

# Taxation Update

## Are you maximising your fuel tax credit claim?

May 2017

### What are fuel tax credits?

As you may be aware, businesses conducting certain activities may claim fuel tax credits (basically a refund of part of the excise duty paid when they purchased the fuel).

Broadly, the amount of fuel tax credits allowed depends on:

- The type of fuel used in the business<sup>1</sup>;
- The type of business activity for which the fuel is used; and
- When the fuel was acquired for use in the business.

### Are you claiming the maximum possible fuel tax credits refund?

Different rate depending on how the fuel is used in your business.

Since the amount of fuel tax credits a business may claim depends on these different factors, there is a risk that businesses may claim fuel tax credits at incorrect rates.

For example, if a business acquired petrol after 2 February 2017, the fuel tax credits rate will differ depending on the type of activity the business is engaged in.

How the petrol is used in the business	Amount of fuel tax credit
Used in heavy vehicles <sup>2</sup> for travelling on public roads	14.2c per litre
To power auxiliary equipment (e.g. refrigeration units or concrete mixing barrels) of heavy vehicles travelling on public roads	40.1c per litre
Other business uses (e.g. used in machinery, plant and equipment)	40.1c per litre

This means that for a heavy haulage vehicle that does 70,000 kilometres a year at 57 litres per 100km, you would be entitled to \$5,666<sup>3</sup> worth of fuel tax credits a year for this vehicle. If you have 10 of these trucks across your fleet, your claim will add up to \$56,658.

### How can Nexia Australia help you maximise your fuel tax credits claim?

We can help you with your fuel tax credits claim.

As you can see from the table above, it is very important to correctly classify your business activity so that you can claim the correct amount of fuel tax credit.

Nexia Australia has the necessary skills and experience to help you with all your claims for fuel tax credits and to ensure that you claim the maximum amount legally possible.

As such, we can help you to identify whether the fuel you use in your business is eligible for fuel tax credits, determine the amount available and assist you in making a claim for fuel tax credits.

For further information, please contact your Nexia Advisor.

Do you use the below fuel in your business for use in:

1. Machinery
2. Plant
3. Equipment or
4. Heavy vehicles (i.e. over 4.5 tonnes) that travel on public roads?

↓ Yes

You may be able to claim fuel tax credits

#### Eligible Fuel

- Diesel, Petrol
- Gaseous fuels (LPG, CNG, LNG)
- Kerosene, Heating oil
- Toluene, Fuel oil, Industrial solvents

#### Not Eligible Fuel

- Aviation fuel
- Some alternative fuels (ethanol, biodiesel)
- Fuels used in light vehicles travelling on public roads
- Fuel acquired but not used (because it was lost, stolen or otherwise not used)

[www.nexia.com.au](http://www.nexia.com.au)

1 - For example liquid fuels (e.g. petrol or diesel), gaseous fuels (e.g. LPG gas) or blended fuels (e.g. mixtures containing biodiesel or ethanol).

2- Vehicles with gross vehicle mass (GVM) of more than 4.5 tonnes.

3-  $(70,000\text{km} / 100\text{km} \times 57\text{l}) \times 14.2\text{c/l} = \$5,666$ .

The material contained in this publication is for general information purposes only and does not constitute professional advice or recommendation from Nexia Australia. Regarding any situation or circumstance, specific professional advice should be sought on any particular matter by contacting your Nexia Advisor. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omission of financial services licensees.