

fuel tax credits

The Australian Taxation Office (ATO) has a system which provides credits and grants to reduce the costs of certain fuels by providing a benefit in order to encourage the recycling of waste oils.

There are three categories of fuel tax credits from 1 July 2008:-

18.51 cents per litre

- for fuel used in vehicles with a GVM greater than 4.5 tonnes

38.143 cents per litre

- for fuel used in agriculture, forestry, mining, marine and rail transport, electricity generation

19.0715 cents per litre

- for fuel used by general industry in machinery, plant and equipment.

[Alternative fuels (liquefied petroleum gas, compressed natural gas, liquefied natural gas, ethanol and biodiesel) do not qualify for fuel tax credits — but there is an *energy grants credits scheme* for alternative fuels used in road transport.]

Significant points to note are:-

- to claim fuel tax credits (FTC), a business must be registered for both GST and fuel tax credits
- fuel tax credits are claimed through the *business activity statement*
- there are 3 different rates, depending on the category of use (18.51c, 38.143c and 19.0715c per litre)
- eligible fuels on which credits may be claimed include taxable fuel acquired, manufactured or imported for use in carrying on the business
- specific records need to be kept to enable the calculation of fuel tax credits
- the Tax Office supplies an “eligibility tool” calculator (via a link to the ATO website) to assist Australian businesses to determine their eligibility to claim fuel tax credits.

Further information is available from the ATO website www.ato.gov.au.