

# Fuel tax credits – changes from 1 July 2013

Information about changes to fuel tax credit rates that apply from 1 July 2013

## HOW HAVE FUEL TAX CREDIT RATES CHANGED?

From 1 July 2013, fuel tax credit rates have changed. You may be affected by:

- some rate changes due to increased carbon charge amounts
- a rate change for fuels used in heavy vehicles for travelling on public roads
- rate changes for transport and non-transport gaseous fuels.

In addition, rates for some fuels have changed for entities declared by the Clean Energy Regulator to be a designated opt-in person under the opt-in scheme.

When you calculate your fuel tax credit claim, you need to use the rate that applied when you acquired the fuel. However, for fuel used in heavy vehicles **for travelling** on a public road, you need to use the rate in effect at the beginning of the tax period covered by your business activity statement (BAS).

You will continue to claim your fuel tax credits on your BAS.

ⓘ Fuel is taxable if excise or customs duty must be paid on it or it is a non-transport gaseous fuel the carbon pricing mechanism applies to.

Liquid fuels are petrol, diesel and other combustible fossil fuels such as kerosene, mineral turpentine, white spirit, toluene, heating oil, recycled oil and some solvents. Fuel ethanol and biodiesel are not included as they have no effective fuel tax and are not fossil fuels.

Gaseous fuels are liquefied petroleum gas (LPG), liquefied natural gas (LNG) and compressed natural gas (CNG) and can be either:

- transport gaseous fuels intended for use in an internal combustion engine of a motor vehicle or vessel, for mixed use (both transport and non-transport use) or if the end use was unknown when duty was paid
- non-transport gaseous fuels supplied only for use in forklifts or for use other than in an internal combustion engine of a motor vehicle or vessel.

## WHAT ARE THE RATE CHANGES DUE TO INCREASED CARBON CHARGE AMOUNTS?

Carbon charge amounts for liquid and gaseous fuels increased from 1 July 2013, reducing fuel tax credit rates for fuels and activities other than those on page 2. See *Fuel not affected by the carbon charge*.

- ⓘ From 1 July 2013, the fuel tax credit rates for:
- non-transport gaseous fuels used in specified agriculture, fishing or forestry activities increased because the rate is equal to the carbon charge amount
  - transport gaseous fuels increased due to the annual increase in excise duty for these fuels (until 30 June 2015) – some fuel tax credit rates for these fuels are also reduced by the carbon charge amounts.

The carbon charge is an amount equal to the price of carbon emissions from the use of liquid or gaseous fuels. This charge varies for the different fuels depending on their carbon emissions.

Carbon charge amounts will increase annually, reducing fuel tax credit rates until 30 June 2015. The rates may then be adjusted every six months from 1 July 2015.

- For the fuel tax credit rates for liquid fuel acquired from 1 July 2013, see Table 1 on page 3. For all other rates, visit our website at [ato.gov.au/fuelschemes](http://ato.gov.au/fuelschemes) and refer to *Fuel tax credit rates and eligible fuels* (QC 21459). These rates take into account a carbon charge, where applicable.



### Fuel not affected by the carbon charge

The carbon charge does not affect fuel tax credit rates for:

- liquid and transport gaseous fuels used in:
  - heavy vehicles with a gross vehicle mass (GVM) greater than 4.5 tonne travelling on public roads – diesel vehicles acquired before 1 July 2006 can equal 4.5 tonne
  - specified agriculture, fishing or forestry activities
  - activities that do not involve combustion of the fuel – for example, fuel used to clean machinery or as a mould release agent
- liquid fuels used by businesses covered by the opt-in scheme
- renewable fuels such as biodiesel or fuel ethanol.

### WHAT IS THE RATE CHANGE FOR FUEL USED IN HEAVY VEHICLES FOR TRAVELLING ON PUBLIC ROADS?

The fuel tax credit rate for heavy vehicles that use fuel **for travelling** on a public road is reduced by the road user charge, which is subject to change.

A heavy vehicle has a GVM greater than 4.5 tonne. Diesel vehicles acquired before 1 July 2006 can equal 4.5 tonne GVM.

### Change to the road user charge

From 1 July 2013, after subtracting the road user charge of 26.14 cents per litre, the fuel tax credit rate for liquid fuels (for example, diesel or petrol) used in heavy vehicles is 12.003 cents per litre.

For gaseous fuels used in heavy vehicles **for travelling** on public roads, the road user charge currently reduces any fuel tax credit entitlement to nil.

### Fuel tax credits for fuel to power auxiliary equipment

Fuel you use to power auxiliary equipment of a heavy vehicle (such as powering the refrigeration unit of a refrigerated vehicle) travelling on a public road is not reduced by the road user charge or the carbon charge. You can claim 38.143 cents per litre for liquid fuels (for example, petrol or diesel) – for transport gaseous fuel rates, refer to *Fuel tax credit rates and eligible fuels*.

Fuel used to power auxiliary equipment of a heavy vehicle covers fuel use that is unrelated to a vehicle's movement along a public road, such as fuel used to power:

- refrigeration units
- concrete mixing barrels
- garbage bin lifters and compactors
- air conditioning of a commercial bus or coach for passenger comfort.

You may be able to correct past claims as a result of this change.

➤ For more information about this change, visit our website at [ato.gov.au/fuelschemes](http://ato.gov.au/fuelschemes) and refer to *Fuel tax credits – travel and other activities for heavy vehicles* (QC 22974).

For the fuel tax credit rates for liquid fuel acquired from 1 July 2013, refer to Table 1 on page 3.

For all other rates, visit our website at [ato.gov.au/fuelschemes](http://ato.gov.au/fuelschemes) and refer to *Fuel tax credit rates and eligible fuels* (QC 21459).

### WHAT ARE THE RATE CHANGES FOR TRANSPORT AND NON-TRANSPORT GASEOUS FUELS?

➤ For the fuel tax credit rates for gaseous fuels acquired from 1 July 2013, accounting for the carbon charge where applicable, visit our website at [ato.gov.au/fuelschemes](http://ato.gov.au/fuelschemes) and refer to *Fuel tax credit rates and eligible fuels* (QC 21459).

### Transport gaseous fuels

Transport gaseous fuels used in heavy vehicles for travelling on public roads are reduced by the road user charge, which currently reduces any fuel tax credit entitlement to nil.

The fuel tax credit rates for transport gaseous fuels acquired from 1 July 2013 increased due to the annual increase in excise duty for gaseous fuels (until 30 June 2015). Some fuel tax credit rates for these fuels are also reduced by carbon charge amounts.

If you acquire transport gaseous fuel and use it in eligible business activities, including non-transport activities, you may be entitled to fuel tax credits.

### Non-transport gaseous fuels

From 1 July 2013, carbon charge amounts for gaseous fuels increased. This increased the fuel tax credits available for non-transport gaseous fuels used in specified activities in:

- agriculture
- fishing
- forestry.


Fuel tax credits are not available for non-transport gaseous fuels used in any other activities.

❗ From 1 July 2013, fuel tax credits are no longer available for non-combustible uses of non-transport LPG or LNG, such as LPG used as a propellant in the manufacture of aerosols.

### WHAT ARE THE RATES FOR LIQUID FUELS?

The rates in this table are for liquid fuels (such as petrol, diesel or fuel oil) and account for all changes from 1 July 2013.

You can use these rates for fuels you acquire from 1 July 2013.

 For all other rates, visit our website at [ato.gov.au/fuelschemes](http://ato.gov.au/fuelschemes) and refer to *Fuel tax credit rates and eligible fuels* (QC 21459).

**TABLE 1: Fuel tax credit rates for liquid fuels from 1 July 2013**

All rates are in cents per litre.

Business use	Taxable liquid fuel	For fuel acquired from 1 July 2013
In a heavy vehicle* (including emergency vehicles) <b>for travelling</b> on a public road.	Liquid fuels – for example, diesel or petrol.	12.003**
Specified off-road activities in: <ul style="list-style-type: none"> <li>■ agriculture</li> <li>■ fishing</li> <li>■ forestry.</li> </ul>	Liquid fuels – for example, diesel or petrol.	38.143
Other off-road activities where the fuel is combusted – for example: <ul style="list-style-type: none"> <li>■ mining</li> <li>■ marine or rail transport (including emergency vessels)</li> <li>■ nursing and medical</li> <li>■ burner applications</li> <li>■ electricity generation by commercial generation plant, stationary generator or a portable generator</li> </ul>	Petrol	32.347***
	<ul style="list-style-type: none"> <li>■ construction</li> <li>■ manufacturing</li> <li>■ wholesale/retail</li> <li>■ property management</li> <li>■ landscaping.</li> </ul>	Diesel and other liquid fuels.
To power auxiliary equipment of a heavy vehicle* travelling on a public road – such as fuel used to operate a refrigeration unit or a concrete mixing barrel.	Liquid fuels – for example, diesel or petrol.	38.143
Non-combustible uses such as: <ul style="list-style-type: none"> <li>■ fuel you use directly as a mould release</li> <li>■ fuel you use as an ingredient in the manufacture of products that are not suitable for use as fuel in an internal combustion engine.</li> </ul>	Liquid fuels – for example, diesel or petrol.	38.143
Packaging fuels in containers of 20 litres or less for uses other than in an internal combustion engine.	Mineral turpentine, white spirit, kerosene and certain other fuels.	38.143
Supply of fuel for domestic heating.	Heating oil and kerosene.	31.622***

\* A heavy vehicle has a gross vehicle mass (GVM) greater than 4.5 tonne – diesel vehicles acquired before 1 July 2006 can equal 4.5 tonne GVM.

\*\* This rate accounts for the road user charge, which is subject to change.

\*\*\* The rates for these activities account for the carbon charge, which varies for each fuel and is subject to change.

## ARE THERE ONLINE TOOLS TO HELP YOU WITH YOUR FUEL TAX CREDITS?

We have two online tools available at [ato.gov.au/fuelschemes](http://ato.gov.au/fuelschemes) under 'Calculators and tools':

- The *Fuel tax credit eligibility tool* helps you determine which of your activities are eligible and what rates apply.
- The *Fuel tax credit calculator* helps you work out how much you can claim.

These tools have been updated to include the new changes. We have also made the tools quicker and easier to use.

### ➤ MORE INFORMATION

For more information about fuel tax credits:

- visit our website at [ato.gov.au/fuelschemes](http://ato.gov.au/fuelschemes)
- phone us on **13 28 66** between 8.00am and 6.00pm, Monday to Friday.

For more information about the clean energy measure, visit:

- our website at [ato.gov.au/Business/large-business](http://ato.gov.au/Business/large-business) and refer to *Clean energy initiative*
- the Clean Energy Regulator website at [cleanenergyregulator.gov.au](http://cleanenergyregulator.gov.au)

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf, or have a hearing or speech impairment, phone the ATO through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone **13 36 77** and ask for the ATO number you need
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727** and ask for the ATO number you need
- internet relay users, connect to the NRS on [relayservice.com.au](http://relayservice.com.au) and ask for the ATO number you need.

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If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for more recent information on our website at [ato.gov.au](http://ato.gov.au) or contact us.

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