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Customs Tariff Amendment Bill (No. 2) 2003

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Customs Tariff Amendment Bill (No. 2) 2003

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Customs Tariff Amendment Bill (No. 2) 2003

Date Introduced: 29 May 2003

House: House of Representatives

Portfolio: Justice and Customs

Commencement: 18 September 2002

Purpose

To impose customs duty on fuel ethanol—ethanol blended with petrol—at the same rate as the excise on fuel ethanol and petrol.

Background

Background to the Bill can be found in the Bills Digest to the companion Bill: the Excise Tariff Amendment Bill (No. 1) 2003. The latter imposes excise on fuel ethanol at the same rate as excise on unleaded petrol, now 38.143 cent a litre. Customs duty is imposed at the same rate as excise duty to ensure that neither domestic production nor imports is favoured. Rather, domestic production is subsidised by a grant of 38.143 cents a litre.

Main Provisions

Schedule 3 of the *Customs Tariff Act 1995* deals with the classification of goods and general and special rates of duty. Subheading 2207.20.00 relates to ‘ethyl alcohol and other spirits, denatured, of any strength’. **Item 1 of Schedule 1** repeals this subheading and substitutes three new subheadings:

- 2207.20 replicates the wording of 2207.20.00
- 2207.20.10 refers to ‘ethanol for use as fuel in an internal combustion engine’, and
- 2207.20.90 refers to ‘other’.

The effect is to identify ethanol separately. The new customs duty on ethanol is the general rate of five per cent plus 38.143 cents a litre.

Warning:

This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.