

2002-2003

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Excise Tariff Proposal No. 1 (2003)

Motion moved by the Parliamentary Secretary to the Minister for Finance and Administration on 25 June 2003

1. That the *Excise Tariff Act 1921*, as proposed to be altered by Excise Tariff Proposal, be further altered as set out in the Schedule to this Proposal and that the further alterations operate on and from 1 July 2003.
2. That, in this Proposal, "Excise Tariff Proposal" means:
Excise Tariff Proposal No. 4 (2002) introduced into the House of Representatives on 16 September 2002.

Schedule 1—Alterations to the *Excise Tariff Act 1921*

1 Subsection 6G(1)

Omit “subsection (2) or (3)”, substitute “subsection (2), (2B) or (3)”.

2 Subsection 6G(1) (paragraph (b) of the definition of *blending rate*)

Repeal the paragraph, substitute:

- (b) if no goods included in subparagraph (a)(i) or (ii) are included in the excisable blended petroleum product and it is not an excisable blended petroleum product to which paragraph (c) applies:
 - (i) unless subparagraph (ii) applies—the rate of excise duty applicable to diesel classified to item 11 of the Schedule having a sulphur content that exceeds 50 parts per million; or
 - (ii) if the Collector is satisfied that the sulphur content of the excisable blended petroleum product does not exceed 50 parts per million—the rate of excise duty applicable to diesel classified to item 11 of the Schedule having a sulphur content that does not exceed 50 parts per million; or

3 Subsection 6G(1A)

Repeal the subsection.

4 After subsection 6G(2)

Insert:

(2A) Subsection (2) does not apply to an excisable blended petroleum product to which subsection (2B) applies.

(2B) Duty payable under this Act on an excisable blended petroleum product, being a blend of:

- (a) goods that are classified to item 11 of the Schedule as diesel for use in an internal combustion engine; and
- (b) goods that are classified to item 11 of the Schedule as denatured ethanol for use in an internal combustion engine;

with or without other substances, is worked out using the formula:

$$\left[\left[\left(\begin{array}{cc} \text{Volume} & \text{Volume} \\ \text{of} & \text{of other} \\ \text{diesel} & \text{substances} \end{array} \right) \times \text{Diesel rate} \right] + \left[\begin{array}{cc} \text{Volume} & \\ \text{of} & \\ \text{ethanol} & \end{array} \times \text{Ethanol rate} \right] \right] - \text{Previously paid duties}$$

where:

diesel rate means:

- (a) unless paragraph (b) applies—the rate of excise duty applicable to diesel classified to item 11 of the Schedule having a sulphur content that exceeds 50 parts per million; and
- (b) if the Collector is satisfied that the sulphur content of the excisable blended petroleum product does not exceed 50 parts per million—the rate of excise duty applicable to diesel classified to item 11 of the Schedule having a sulphur content that does not exceed 50 parts per million.

ethanol rate means the excise duty applicable to denatured ethanol classified to item 11 of the Schedule as denatured ethanol for use in an internal combustion engine.

previously paid duties means the sum of:

- (a) the excise duties (if any) that have already been paid on goods that are constituent elements of the excisable blended petroleum product and that are classified to item 11, 12 or 15 of the Schedule; and
- (b) to the extent that Customs duties have been paid on imported goods that are constituent elements of the excisable blended petroleum product and that would have been classified to item 11, 12 or 15 of the Schedule if produced in Australia—so much of the Customs duties paid on those imported goods as represents the application of the excise equivalent rate in relation to those imported goods; worked out in accordance with subsection (4).

volume of diesel means the volume of diesel in the excisable blended petroleum product.

volume of ethanol means the volume of ethanol in the excisable blended petroleum product.

volume of other substances means the volume of substances (if any) in the excisable blended petroleum product that are not either diesel or ethanol.

5 Subsection 6G(3) (formula)

Repeal the formula, substitute:

$$\left[\text{Volume of diesel} + \text{Volume of additives} \right] \times \text{Diesel rate}$$

6 Subsection 6G(3)

Insert:

diesel rate means:

- (a) unless paragraph (b) applies—the rate of excise duty applicable to diesel classified to item 11 of the Schedule having a sulphur content that exceeds 50 parts per million; and
- (b) if the Collector is satisfied that the sulphur content of the excisable blended petroleum product does not exceed 50 parts per million—the rate of excise duty applicable to diesel classified to item 11 of the Schedule having a sulphur content that does not exceed 50 parts per million.

7 Subparagraph 11(B)(1)(a) of the Schedule

Repeal the subparagraph, substitute:

- (a) for use as fuel in an internal combustion engine and having a sulphur content exceeding 50 parts per million \$0.39143 per litre
- (aa) for use as fuel in an internal combustion engine and having a sulphur content not exceeding 50 parts per million \$0.38143 per litre

8 Subparagraph 11(B)(2)(a) of the Schedule

Repeal the subparagraph, substitute:

- (a) for use as fuel in an internal combustion engine and having a sulphur content exceeding 50 parts per million \$0.39143 per litre
- (aa) for use as fuel in an internal combustion engine and having a sulphur content not exceeding 50 parts per million \$0.38143 per litre

9 Subparagraph 11(B)(2)(d) of the Schedule

Repeal the subparagraph, substitute:

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| (d) other, having a sulphur content exceeding 50 parts per million | \$0.39143 per litre |
| (e) other, having a sulphur content not exceeding 50 parts per million | \$0.38143 per litre |

10 Subitem 11(C) of the Schedule

Repeal the subitem, substitute:

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| (C) Diesel: | |
| (1) Having a sulphur content exceeding 50 parts per million, other than product falling to paragraph 11(C)(3) | \$0.39143 per litre |
| (2) Having a sulphur content not exceeding 50 parts per million, other than product falling to paragraph 11(C)(3) | \$0.38143 per litre |
| (3) Recycled product, on which Customs or Excise duty has been paid, recovered by a process not being a process of refining | Free |

11 Paragraph 11(F)(1) of the Schedule

Repeal the paragraph, substitute:

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|---|---------------------|
| (1) for use as fuel in an internal combustion engine and having a sulphur content exceeding 50 parts per million | \$0.39143 per litre |
| (1A) for use as fuel in an internal combustion engine and having a sulphur content not exceeding 50 parts per million | \$0.38143 per litre |

12 Paragraph 11(F)(4) of the Schedule

Repeal the paragraph, substitute:

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| (4) other, having a sulphur content exceeding 50 parts per million | \$0.39143 per litre |
| (5) other, having a sulphur content not exceeding 50 parts per million | \$0.38143 per litre |

13 Paragraph 11(G)(2) of the Schedule

Repeal the paragraph, substitute:

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|---|---------------------|
| (2) for use as fuel in an internal combustion engine and having a sulphur content exceeding 50 parts per million | \$0.39143 per litre |
| (2A) for use as fuel in an internal combustion engine and having a sulphur content not exceeding 50 parts per million | \$0.38143 per litre |

14 Paragraph 11(G)(5) of the Schedule

Repeal the paragraph, substitute:

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|--|---------------------|
| (5) other, having a sulphur content exceeding 50 parts per million | \$0.39143 per litre |
| (6) other, having a sulphur content not exceeding 50 parts per million | \$0.38143 per litre |