	<b>15.3</b>	<b>48.7</b>
<b>Number of payment transactions (million)</b>	<b>1.9</b>	<b>3.1</b>	<b>5.0</b>

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Source: The Department of Transport and a survey of local authorities

Almost all renewal transactions can now be conducted online. In 2015, the online facility was used for 67% of transactions and this rate is increasing each year. The growth in online transactions has resulted in a fall in transactions at motor tax offices but there has been no recent evaluation of the factors influencing a customer's decision to tax online or at a motor tax office, or the period for which they pay motor tax.

Evaluation of the costs of collection and the factors influencing customers is required to inform the future development of motor tax collection, and of other related services currently provided only in motor tax offices.

### **Motor tax controls**

The level of compliance with motor tax regulations is not monitored or reported. Analysis by the Department of Transport of vehicles on the M50 motorway in 2010 and 2011 indicated a motor tax evasion rate of around 5%, but that analysis has not been repeated due to data protection concerns. Therefore, there is no current estimate of the motor tax evasion rate and the impact of changes to regulations governing off-the-road declarations has not been ascertained. There is also limited validation of the information provided when taxing a vehicle.

Advances in technology may provide opportunities to reduce the cost of administering the motor tax system. In other jurisdictions, paper tax discs are no longer issued and the detection of motor tax evasion is now by number-plate recognition systems operating in police vehicles. However, the UK recorded an increase in evasion — from 0.6% to 1.4% — after the removal of the requirement to display a tax disc.

A desk-based review of motor tax transactions conducted for this examination suggests an increase in the proportion of frequent transfers of ownership of individual vehicles. This practice may occur to evade motor tax by availing of administrative arrangements whereby motor tax arrears are not pursued when vehicle ownership changes. Periodic monitoring of compliance and motor tax transaction data analysis would inform authorities of emerging trends and support risk-based enforcement measures.

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## **Administration and Collection of Motor Tax**

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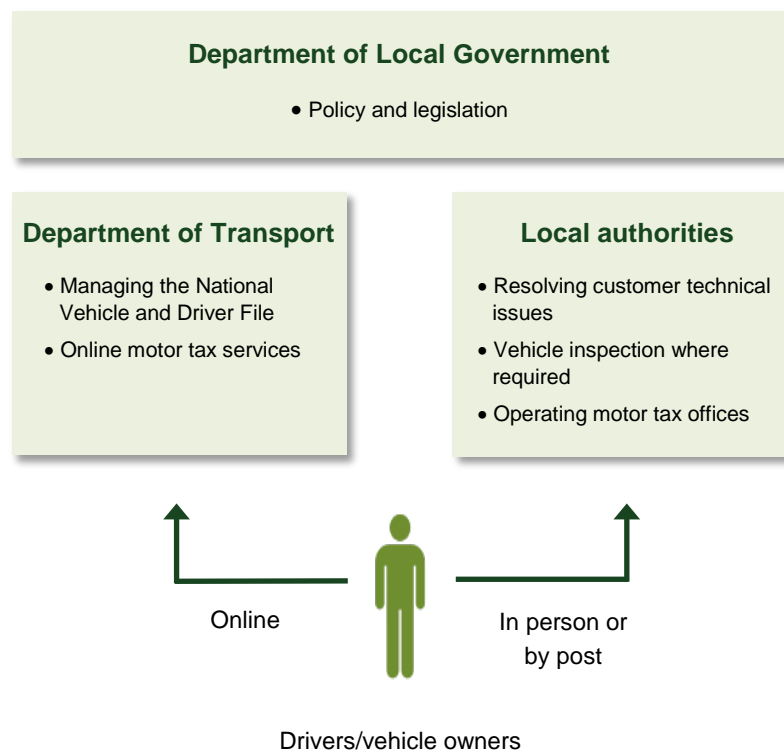
# 1 Introduction

- 1.1 Liability for motor tax arises when a vehicle is used in a public place or on a public road. In 2015, just over €1.1 billion in motor tax was collected. Motor tax can be paid online or at a motor tax office operated by the local authority in which the vehicle is ordinarily kept. The motor tax services provided online and in motor tax offices are set out in Appendix A.
- 1.2 The administration and collection of motor tax involves the Department of Housing, Planning, Community and Local Government (Department of Local Government), the Department of Transport, Tourism and Sport (Department of Transport) and local authorities. Their roles are set out in Figure 1.1.
- 1.3 Changes in recent years to the operation of the motor tax system include a significant increase in the use of online services, the introduction of a new basis of assessment for private vehicles and new rules governing 'off-the-road' declarations.

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**Figure 1.1 Roles and responsibilities in the collection of motor tax**

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Source: Office of the Comptroller and Auditor General

Note: Motor tax stakeholders not shown above include An Garda Síochána, who enforce the requirement to display a motor tax disc, and the courts, which determine motor tax related cases.

### Scope of the examination

- 1.4 The examination reviewed
- trends in revenue collected from motor tax (Chapter 2)
  - costs incurred in the collection of motor tax (Chapter 3)
  - effectiveness of the controls in ensuring compliance with motor tax regulations (Chapter 4).

### Methodology

- 1.5 The examination was carried out through cooperation between the Office of the Comptroller and Auditor General (OCAG) and the Local Government Audit Service (LGAS), which is responsible for the audit of local authorities. The roles of each organisation is shown in Figure 1.2.

**Figure 1.2 Work undertaken by LGAS and OCAG for this examination**

	LGAS	OCAG
Meetings with the Department of Transport, the Department of Local Government and local authorities	●	●
Analysis of data from the National Vehicle and Driver File	○	●
Conduct of a survey of local authorities to identify work practices and the cost of providing motor tax services	●	●
Analysis of data provided by local authorities in response to the survey	◐	●

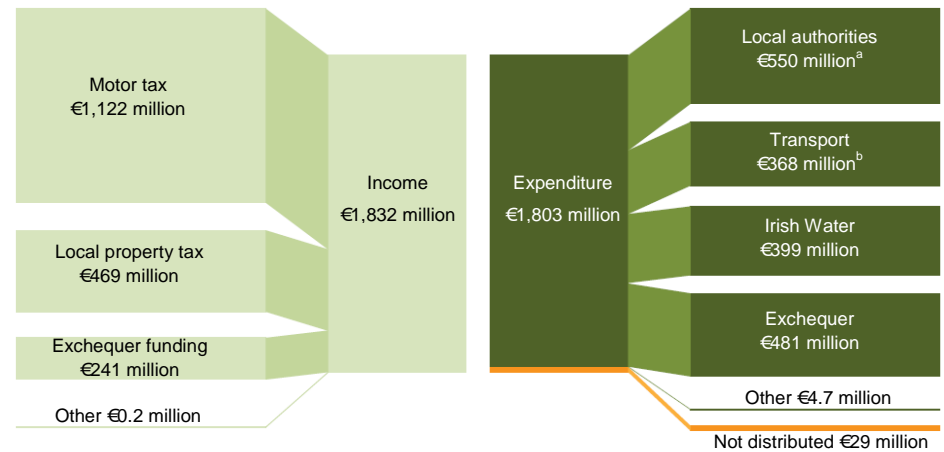
Source: Office of the Comptroller and Auditor General

- Note:
- Full involvement
  - ◐ Partial involvement
  - No involvement

## 2 Motor Tax Revenue

2.1 All motor tax proceeds are paid into the Local Government Fund. Figure 2.1 shows the income and expenditure of the Local Government Fund in 2015.

**Figure 2.1 Local Government Fund income and distributions, 2015**

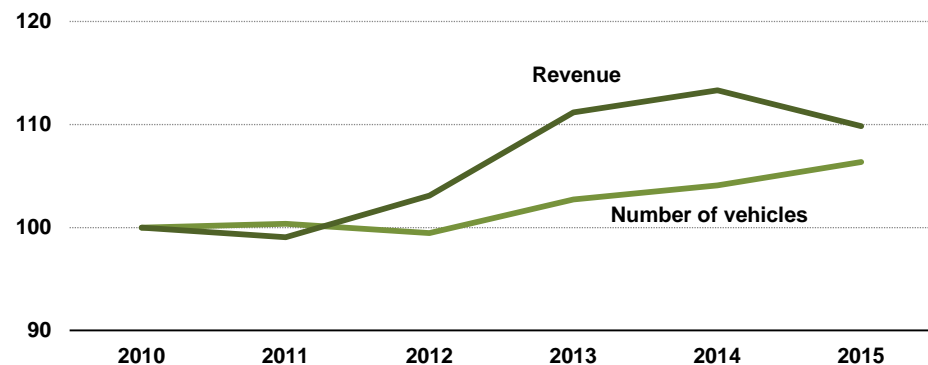


Source: Local Government Fund Accounts 2015

Note: a Of this total, €459 million related to the allocation of local property tax, €46 million related to the recoupment of lost income from rates on water infrastructure, €20 million related to water services, €15 million related to water services loan recoupment and €10 million related to other purposes.  
b Of this total, €356 million related to the provision of roads and public service infrastructure, and €12 million related to Driver Licence and Vehicle Computer Services.

2.2 In the period 2010 to 2014, the number of vehicles taxed increased by 4.1% to 2.52 million and motor tax collected increased by 13% to €1.16 billion (see Figure 2.2).<sup>1</sup> Motor tax rates increased with effect from 1 January 2012 and again from 1 January 2013. New rules for 'off-the-road' declarations were introduced in 2013. In 2015, revenue fell 3.1% (to €1.12 billion) compared to 2014, despite the vehicle population growing by 2.2% (to 2.57 million vehicles).

**Figure 2.2 Number of vehicles taxed at year end and revenue collected, 2010 to 2015, indexed to 2010**



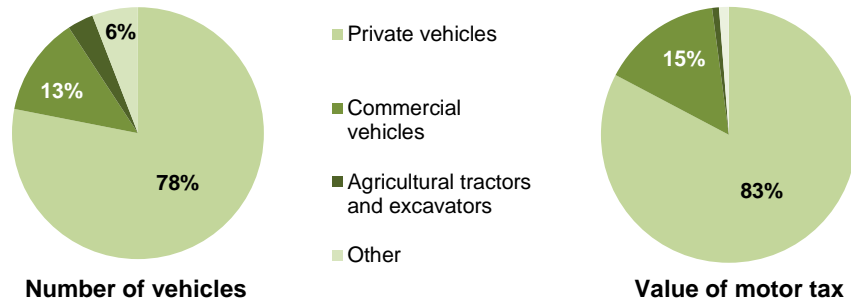
<sup>1</sup> Number of vehicles taxed at 31 December each year, Department of Transport, Irish Bulletin of Vehicle and Driver Statistics.

Source: Department of Transport and Local Government Fund

### Assessment bases

2.3 In 2014, motor tax was paid on 2.7 million vehicles at some point during the year.<sup>1</sup> That vehicle population primarily consists of private vehicles – 78% of the total (Figure 2.3). Commercial vehicles account for a further 13% of the vehicle population.

**Figure 2.3 Vehicle population and motor tax revenue by vehicle type, 2014**



Source: Office of the Comptroller and Auditor General

### Private vehicles

2.4 Private cars registered before July 2008 are assessed on the basis of engine size while cars first registered after July 2008 are assessed on the basis of engine CO<sub>2</sub> emissions.<sup>2</sup>

2.5 The aim of the move to an emissions basis was to encourage the use of cleaner, more fuel-efficient cars to help protect the environment and improve local air quality. The proportion of new private vehicles in the lowest emission band (Band A) has increased from 13% in 2009 to 72% in 2015.<sup>3</sup>

2.6 If the current trends continue, the value of motor tax receipts will fall by around €29 million each year until 2024 as older private vehicles — taxed on the basis of engine size — are replaced by newer vehicles taxed on the basis of emissions (see Figure 2.4).

1 The number of vehicles taxed at some point during 2014 was 2.7 million. Of these, 2.52 million vehicles were taxed at 31 December 2014.

2 Private jeeps that could be taxed as a commercial vehicle (EU Class N1) are still taxed on the basis of engine size.

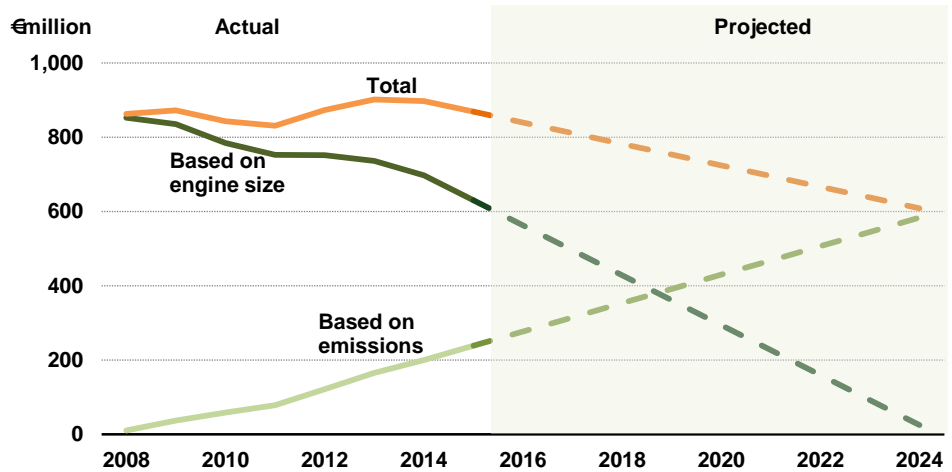
3 Central Statistics Office, Vehicle Licensing Statistics.



**Figure 2.4 Private vehicles by basis of assessment for motor tax**

	2014	
	Engine size based	Engine emissions based
Private vehicle population	1.44 million	0.67 million
Percentage of total vehicle population	53%	25%
Number of motor tax categories	22	12
Tax cost range (annual)	€199 - €1,809	€120 - €2,350
Average annual motor tax cost	€513	€293
Percentage of total motor tax revenue	64%	18%

**Projection of impact on revenue**



**Assumptions**

- the overall number of private vehicles on the road remains static from 2014
- the average motor tax paid remains at 2014 levels for both engine size and emissions bases
- only 2.5% of vehicles will be more than 15 years old in 2024 and the change in the interim will be equal each year.

Source: Office of the Comptroller and Auditor General

**Commercial vehicles**

1 The unladen weight of vehicles can only be certified at a weighbridge approved by a local authority.

2 Department of Finance, Summary of 2016 Budget Measures, Policy Changes

**2.7**

The motor tax assessment for commercial vehicles is based on unladen weight.<sup>1</sup> Budget 2016 reduced the motor tax for all heavy goods vehicles with an unladen weight in excess of 4,001 kilogrammes (kg). From 2016, there will be five bands with a highest rate of €900, significantly less than the €5,195 maximum rate under the previous structure. The Department of Finance estimate that this will reduce motor tax revenue by €43 million each year.<sup>2</sup>

- 2.8** In the case of articulated vehicles, the unladen weight is the weight of the tractor unit plus the weight of the heaviest semi-trailer to be used during the period of the licence. In October 2015, the Court of Appeal ruled that the weight of a semi-trailer should not be considered when assessing the weight of an articulated vehicle. From that time until amending legislation was passed in December 2015 all articulated vehicles were levied at the rate for a general haulage tractor (€333 per annum).<sup>1</sup> The Department of Local Government has stated that it will consider any future issues arising from the Court of Appeal ruling, in consultation with the Office of the Attorney General.
- 2.9** The qualification criteria for commercial vehicles of less than 3,001 kg were amended in March 2014. Many four-wheel drive vehicles now qualify for the commercial rate of €333 per annum while having rear seats and windows *in-situ*.<sup>2</sup> Vehicles availing of this rate must be used solely in the course of trade or business.

### ***Basis of assessment of other vehicles***

- 2.10** There were over 250,000 vehicles taxed during 2014 that were not classified as private vehicles or commercial vehicles (see Appendix B). Certain vehicles such as emergency vehicles, diplomatic vehicles and vehicles used by disabled drivers or passengers are exempt from motor tax.<sup>3</sup>

<sup>1</sup> Motor Vehicles (Duties and Licences) Act 2015.

<sup>2</sup> Where such vehicles are subsequently taxed as a private vehicle, they will be taxed on the basis of engine size rather than engine emissions.

<sup>3</sup> Owners of such vehicles are obliged to obtain and display a disc, but there is no charge for the disc.

### **Conclusions**

- 2.11** Motor tax revenue is likely to fall in future years as more efficient vehicles replace older vehicles taxed on the basis of engine size. For private vehicles, the move to low emission vehicles will lead to a projected reduction of 3.3% (€29 million) each year from 2015 to 2024. Changes introduced in Budget 2016 for commercial vehicles are projected to result in a downward adjustment in annual revenue estimated at €43 million. These projected adjustments may be offset by increasing vehicle volumes and/or by motor tax rate changes.

## 3 Motor Tax Collection Costs

- 3.1** Costs arise for the Department of Transport and local authorities when providing motor tax collection services.<sup>1</sup>
- 3.2** There is not a fixed relationship between funding provided to local authorities and the costs they incur providing motor tax services, or the motor tax they collect. Up to 2014, funding to local authorities to provide motor tax services was included in a general purpose grant.<sup>2</sup> From 2015, the general purpose grant has been replaced by an allocation from local property tax. The costs of the Department of Transport are recovered from the Local Government Fund.
- 3.3** The Department of Transport provides online motor tax services and local authorities operate motor tax offices. The examination sought to establish the costs incurred in collecting motor tax in 2014, by enquiry with the Department of Transport and by conducting a survey of each local authority.
- 3.4** The examination reviewed the responses of local authorities and is satisfied that aggregated costs are comparable between local authorities. However, local authorities allocate costs using different costing models, so costs on a category basis cannot be compared between local authorities.<sup>3</sup>

1 The Department of Local Government does not play a central role in the collection of motor tax.

2 The Local Government Fund provided general purpose grants to local authorities to help bridge the gap between their other income sources and the cost of the services they provide.

3 One local authority provided the value but not the categorisation of direct costs and four local authorities provided the value but not the categorisation of indirect costs.

### Total cost of providing motor tax services

- 3.5** Based on the information provided by the Department of Transport and the local authorities, the cost of providing motor tax services in 2014 is estimated at €49 million (Figure 3.1). The main costs are staff, payment processing fees and IT.

**Figure 3.1 Cost of administration of motor tax collection services in 2014**

Cost description	Motor tax offices	Online	Total
<b>Motor tax payment processing</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Staff <sup>a</sup>	8,202	1,955	10,157
Non-pay costs	10,939	13,323 <sup>b</sup>	24,262
<b>Total cost of processing payments</b>	<b>19,141</b>	<b>15,278</b>	<b>34,419</b>
<b>Number of payment transactions</b>	<b>1,884,000</b>	<b>3,069,000</b>	<b>4,953,000</b>
<b>Estimated average cost per payment transaction</b>	<b>€10</b>	<b>€5</b>	<b>€7</b>
<b>Other motor tax services</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Staff <sup>a</sup>	5,506	—	5,506
Non-pay costs	8,776	—	8,776
<b>Total cost of other motor tax services</b>	<b>14,282</b>	<b>—</b>	<b>14,282</b>
<b>Total cost of motor tax services</b>	<b>33,423</b>	<b>15,278</b>	<b>48,701</b>

Source: The Department of Transport and a survey of local authorities and analysis of results by the Office of the Comptroller and Auditor General and the Local Government Audit Service.

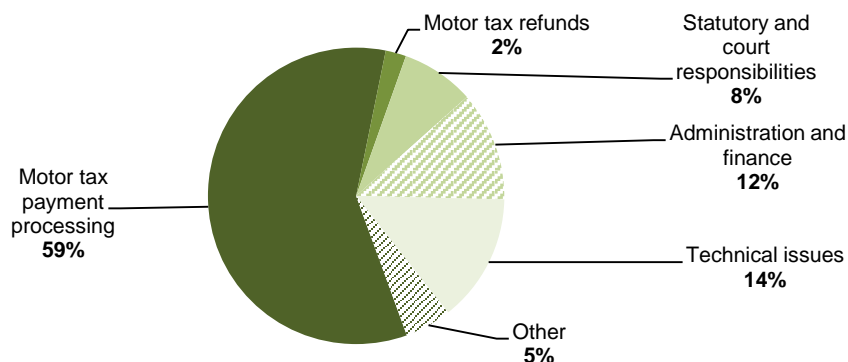
Note: a Staff cost was calculated using the number of staff at each grade and the mid-point of the salary scale of that grade for the 49 full-time equivalent staff in the Department of Transport and the 402 full-time equivalent staff in local authorities. Staff salary cost in the Department of Transport has been increased by 25% to reflect overhead costs, in line with guidance in the Public Spending Code.

b This is a net cost after exclusion of €2 million which is recouped from the Road Safety Authority.

- 3.6** For each local authority, costs were apportioned between motor tax payment services and other services on the basis of the information on the allocation of staff time provided in the survey responses (see Figure 3.2).
- 3.7** The data compiled by this examination indicates that local authorities incur an average cost of around €10 for each motor tax payment they transact, while the Department of Transport incurs a cost of around €5 for its online payment transactions. Local authorities also incurred costs of €14.3 million for the provision of motor tax services other than payment services.

### Staffing

- 3.8** The Department of Transport and each local authority provided details of the full-time equivalent number and grade of staff providing motor tax services.
- 3.9** A range of services is provided by local authorities in addition to processing of motor tax applications and renewals (Figure 3.2). The processing of payment applications accounts for almost 60% of motor tax office staff time.

**Figure 3.2 Staff time allocation in motor tax offices in local authorities<sup>a</sup>**

Source: Survey of local authorities and analysis of results by Office of the Comptroller and Auditor General and Local Government Audit Service.

Note a Three local authorities that did not provide a breakdown of staff time allocation for each category are not included in the above analysis, but the impact of their exclusion is immaterial.

### **Non-pay costs**

- 3.10** Non-pay costs incurred by local authorities may be allocated to business units as a directly attributable cost or indirectly allocated as part of a central management charge. Direct non-pay costs typically include accommodation, postage, cash and electronic payment processing fees. Indirect non-pay costs typically include building maintenance costs, pension costs of former staff, corporate affairs and human resources.
- 3.11** For the Department of Transport, non-pay costs include National Vehicle and Driver File (NVDF) and other IT infrastructure costs, postage and payment management costs. The cost to the Department of Transport of providing the IT infrastructure for local authorities to conduct NVDF transactions has not been re-allocated to local authorities.

#### *Accommodation*

- 3.12** Motor tax offices may be accommodated in buildings owned or rented by the local authority. Eight local authorities rented nine premises. This examination did not compile imputed rental costs for the 41 buildings which are owned by local authorities or the Department of Transport. To enable the comparison of costs incurred by local authorities, no accommodation costs have been included in this analysis.
- 3.13** Maintenance and energy costs of €1.85 million incurred by local authorities are included in the analysis.

#### *Postage*

- 3.14** All local authorities provide motor tax discs over the counter to customers who attend a motor tax office and send discs by post to those who submit postal applications. In contrast, all tax discs for online tax renewals are issued by post. In 2014, postage costs for motor tax services were €4.1 million for the Department of Transport and €0.93 million for local authorities.

- 3.15** A Personal Identification Number (PIN) is required to renew motor tax online. In 2013, the Department of Transport commenced sending this PIN by email to customers who enrolled for this electronic service when their vehicle was previously taxed online, rather than by post as was previously the case. The Department of Transport stated that 60% of renewals are now issued by email, resulting in estimated savings of almost €1.5 million per annum in postage costs.

#### *New technology*

- 3.16** Other jurisdictions, including the UK since October 2014, have removed the requirement to display a motor tax disc. The UK now relies on an automatic number plate recognition (ANPR) system to detect untaxed vehicles. Fixed and mobile cameras, including cameras attached to police vehicles, are linked to the current database of taxed vehicles.
- 3.17** Potential savings in administration costs arising from a change in technology must be balanced with the risk that tax evasion will increase without the infrastructure necessary to support enforcement. In the UK, the Driver and Vehicle Licensing Agency (DVLA) recorded an increase in tax evasion from 0.6% to 1.4% in the two years to June 2015, after the removal of the requirement to display a disc. The use of ANPR in Ireland is more limited than the UK, with An Garda Síochána reporting that ANPR roll-out was complete in 2010, with 100 operational units.<sup>1</sup>

#### *Payment management and fees*

- 3.18** The cost of providing debit and credit card services is significant for both local authorities and the Department of Transport. This cost is not recovered from customers. Following a procurement procedure in early 2011, the current debit and credit card service provider was appointed to deliver transaction services across the public sector, including motor tax, local property tax, non-principal private residence payments and electronic payments to local authorities.
- 3.19** The cost to the Department of Transport in 2014 for debit and credit card payment services and banking fees was €4 million, which equates to €1.32 (0.6% of the average payment) for each payment processed.
- 3.20** In 2014, local authorities incurred credit and debit card transaction fees of €0.5 million and banking fees of €0.55 million.<sup>2</sup> In addition, an estimated €0.6 million was paid by local authorities for cash transport which was necessitated by the number of vehicle owners using cash to pay motor tax.<sup>3</sup> The total of these costs, €1.65 million, equates to €0.89 for each payment processed.

<sup>1</sup> The ANPR database identifies vehicles where motor tax is expired between three months and one year.

<sup>2</sup> Five local authorities did not detail the cost of banking fees.

<sup>3</sup> One local authority did not provide a cost for cash transportation services.

## Payment methods

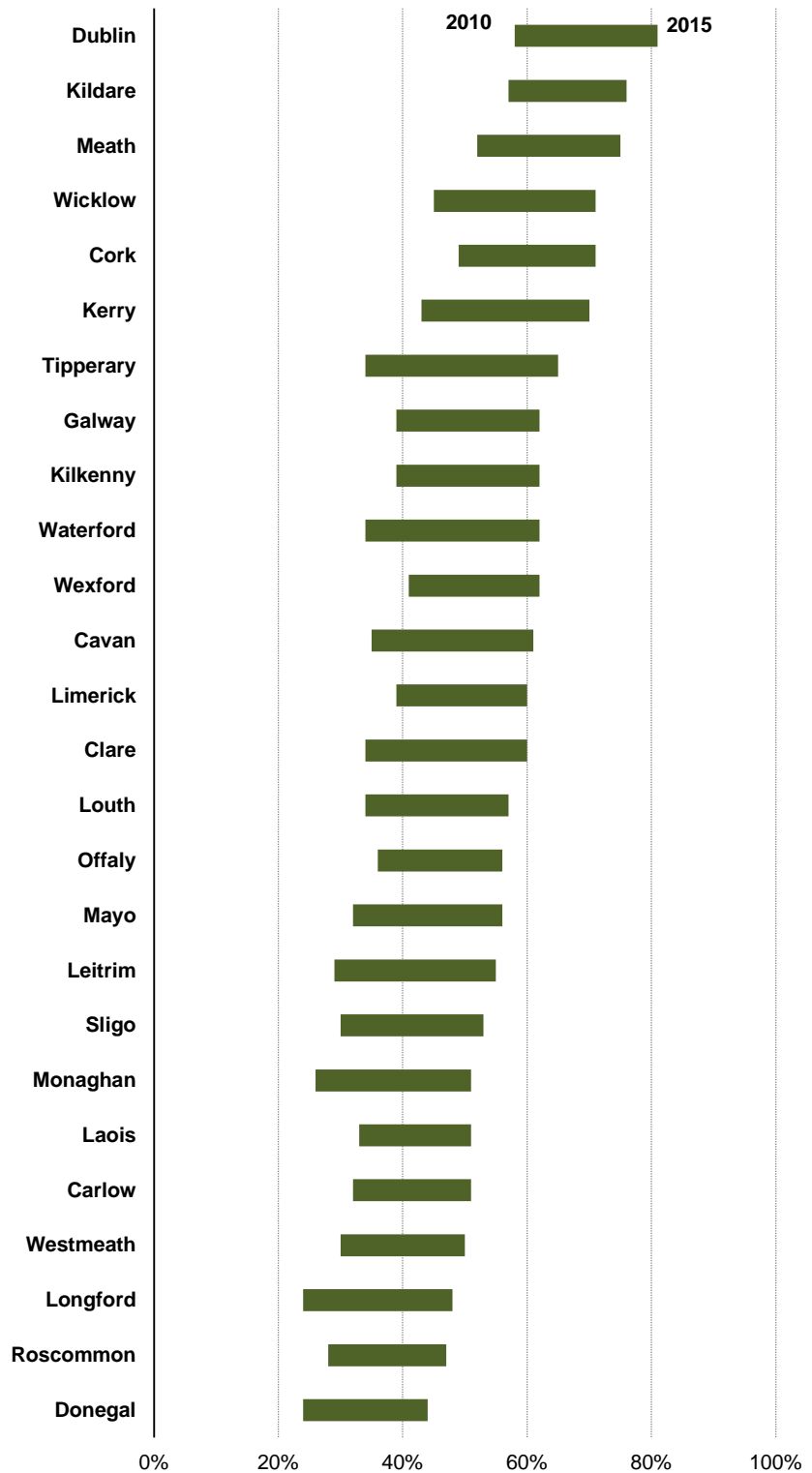
- 3.21** The Department of Transport stated that in the interest of simplicity and timely delivery, the online payment facility was initially confined to the least complex renewal transactions, with more complex motor tax categories subsequently introduced.
- 3.22** 98% of renewal transactions can now be conducted online. The Department of Transport stated that the remaining 2% of the vehicle fleet are complex to assimilate into the online service, but it continues to evaluate this possibility. In this regard, the Department is in the initial stages of developing an electronic interface with the National Transport Authority to exchange the necessary supporting evidence to enable small public service vehicles to be taxed online.
- 3.23** In 2015, there were just over five million payment transactions which represents a 13% increase since 2010.<sup>1</sup> Over the same period, the proportion of transactions that were conducted online increased steadily from 44% to 67%. If those trends continue, more than 80% of projected transactions in 2020 will be carried out online.

### *Geographical analysis of online transactions*

- 3.24** The use of online payments grew in each county in the period 2010 to 2015. However, the extent to which online payment is used still varies considerably between counties (see Figure 3.3). Dublin, Kildare and Meath have the highest online payment rates at over 75% in each case. Westmeath, Longford, Roscommon and Donegal have the lowest proportion of online payment at less than 50%.

<sup>1</sup> The number of motor tax transactions greatly exceeds the number of vehicles, as most vehicles can be taxed for a period of three, six or twelve months. Vehicles with an annual tax of €119 or less can only be taxed for a twelve month period.

**Figure 3.3 Change in rate of online motor tax payment, 2010 to 2015, by county**



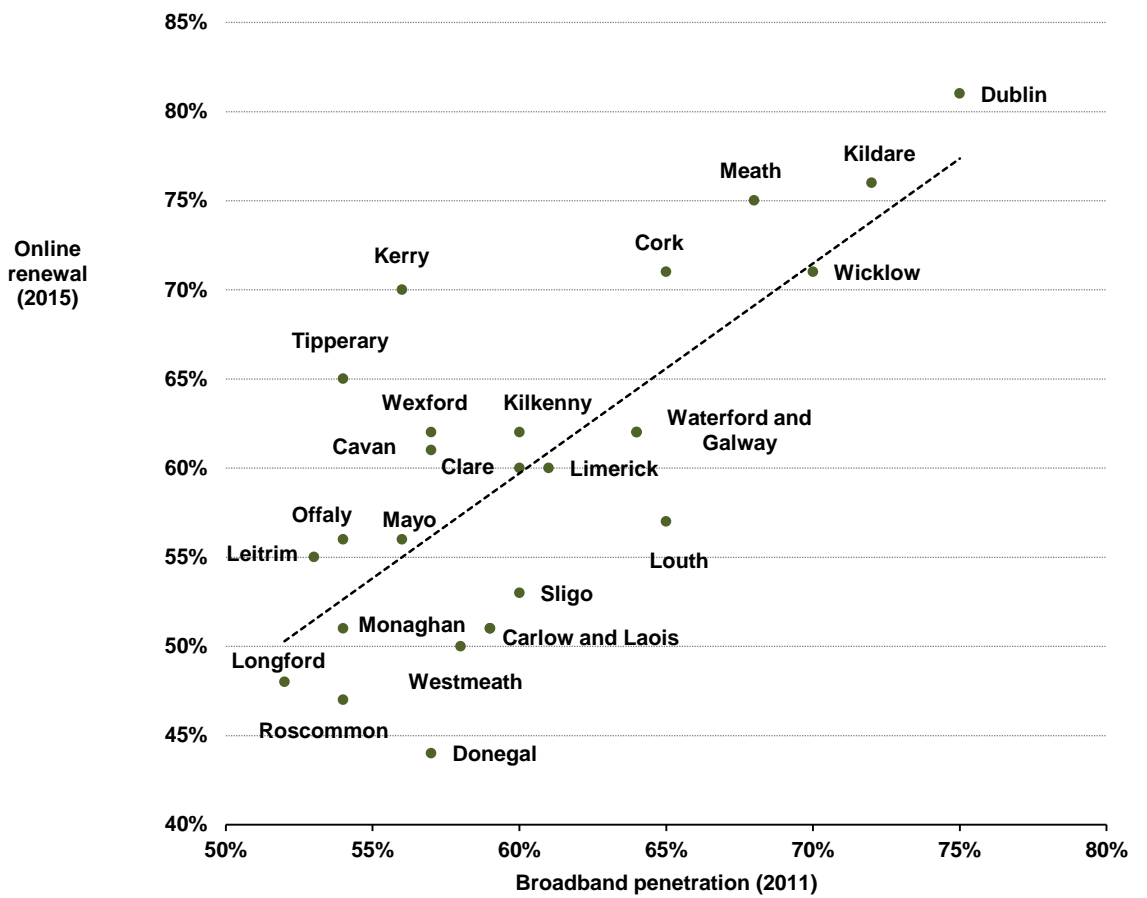
Source: Office of the Comptroller and Auditor General

Note: The online rate grew in each county. The left-hand edge of each bar represents the 2010 online rate and the right-hand edge represents the 2015 online rate.



- 3.25 One local authority has suggested that difficulties accessing broadband represent a barrier to greater use of online services. Figure 3.4 sets out the 2015 online payment rates against broadband penetration recorded in the 2011 census of population. This indicates that there is a correlation between broadband penetration and online payment of motor tax.
- 3.26 However, broadband penetration is only one of many potential factors that may influence online payment rates — Donegal, Mayo and Kerry display significantly different rates for online motor tax payment, despite having similar broadband penetration rates recorded in the census of 2011.

**Figure 3.4 Online motor tax payment rates and broadband penetration, by county**

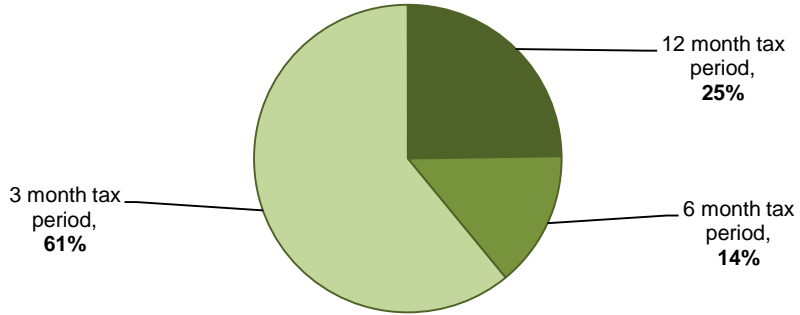


Source: Central Statistics Office and Department of Local Government — analysis by the Office of the Comptroller and Auditor General

*Frequency of payment by basis of assessment*

**3.27** Three-quarters of private vehicle tax transactions are for periods of less than twelve months.<sup>1</sup> The renewal period for transactions in 2014 is shown in Figure 3.5.

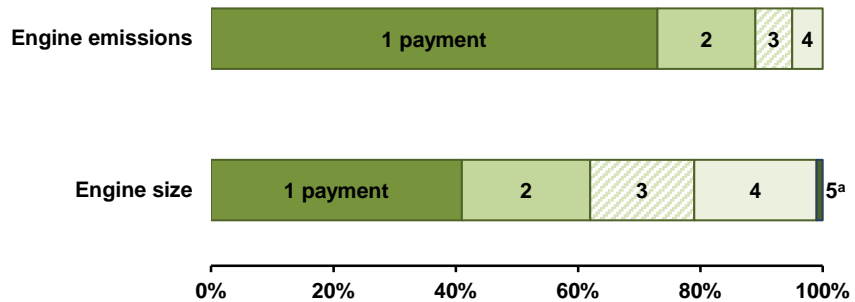
**Figure 3.5 Private vehicle transactions by duration of renewal, 2014**



Source: Analysis by the Office of the Comptroller and Auditor General

**3.28** Owners of private vehicles taxed on the basis of engine size — i.e. older vehicles — renew their motor tax more frequently (on average 2.2 times per year) than those taxed on the basis of emissions (on average 1.4 times per year), as shown in Figure 3.6.<sup>2</sup> The pattern of payments is similar for online and motor tax office payment channels. Taxing vehicles for shorter periods is more expensive for taxpayers, and results in higher processing costs for local authorities and the Department of Transport.

**Figure 3.6 Frequency of motor tax payments in 2014 for private vehicles**



Source: Office of the Comptroller and Auditor General

Note: a A vehicle owner may have made five payments during 2014 where motor tax is paid quarterly in early January 2014 (for January to March 2014) and in December 2014 (for January to March 2015).

<sup>1</sup> An additional charge of 10%-13% is applied for paying for quarterly or half-yearly periods. For all vehicle types, there is an additional cost for the payment of arrears, with the monthly rate based on one-tenth of the annual rate. Motor tax arrears must be paid before a vehicle can be taxed for the current period.

<sup>2</sup> This analysis excluded the payment of arrears and off-the-road declarations.

## Conclusions and recommendations

- 3.29** The overall cost of administering the motor tax system is not centrally compiled or reported. There is insufficient information available to accurately compare the costs of online and physical services. However, the data compiled by this examination suggest that the cost of processing a physical motor tax payment is around twice that of an online payment.
- 3.30** Certain services, including the provision of technical advice, vehicle inspection and payment of refunds of motor tax, are only provided by local authorities. Local authorities incur costs estimated at over €14 million (excluding accommodation) in providing such services.
- 3.31** Local authorities allocate the costs they incur using different models. To identify good practice and potential efficiencies between different entities providing the same service, a consistent approach to the allocation of costs is required.
- 3.32** The trend of falling revenue identified in Chapter 2, the significant move to online services and the potential for greater efficiencies using new technology represent significant threats to, and opportunities for, optimising the efficiency of motor tax collection.

### Recommendation 3.1

The Department of Local Government and the Department of Transport should establish the total cost of operating the motor tax system and the factors that influence that cost, in order to establish the relative efficiencies of alternative service provision models and to inform the planning of future service provision.

#### Response of the Accounting Officer, Department of Local Government

Agreed. The Department will work with the Department of Transport and the local authorities to ensure consistency in arriving at the full cost of running the motor tax service. The proposed timeline is one year.

#### Response of the Accounting Officer, Department of Transport

The Department of Transport is continually examining the potential for increasing value for money and achieving better quality and more efficient services in the provision of motor tax services, such as electronic tax renewal notification.

- 3.33** Three-quarters of private vehicle motor tax transactions are for less than one year and owners of older vehicles taxed on the basis of engine size are more likely to tax their vehicle for shorter periods. To date, there has been no analysis of the reasons customers choose to renew tax for periods of less than twelve months.

### Recommendation 3.2

The Department of Local Government and the Department of Transport should analyse the factors influencing taxpayer behaviour, to inform the planning of the provision of services in future years, online and in motor tax offices.

**Response of the Accounting Officer, Department of Local Government**

Agreed. The Department will work with the Department of Transport and the local authorities to analyse transaction patterns and transaction levels. An initial analysis of current factors will be completed within one year. After this initial analysis, the position may require some ongoing review, as other factors, such as rate changes, may impact on taxing patterns.

**Response of the Accounting Officer, Department of Transport**

The recommendation is noted and will be factored into the framing of future value for money and policy reviews.

- 3.34** The facility to pay motor tax online was used for two-thirds of all transactions in 2015 and online usage is increasing each year. However, there has been no analysis of the factors influencing the decision of a customer to use either online or physical payment methods.

**Recommendation 3.3**

The Department of Local Government and the Department of Transport should establish the factors influencing the decision of a customer to use online or physical payment methods to identify barriers to increasing the efficiency of the motor tax collection system.

**Response of the Accounting Officer, Department of Local Government**

Agreed. The Department will work with the Department of Transport and the local authorities on the possibility of carrying out a survey of applicants presenting in person to tax their vehicles and on those using the online service. The proposed timeline is nine months, subject to the agreement of local authorities.

On 1 March 2016, Dublin City Council conducted an analysis of transactions by callers to its office and found that 73% of callers could have availed of the online option. While applicants were not asked why they did not use online facilities, indications are that some applicants did not have access to the online system, some wished to pay in cash and some wanted immediate possession of the disc.

**Response of the Accounting Officer, Department of Transport**

The recommendation is noted and will be factored into the framing of future value for money and policy reviews. My Department is in the initial stages of upgrading our online environments, including making the online motor tax site more mobile-friendly. This will entail optimising the site for smartphone display, and will improve the user experience, engage users with mobile specific features, improved brand identity and enabling access to the site anywhere, anytime.

Most of the costs incurred by my Department in operating the motor tax system lie with maintaining the NVDF system, postage and banking. Paradoxically, an increased uptake in online taxing of vehicles leads to an increased cost to the Department of Transport, as the cost of providing credit and debit card services are not passed on to the customer.

- 3.35** The adoption of IT solutions may increase the efficiency of motor tax collection. For example, the Department of Transport can reduce postage costs where it supplies a customer PIN by email. Other states have moved away from requiring the display of discs. However, such systems require investment in technology to enable enforcement.

**Recommendation 3.4**

The Department of Local Government and the Department of Transport should evaluate the potential for IT solutions to reduce the cost of operating the motor tax system.

**Response of the Accounting Officer, Department of Local Government**

Agreed. The Department, with the Department of Transport, will analyse the potential for further efficiencies using IT solutions. The timeline will be determined in conjunction with the Department of Transport, which is responsible for maintenance and development of the National Vehicle and Driver File.

**Response of the Accounting Officer, Department of Transport**

The Department will evaluate the potential for IT solutions to further reduce the cost of operating the motor tax system. Solutions, such as online change of ownership for private to private sales, are currently being examined with a view to reducing the need for manual inputting of data.



## 4 Motor Tax Controls

- 4.1** The key objective of the motor tax system is to collect the full amount of tax due. This involves identifying and dealing with those who do not pay motor tax due or who pay at a lower rate than that due. Dealing effectively with non-compliance not only maximises revenue for the State but also ensures public confidence in the motor tax system. Issues in relation to compliance identified during this examination are considered in this chapter.
- 4.2** A previous report set out the results of an analysis by the Department of Transport of traffic on the M50 on four days in 2010 and 2011.<sup>1</sup> That analysis indicated a motor tax evasion rate of 5%. The Department of Transport indicated that this analysis has not been repeated due to data protection concerns. There is no current data available on motor tax compliance rates in Ireland. However, the Department of Transport has noted that planned data sharing legislation may provide for this type of analysis to be conducted.

### Owner identification data

- 4.3** The name and address of each vehicle owner is stored on the National Vehicle and Driver File (NVDF). In order to register or tax a vehicle, the following is required
- the name of the vehicle owner
  - the address of the vehicle owner
  - details of current insurance cover.
- 4.4** The vehicle owner is the person liable for motor tax. Therefore, the accuracy of the data on the NVDF is a key element of the motor tax collection system. That data is also essential for the enforcement of road traffic offences as well as vehicle safety recalls, national car tests and barrier-free tolling.
- 4.5** Proof of identity is frequently required to interact with public services.<sup>2</sup> For many purposes, evidence of identity includes a passport or a driver's licence. A utility statement or a financial statement is accepted as proof of address. The production of a public services card by an applicant reduces the need for him/her to provide documents to establish his/her identity at each new interaction with State services.<sup>3</sup>
- 4.6** The examination found that documentation to support the NVDF data is generally not required when registering or taxing a vehicle and there was little or no validation of the data provided (Figure 4.1).

1 Report on the Accounts of the Public Services 2011, Chapter 26 Collection of Motor Tax.

2 Before issuing a public services card, the Department of Social Protection authenticates identity in a Standard Authentication Framework Environment (SAFE), to SAFE 2 level. SAFE Level 0 provides no assurance of identity. SAFE 1 indicates that on the balance of probabilities the person is who they say they are. SAFE 2 provides substantial assurance of identity. SAFE 3 requires a fingerprint or other biometric marker and provides proof of identity beyond reasonable doubt.

3 For example, since 29 March 2016, a public services card is required to obtain a passport for most first-time passport applicants aged 18 years or over.

**Figure 4.1 Validation of owner identification data**

	Motor tax offices	Online
Validation of name of vehicle owner	●	●
Validation of address of vehicle owner	●	●
Validation of current vehicle insurance	●	●

**Key**

● Material control issue    ● Significant control issue    ● Reasonable control assurance

Source: Analysis by the Office of the Comptroller and Auditor General

*Name of vehicle owner*

**4.7** No proof of identification is required to register a vehicle, reducing assurance that the vehicle owner name is properly recorded. When tax is renewed online, no evidence is required that the owner name is correctly recorded. Some assurance that the NVDF records the name correctly may be obtained when motor tax is renewed in a motor tax office and insurance documents stating the name of the policy holder are produced.<sup>1</sup>

*Registered address*

**4.8** After a vehicle has been registered to a new owner, the vehicle registration certificate is posted to the new owner. Where motor tax is renewed online, the motor tax disc is posted to the registered address, providing some assurance that the vehicle owner is connected to the address recorded on the NVDF.

**4.9** Motor tax can also be renewed at local motor tax offices. The name and address of the applicant and the vehicle insurance details must be declared. Some assurance that the NVDF records the address correctly is obtained when motor tax is renewed in a motor tax office and insurance details stating the address of the policy proposer are produced, though that assurance is limited as insurance particulars may be up to one year old.

**4.10** In a survey conducted by the examination team, all local authorities indicated that they provide the new tax disc to all customers who present at the counter, rather than posting out the disc. This practice reduces assurance that the recorded vehicle owner address is current.

*Insurance details*

**4.11** Online motor tax applications require the current insurance policy number for that vehicle to be input. However, the policy number entered is not validated to confirm that it is a current, valid policy number. This creates a risk that online applicants can bypass this control measure. The Department of Transport have noted that details stored on the NVDF are transmitted bi-weekly to An Garda Síochána for use on the PULSE system. The verification of insurance for all motor tax transactions requires the creation of a national insurance database by the insurance industry.

**4.12** Motor tax renewal applications presented at a motor tax office may be required to produce a current insurance certificate, though anecdotal evidence suggests that evidence of insurance is rarely sought in some local authorities.

<sup>1</sup> A vehicle owner must provide evidence that the vehicle is insured. Assurance in relation to owner information data will only be gained where the vehicle owner is the insurance policy holder.



**Motor tax exemptions**

**4.13** No motor tax is payable when a vehicle is declared by its owner to be ‘off-the-road’. Arrears of tax are not payable where there is a change of ownership and the arrears relate to previous owners. The examination reviewed recent trends under both exemption processes.

***Off-the-road declarations***

**4.14** Prior to October 2013, a retrospective off-the-road declaration, witnessed by a member of An Garda Síochána, could be made if the vehicle had not been in use in a public place. In 2011, there were almost 600,000 such declarations. There was no charge for making the declaration.

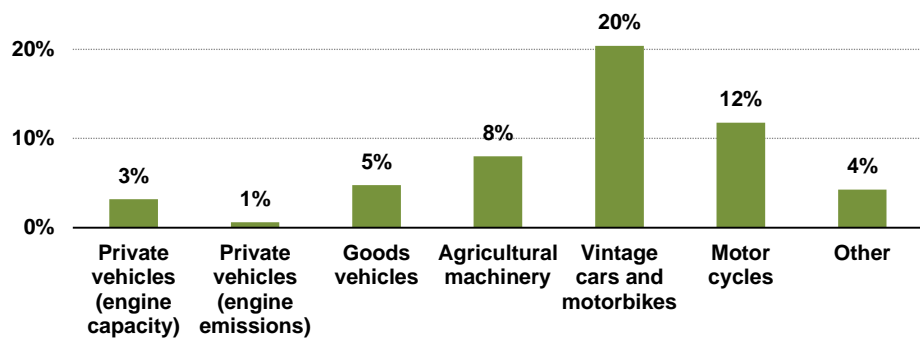
**4.15** Legislation that came into effect in October 2013 now requires a declaration to be made in advance that a vehicle will not be used on public roads.<sup>1</sup>

**4.16** The minimum off-the-road declaration period is three months and the maximum period is one year. Where motor tax is in arrears at the date of declaration, those arrears and at least three months tax must be paid before the off-the-road declaration takes effect. There is no requirement for the declaration to be witnessed by a member of An Garda Síochána and there is no charge for making the declaration.

**4.17** A vehicle owner may, at any time after the declaration has been made, reverse the declaration and pay motor tax from the beginning of the month that the declaration is reversed.

**4.18** In 2014, there were 104,000 declarations made, in relation to 95,500 vehicles. The category of vehicle for which the declarations were made is shown in Figure 4.2.

**Figure 4.2 Proportion of each vehicle category declared off-the-road, 2014**



<sup>1</sup> Non-Use of Motor Vehicles Act 2013.

Source: Office of the Comptroller and Auditor General

**Change of vehicle ownership**

- 4.19 In 2011, there were 173,000 exemptions from motor tax arrears arising from a change of ownership. In 2015, there were 272,000 exemptions — an increase of 57%.
- 4.20 In the 15 month period to March 2015, there were 662,000 registered changes of ownership. Of these, 116,000 (relating to 34,000 vehicles) involved three or more changes of ownership of an individual vehicle (Figure 4.3). This is a 50% increase in such transfers compared to the 15 month period to March 2012.

**Figure 4.3 Multiple ownership transfer, 15 month periods to March 2012 and to March 2015<sup>a</sup>**

Total times ownership transferred in the period	15 months to March 2012	15 months to March 2015
	Number of vehicles	
3	17,119	24,813
4	4,338	7,036
5	1,142	1,853
6	275	548
7	75	128
8	17	27
9	7	5
10	1	1

Source: Office of the Comptroller and Auditor General

Note: a Vehicle ownership transfers to a garage or other member of the motor trade were excluded from the analysis as short ownership periods may occur in the normal course of trade.

- 4.21 The exemption of motor tax arrears following a change in ownership is an administrative arrangement.<sup>1</sup> The rise in frequent vehicle ownership changes is not, of itself, an issue but it may indicate the development of certain practices by some vehicle owners.
- 4.22 The examination reviewed records relating to a sample of fifty cases where the vehicle ownership transferred three times or more in the period January 2014 to March 2015. The examination found that in 37 (or 74%) of the 50 cases, the vehicle was not taxed for some or all of that period, and in 28 cases (or 56%) there was evidence of a potential connection between owners (Figure 4.4).<sup>2</sup> A summary of the transfers for four of the cases examined is shown in Figure 4.5.

**Figure 4.4 Examination of sample of multiple vehicle transfers, January 2014 to March 2015**

Number of vehicle records examined	50
Evidence of a potential connection between the owners <sup>a</sup>	28
<ul style="list-style-type: none"> <li>• The same person owning the vehicle on more than one occasion</li> </ul>	17
<ul style="list-style-type: none"> <li>• The vehicle being transferred to a person with the same surname</li> </ul>	14
<ul style="list-style-type: none"> <li>• The vehicle being transferred to a person who lived at the same or an adjacent address</li> </ul>	22

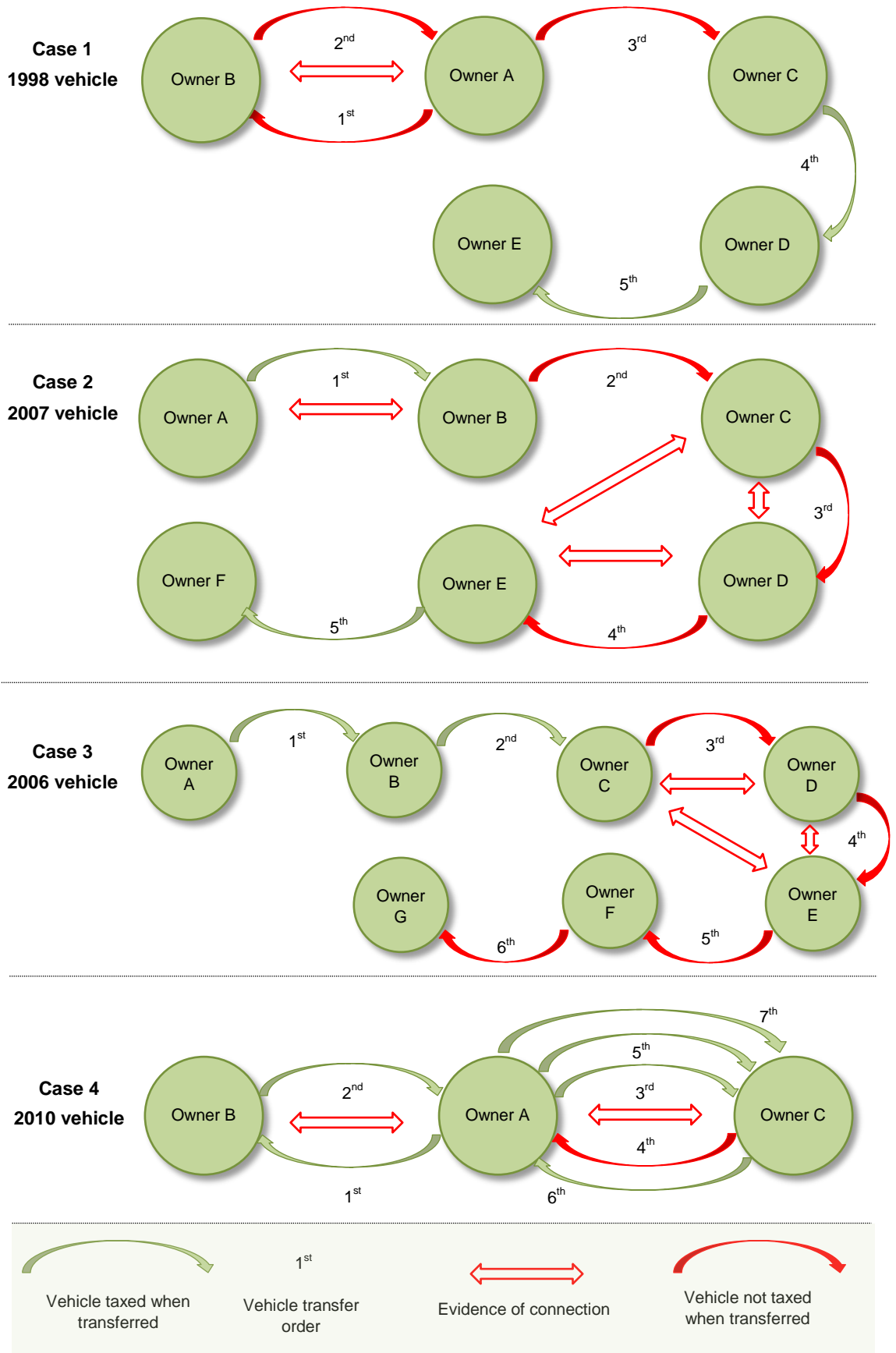
Source: Office of the Comptroller and Auditor General

Note: a Some transfers showed more than one indication of a connection between owners.

1 There are no provisions for this exemption in legislation underpinning the collection of motor tax arrears.

2 Results of the case analysis is shown in Appendix C.

Figure 4.5 Vehicle transfer where owners connected, January 2014 to March 2015



Source: Analysis by the Office of the Comptroller and Auditor General

- 4.23** The examination found evidence that in some cases vehicle ownership could have been transferred between connected parties to avoid the payment of motor tax arrears (cases 1, 2 and 3 in Figure 4.5). In case 4, the pattern of transfers appears unusual but does not seem to have been for the purposes of evading motor tax. Further details of these four cases are set out in Appendix D.
- 4.24** The Department of Local Government stated that while the above desktop exercise would identify unusually high levels of transfer of vehicle ownership that might suggest motor tax evasion, it would not identify certain other types of evasion, such as where a vehicle is being driven while declared off the road, or where the vehicle has been notified as scrapped but remains on the road.

### **Recent developments**

- 4.25** A Criminal Justice Working Group was established in March 2014 to oversee and facilitate the implementation of the recommendations of a report of the Garda Síochána Inspectorate on the fixed charge processing system.<sup>1</sup>
- 4.26** A specific area of Criminal Justice Working Group concern is the ability of drivers to escape allocation of penalty points because it is not always possible to identify the correct licence details to which the points should be assigned. Around 5% of penalty point offences (predominantly four-point and five-point offences) have not been allocated to a licence, principally following conviction in the courts.
- 4.27** Proposed remedial measures focus in the near-term on the production of driving licences in court. In the longer term, the Criminal Justice Working Group propose integrating vehicle and driver records on the NVDF, creating a Master Licence Record. The capture of associated data will occur in the course of processing motor tax and change of vehicle ownership transactions. Legislation may be necessary to cover the use of driver information collected in the context of motor tax transactions.

### **Conclusions and recommendations**

- 4.28** The level of compliance with motor tax regulations in Ireland is not formally monitored and the impact of changes to regulations governing off-the-road declarations cannot be ascertained. Information on the level of compliance with motor tax regulations is necessary to evaluate the effectiveness of regulations and may inform the approach to enforcement of those regulations.

#### **Recommendation 4.1**

The Department of Local Government should evaluate methods of assessing motor tax compliance rates in Ireland and commence regular periodic monitoring of the rate of compliance with motor tax regulations.

#### **Response of the Accounting Officer, Department of Local Government**

Agreed. The Department will evaluate methods to assess evasion within a period of one year. The most efficient method of monitoring evasion is the capture and analysis of data from available static sources, such as at toll points or from traffic safety cameras, but this requires concerns around data protection to be resolved.

<sup>1</sup> The Criminal Justice Working Group comprises the Department of Justice and Equality, the Department of Transport, Tourism and Sport, the Road Safety Authority, An Garda Síochána, the Courts Service, the Department of Housing, Planning, Community and Local Government, the Director of Public Prosecutions and the Revenue Commissioners.

- 4.29** Owner identity and address information is submitted when registering and taxing a motor vehicle and is used for the enforcement of road traffic offences and barrier-free tolling, and for safety purposes such as advising of vehicle recalls and national car test appointments. However, there is limited validation of the information provided by vehicle owners.

#### **Recommendation 4.2**

The Department of Local Government and Department of Transport should enhance the validation of owner identifying data stored on the NVDF to ensure that the data quality is fit for the purposes it is intended to serve.

#### **Response of the Accounting Officer, Department of Local Government**

Agreed. The Department will work with the Department of Transport and the local authorities to examine methods to further improve owner identity verification. The aim of the Master Licence Record project is to have an owner's driving licence number associated with a vehicle over the life of the vehicle, with data being validated at certain stages, such as on change of ownership and on taxing. The changes will require underpinning in primary legislation. Timelines will be determined by the Department of Transport as the project developers.

Validation of an owner's address could be enhanced by ceasing the practice of handing out motor tax discs at the counter. However, any such move would require a significant shift in customer expectations.

#### **Response of the Accounting Officer, Department of Transport**

The relatively small number of returned non-deliveries of motor tax renewals issued each month support a high confidence level that the records are accurate and fit for purpose. The Department, working as part of the Criminal Justice Working Group, has started a programme of work (Master Licence Record) to investigate and improve efficiencies in the driver and vehicle areas including the change of ownership process.

- 4.30** The analysis of NVDF data identified transactions that may indicate motor tax evasion. The analysis also identified other anomalous transactions that warrant further investigation but do not appear to be for the purposes of motor tax evasion. Weaknesses in validation of ownership data may be a factor in facilitating such transfers.

### **Recommendation 4.3**

The Department of Transport should instigate a process of regular NVDF data analysis to inform the development of motor tax policy and the enforcement of motor tax regulations. Unusual patterns of transactions should be identified and investigated.

#### **Response of the Accounting Officer, Department of Transport**

The Department as part of its Master Licence Record project will be investigating the process and procedures for registration of vehicle ownership. The project objectives in relation to enforcement of motor tax regulations are

- To make obligations to notify change of ownership of vehicles in a timely fashion integral to any new system with failure to comply resulting in continuing vehicle liabilities remaining with the owner. It will deliver an opportunity to put in place measures to collect arrears of motor tax from previous owners, which will need to be underpinned by legislation to ensure collection.
- To investigate arrangements for access to road-toll and other automated camera systems to assist with enforcement including motor tax evasion.

A detailed re-evaluation of policy opportunities is envisioned to take place after the project is completed.

The Department has investigated opportunities for the use of 'big data' and heuristic analysis in relation to motor tax trends and analysis. A high level scope was outlined for future investigation, but due to the substantial cost impact of such an analysis exercise, the project would have to be prioritised and funded outside of the current NVDF operational budget.

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## **Appendices**

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## Appendix A Motor tax services provided online and in motor tax offices

**Figure A1 Motor tax services provided online and in motor tax offices**

Service	Online	Motor tax offices
<b>Declarations and registration</b>		
Registration of a change of vehicle ownership by a private individual	✘	✔ <sup>a</sup>
Registration of a change of vehicle ownership by a member of the trade	✔	✔
Declare a change of vehicle particulars	✘	✔
Declare that a vehicle will be off-the-road	✔	✔
<b>Payment and tax discs</b>		
Pay motor tax for a private vehicle	✔	✔
First instance of taxing a commercial vehicle	✘	✔
Subsequent instances of taxing a commercial vehicle	✔	✔
Taxing a public service vehicle	✘	✔
Pay motor tax arrears	✔	✔
Obtain a refund of motor tax	✘	✔
Obtain a replacement motor tax disc	✘	✔

Source: Analysis by the Office of the Comptroller and Auditor General

Note: a Change of vehicle ownership can also be registered by posting the Vehicle Registration Certificate to the Department of Transport in Shannon.

## Appendix B Annual tax rate and number of vehicles, other than private and commercial vehicles, in 2014

**Figure B1 Classification by annual tax rate and the number of vehicles taxed during 2014**

Classification	Annual tax rate €	Number of vehicles	% of overall vehicle population
Agricultural tractor or excavator	102	90,796	3.4
Vintage or veteran car or motorbike	26-56	44,227	1.6
Standard motorcycles	35-88	36,179	1.3
Exempt vehicles	0	27,607	1.0
Taxi and hackney vehicles	95	21,165	0.8
Large public service vehicles, school buses and youth and community buses	95-403	10,537	0.4
Motor caravan	102	9,876	0.4
Mobile machinery or workshop or recovery vehicle	333	5,686	0.2
Forklift and dumper vehicles	102	2,658	0.1
Island vehicles	102	1,000	<0.1
Hearse	102	906	<0.1
General haulage tractor	333	814	<0.1
Electrical vehicles- goods, private car and motorcycle and pedestrian controlled vehicle	88-120	224	<0.1
Off-road dumper	885	36	<0.1
<b>Total</b>		<b>251,711</b>	<b>9.3</b>

Source: Department of Housing, Planning and Local Government

## Appendix C Analysis of a sample of vehicles with frequent ownership transfer

Figure C.1 Analysis of a sample of vehicles with frequent ownership transfer, January 2014 to March 2015

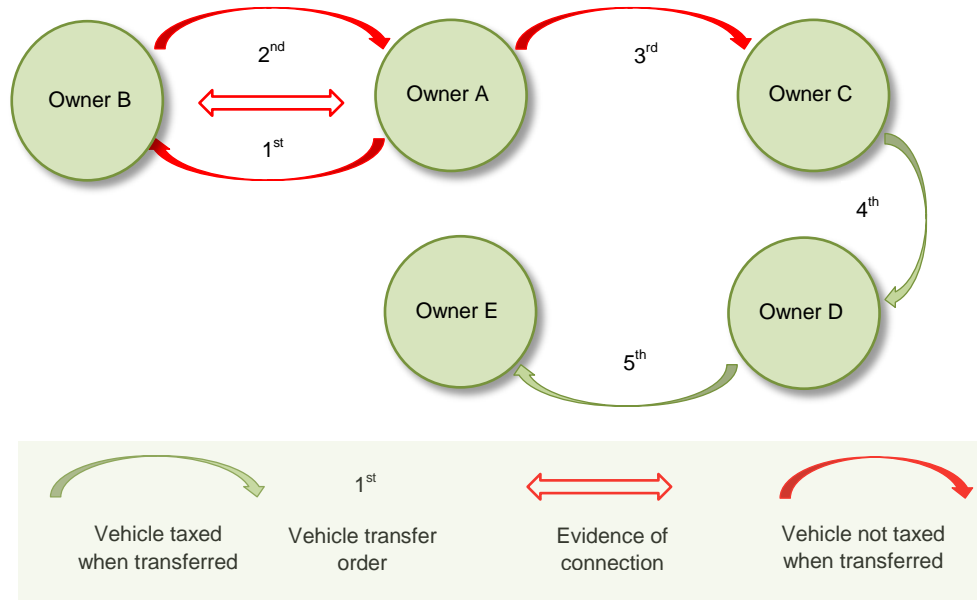
Number of owners in the period	Number of vehicles reviewed	Assessment of connection between owners			Number of vehicles where tax exempted due to a change of ownership	Number of vehicles where tax set aside during connected ownership	Value of tax forgone where owners connected €
		Same owner on more than one occasion	Transfer to a person with same surname	Transfer to the same/ adjacent address			
4	10	2	1	2	6	3	564
5	10	3	2	3	7	2	396
6	10	3	5	6	8	6	1,703
7	4	3	1	2	4	3	382
8	5	3	2	3	4	4	932
9	5	2	0	2	5	2	567
10	5	1	2	3	3	2	144
11	1	0	1	1	0	0	0
<b>Total</b>	<b>50</b>	<b>17</b>	<b>14</b>	<b>22</b>	<b>37</b>	<b>22</b>	<b>€4,688</b>

Source: Analysis of NVDF data by the Office of the Comptroller and Auditor General

### Appendix D Case studies of registered transfers of ownership of vehicles, January 2014 to March 2015

#### Case 1

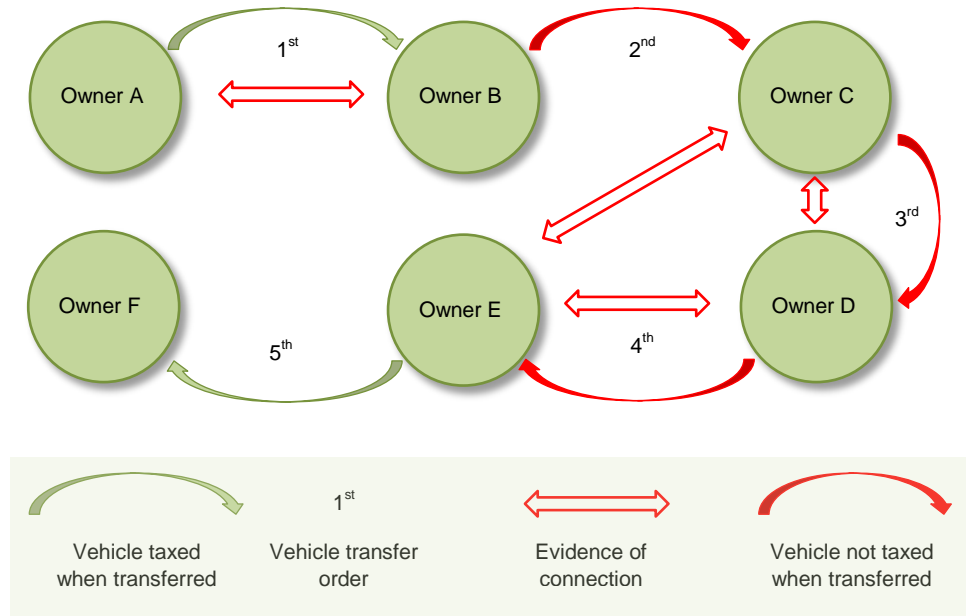
#### 1998 vehicle



The Case 1 vehicle transferred ownership five times between January 2014 and March 2015. Owner A and B had the same surname and lived at the same address.

- The vehicle was registered to Owner A and taxed to the end of January 2014.
- In April 2014, the vehicle was registered to Owner B.
- In May 2014, the vehicle was registered to Owner A, who availed of the previous owner exemption from tax for the period February to April 2014. The vehicle was then taxed for three months.
- Owner A sold the vehicle to Owner C in October 2014. Owner C availed of the previous owner exemption from tax for the period August to September 2014. There is no evidence of a connection between Owner A and Owner C, but they live 2km apart in a rural area and so may know each other.
- The vehicle was taxed when sold to Owner D in January 2015 and was taxed when sold to Owner E in March 2015.

In the case of the vehicle above, tax for the periods exempted is €214.

**Case 2****2007 vehicle**

The Case 2 vehicle transferred ownership five times between January 2014 and March 2015. Owner A and B have the same surname and lived at the same address. Owners C, D and E have the same surname. Owners D and E have the same address.

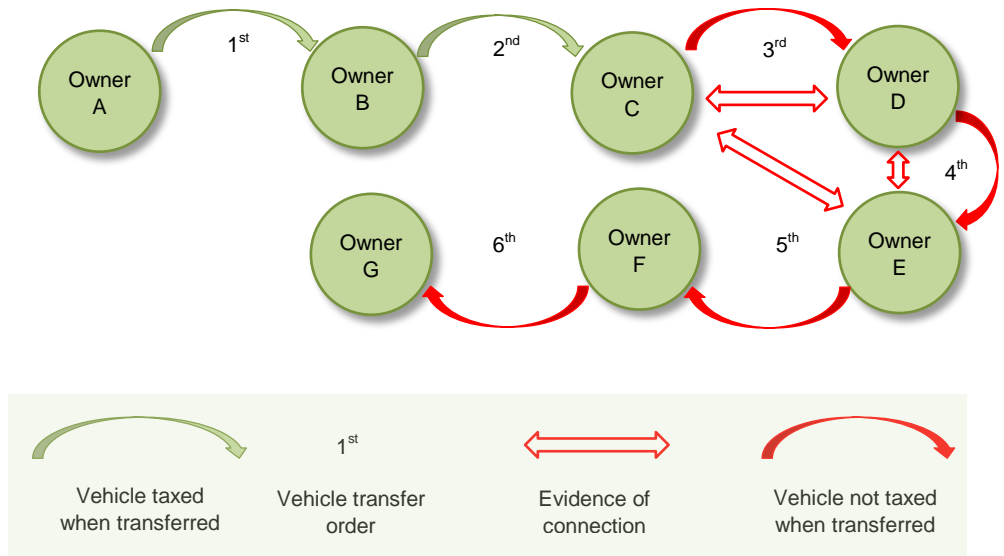
- The vehicle was registered to Owner A and taxed to the end of January 2014.
- In January 2014, the vehicle was registered to Owner B.
- In May 2014, the vehicle was registered to Owner C. The vehicle was registered to owner D on the same date.<sup>1</sup>
- In September 2014, the vehicle was registered to Owner E, who availed of the previous owner exemption from tax for the period February to August 2014. Owner E taxed the vehicle for three months and sold the vehicle later that month to Owner F.

<sup>1</sup> There was a five week period between the registered date of transfer and the date the NVDF was informed of the transfer.

The value of tax exempted due to changes of ownership, between May 2014 when Owner C registered the vehicle and August 2014 when Owner E registered the vehicle, was €224.

**Case 3**

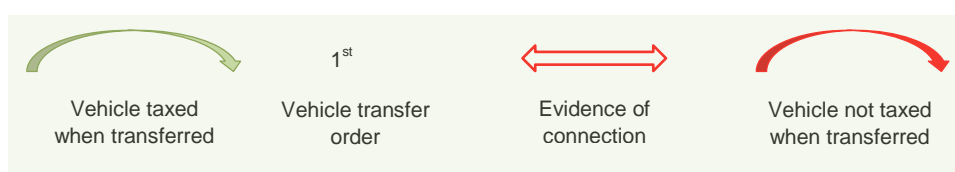
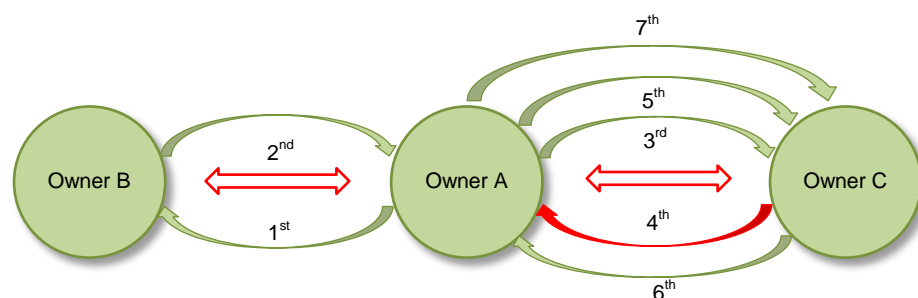
**2006 vehicle**



The vehicle in Case 3 transferred ownership six times between January 2014 and March 2015. Owners C, D and E have adjacent addresses (they live on the same street). Owners C and E have the same name and the registered addresses are next door to each other. Weaknesses in the validation of owner address give rise to the risk that Owners C and E are the same person.

- The vehicle was registered to Owner A to February 2014 and taxed to March 2014.
- In February 2014, the vehicle was registered to Owner B and in March 2014 registered to Owner C.
- The vehicle was registered to Owner D in July 2014 and registered to Owner E in September 2014. Owner E availed of the previous owner exemption from tax for the period from April to August 2014 and taxed until February 2015.
- The vehicle was registered to Owner F in September 2014. The vehicle was sold to Owner G in March 2015. There is no evidence of a connection between Owners E, F and G.

The value of tax exempted due to changes of ownership, between April and August 2014 is €296.

**Case 4****2010 vehicle**

The vehicle in Case 4 transferred seven times between January 2014 and March 2015. Owners A, B and C had the same surname. The examination concluded that Owner C was one individual, notwithstanding the fact that three different addresses were provided when registering the vehicle, as the same forename and surname was used on each occasion and a relationship with Owner A is evident.

Two addresses provided by Owner C were adjacent and the third address was in the same rural community.

There was only one month of tax arrears (€59) exempted during the period reviewed, suggesting that the transfer of vehicle ownership may not have been for the purpose of avoiding the payment of motor tax. The purpose of the frequent transfer of ownership was not evident from the NVDF data reviewed.