

2022

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

Excise Tariff Act (Fuel Excise Reduction) Amendment Bill 2022

EXPLANATORY MEMORANDUM

(Circulated by authority of Model-Wanuke)

General outline and financial impact

Outline

This Bill makes adjustments to the principal Act, whereby it changes the amount dutiable of the items listed, thus both increasing and reducing certain petroleum products and the subsequent amount of fuel excise tax paid.

Clause 1 of Schedule 1: Amends the fuel excise duties in Item 10 of the table. It reduces the cost on more common fuels, while increasing the excise on primarily exports and older forms of fuel.

Clause 2 of Schedule 1: Amends the application of the excise tariff on Biodiesel to ensure that biodiesel produced for non-commercial purposes using non-commercial facilities and equipment from excise which would otherwise be imposed.

Clause 3 of Schedule 1: Halves excise on blended goods.

Clause 4 of Schedule 1: Sets out long term provisions for denatured ethanol fuels to ensure that, as the usage of these fuel increase, excise will still be collected. Reduces the rate of the increase in exercise to make it more gradual.

Clause 5 of Schedule 1: Sets out long term provisions for biodiesel to ensure that, as the usage of these fuel increase, excise will still be collected. Reduces the rate of the increase in exercise to make it more gradual.

Clause 6 of Schedule 1: Removes the ability for mining and quarrying operations to claim fuel tax credits under subsection 41-5(1) of the Fuel Tax Act.

Date of effect: Upon Presidential Assent

Financial impact: This measure is not estimated to have a direct measurable financial impact on the Commonwealth.

Human rights implications: This Bill does not raise any human rights issues.