

## Circular 092:08:08

**To:** Club Treasurers Club Secretaries

**cc:** Club Presidents

**From:** Nigel Taylor, ESM - CEO

**Date:** 21 August 2008

**Subject:** Australian Taxation Office – Fuel Tax Credits Updated

**Action:** Clubs to retain receipts for aquatic power craft and ATVs/4WDs to lodge with their BAS statements and register to obtain the fuel tax credit.

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Further to Circular 073:07:08 we have received the following information from SLSA regarding Fuel Tax Credits:

**SLSA has taken advice relating to the Fuel Tax Act 2006 (Commonwealth). Clubs may obtain a tax rebate for fuel used in ATVs, 4WDs, IRBs and other aquatic rescue boats such as JRBs, ORBs, RIBs and RWCs.**

### **Background**

Under the *Fuel Tax Act 2006 (Cth)* an entity is entitled to claim a fuel tax credit for taxable fuel that it acquires or manufactures in, or imports into, Australia for business purposes. Fuel tax credits provide businesses with a credit for the fuel tax (excise or customs duty) included in the price of fuel used in a business activity.

Since 1 July 2008, eligibility for a fuel tax credit for currently eligible off-road activities has expanded to include other types of fuel such as petrol (as well as diesel). This means that those vehicles/vessels which were previously entitled to a rebate in relation to the use of diesel will now be entitled to a rebate in relation to the use of petrol.

### **IRBs**

Advice provided to SLSA is that use of fuel by a Club in IRBs would entitle the Club to a fuel tax credit as such use is considered to be use in marine transport. The fuel tax credit rate for use in marine transport is currently 38.143 cents per litre.

### **Other aquatic rescue boats including RWCs and JRB/ORBs**

Similarly, the use of fuel in other aquatic rescue boats, including RWCs, offshore rescue boats etc would be entitled to a fuel tax credit of 38.143 cents per litre.

### **ATVs and 4WDs**

Under the changes to the fuel tax credit system introduced on 1 July 2008, businesses are now entitled to claim a fuel tax credit in relation to the use of fuel in certain activities, machinery, plant and equipment that were previously not subject to any fuel tax credit. The amount of this credit is 19.0715 cents per litre. This includes ATVs and 4WDs.

The government has indicated that entitlements to fuel tax credits in relation to 'other' vehicles and vessels (i.e. those currently entitled to a credit of 19.0715 cents per litre) will be increased to the full credit amount from 1 July 2012.

### **Procedure for obtaining rebate**

In order to claim a fuel tax credit organisations must be registered for both GST and fuel tax credits.

Records showing the amount of fuel bought for the business and how it is used must be kept for five years.

Fuel tax credits can be claimed on a Club's/Service's Business Activity Statement in the same way as it claims GST credits.

If you are already registered for GST, you can register for fuel tax credits by:

- Phoning 13 72 26 at anytime. Make sure you have your Australian Business Number (ABN) and your tax file number handy when you call.
- Completing the form 'Add a new business account (NAT 2954)' – from [www.ato.gov.au](http://www.ato.gov.au) or
- Phoning 13 28 66 between 8.00am and 6.00pm, Monday to Friday.

**For further information and additional detail on this Circular contact: Paul Kildea, Chief Finance Officer**

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