

TAX FACTS - FUEL SCHEMES

There are various types of fuel schemes in Australia that provide fuel tax credits to businesses engaged in certain activities involving fuels. These schemes are designed to either offset the cost of fuel, or encourage recycling of the fuel used in their operations.

The fuel schemes are:

1. Fuel Tax Credit Scheme: is the primary scheme that allows businesses to claim fuel tax credits for the fuel they use in machinery, plant, equipment, heavy vehicles, and other eligible activities. The credits are intended to offset the fuel excise or customs duty that is included in the price of fuel used for business purposes.

Eligible fuels for this scheme include petrol, diesel, liquefied petroleum gas (LPG), compressed natural gas (CNG), and various other fuels used for business activities. The amount of the fuel tax credit is calculated based on the type of fuel, the quantity used, and the current fuel tax credit rate.

INDUSTRIES COVERED UNDER THE SCHEME INCLUDE ROAD TRANSPORT, CONSTRUCTIONS, MANUFACTURING, AGRICULTURE, FISHING, FORESTRY, ELECTRICITY GENERATION, LANDSCAPING, PANEL BEATING, CEMENT KILNS, QUARRYING AND INDUSTRIAL FURNACES.

Your business must be registered for GST and fuel tax credits before you can make a claim.

2. Product Stewardship for Oil Program: is aimed to reduce the environmental impact of used oil and promote responsible management of waste oil.

Businesses that produce, import, or sell certain oil products, such as engine oil and hydraulic oil, are encouraged to take responsibility for the end-of-life management of these products through this program.

The benefit rates for recyclers vary depending on the extent to which the oil is processed and the end product of the recycling activity.

TO BE ELIGIBLE FOR THIS PROGRAM, YOU NEED TO HAVE AN EXCISE MANUFACTURER'S LICENCE. YOU ALSO NEED TO REPORT AND PAY EXCISE DUTY ON ANY ELIGIBLE RECYCLED PRODUCTS.

Different rates and rules apply depending on your business activities and the type of fuel you use. To see if your business is eligible and to find out how to apply, go to <https://www.ato.gov.au/Business/Fuel-schemes/>.

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