



# ***PCG 2016/3 - Fuel tax credits - fuel tax credit rate for non-business claimants***

 This cover sheet is provided for information only. It does not form part of *PCG 2016/3 - Fuel tax credits - fuel tax credit rate for non-business claimants*

 This document has changed over time. This version was published on *18 May 2022*



---

## Practical Compliance Guideline

# Fuel tax credits – fuel tax credit rate for non-business claimants

---

### **📌 Relying on this Guideline**

This Practical Compliance Guideline sets out a practical administration approach to assist taxpayers in complying with relevant tax laws. Provided you follow this Guideline in good faith, the Commissioner will administer the law in accordance with this approach.

---

| <b>Table of Contents</b>                        | <b>Paragraph</b> |
|---|------------------|
| What this Guideline is about                    | 1                |
| Date of effect                                  | 2                |
| Which entities are covered by this Guideline?   | 3                |
| What claims are covered by this Guideline?      | 4                |
| Background                                      | 5                |
| Fuel tax credit rate for non-business claimants | 11               |
| <u>Example 1</u>                                | 13               |
| Non-indexation rate changes                     | 17               |
| <u>Example 2</u>                                | 18               |
| More information                                | 21               |

---

### **What this Guideline is about**

1. This Guideline sets out an acceptable practical approach to determine the fuel tax credit rate for non-business claimants lodging fuel tax credit claim forms. This approach deals with the disproportionate compliance and administration costs for non-business claimants and the ATO that can arise periodically from changes in the fuel tax credit rate. Commonly such rate changes occur as a result of indexation (February and August) during the period to which a claim may relate.

1A. All legislative references in this Guideline are to the *Fuel Tax Act 2006*.

### **Date of effect**

2. This Guideline applies to fuel tax credit claims by non-business claimants that have not already been processed and paid before the date of issue of this Guideline.

**Which entities are covered by this Guideline?**

3. This Guideline applies to the following entities, referred to as '**non-business claimants**' in this Guideline:
- a taxpayer that is not registered for goods and services tax (GST) and acquires taxable fuel for their use in generating electricity for domestic use, and
  - a non-profit body that is not registered for GST or required to be registered and acquires taxable fuel for use in a vehicle (or vessel) that
    - provides emergency services, and
    - is clearly identifiable as such.

**What claims are covered by this Guideline?**

4. This Guideline applies to fuel tax credit claim forms lodged by the non-business claimants described in paragraph 3 of this Guideline.

**Background**

5. Under section 42-5, there is a fuel tax credit entitlement for a non-business claimant in respect of taxable fuel acquired for their use in generating electricity for domestic use.
6. A non-profit body is also entitled to a fuel tax credit within subsection 41-5(3) for taxable fuel they acquire for use in a vehicle or vessel that provides emergency services. The vehicle must be clearly marked as an emergency vehicle.
7. These non-business claimants, who are not otherwise registered for GST, claim their fuel tax credits on a 'Fuel tax credit claim form'. The claim form must show details of the:
- earliest and latest date that the taxable fuel for which they are making a claim was purchased (referred to as the claim period)
  - number of litres (or kilograms) of taxable fuel they acquired during the claim period.
8. A non-business claimant is not required to calculate the amount of fuel tax credit when lodging their claim form.
9. The rate of fuel tax credit is determined under subsection 43-5(2) by reference to the rate of excise or customs duty in force on the day on which the taxable fuel was acquired (see subsection 43-5(2A)).
10. Therefore, where the rate of duty on fuel changes during the claim period, a non-business claimant may have entitlement to fuel tax credits at differing rates depending on the day on which the taxable fuel was acquired.

**Fuel tax credit rate for non-business claimants**

11. The Commissioner will accept, as a matter of practical administration, that the non-business claimant has acquired (purchased) all the taxable fuel on the last date that the fuel was purchased where:
- they purchased taxable fuel for a use outlined in paragraphs 5 or 6 of this Guideline

- they lodge a claim form that covers a period in which the rate of fuel tax credit has changed, and
- the rate change is solely because of indexation.

12. Accordingly, the Commissioner will calculate the fuel tax credit for all the taxable fuel acquired during the claim period by reference to the fuel tax credit rate in force on the last fuel purchase day.

---

**Example 1**

13. *Astrid has no access to the electricity grid at her residential premises. She purchases diesel to generate electricity using a generator for domestic use.*

14. *Astrid purchased diesel on:*

- *21 January 2022*
- *24 February 2022*
- *28 March 2022.*

15. *When lodging her fuel tax credit claim in late March 2022, Astrid sets out the first and last purchase dates as 21 January 2022 and 28 March 2022 respectively.*

16. *There was a fuel tax credit rate change due to indexation where the rate changed for fuel purchased on or after 1 February 2022. As a matter of practical administration, Astrid's fuel tax credit will be calculated as if she had acquired all of the fuel for the claim period on 28 March 2022 (when she made her final purchase). That is, the amount of fuel tax credit will be calculated at 44.2 cents per litre (rate in force on the final purchase date).*

---

**Non-indexation rate changes**

17. To ensure non-business claimants receive their correct fuel tax credit entitlements, where a claim period covers fuel purchased both before and after a non-indexation rate change, it will be necessary to lodge separate claim forms. One claim form will be for fuel covering the period prior to the non-indexation rate change. The other claim form will cover fuel purchased on or after the non-indexation rate change. This will minimise delays in processing and ensure the correct rates are applied to the claim.

## **Example 2**

18. *In June 2022, Esther wishes to claim fuel tax credits for fuel acquired both before and after 30 March 2022. A non-indexation rate change (reduction) came into effect on 30 March 2022.*

19. *So that Esther gets her correct fuel tax credit entitlement in June 2022, she should lodge two claim forms:*

- *one claim form for fuel purchased up to and including 29 March 2022, and*
- *a second claim form for fuel purchased on or after 30 March 2022.*

20. *This will ensure the correct rates are applied to Esther's claims.*

---

## **More information**

21. For more information, see:

- [Fuel tax credits – non-business](#)
- [Rates – non-business](#)
- [Fuel tax credits – claiming – non-business](#)

---

**Commissioner of Taxation**

22 March 2016

---

**Amendment history**

| <b>Date</b> | <b>Part</b>          | <b>Comment</b>  |
|-------------|----------------------|---|
| 18 May 2022 | Paragraph 1          | Update second sentence to clarify that rate changes generally occur as the result of indexation.                |
|             | Paragraph 1A         | New paragraph; all subsequent references to the <i>Fuel Tax Act 2006</i> throughout the Guideline also removed. |
|             | Paragraph 3          | Expand GST acronym and change dot point style.  |
|             | Paragraph 7          | Omit the words 'When they complete' and change dot point style.   |
|             | Paragraph 8          | Omit second sentence.   |
|             | Paragraph 9          | Update to include legislative references.   |
|             | Paragraph 10         | Insert the words 'where the rate of duty on fuel changes during the claim period,'.                             |
|             | Paragraphs 11 and 12 | Replacement of paragraphs.  |
|             | Paragraphs 13 to 20  | New paragraphs, including Examples 1 and 2. Former paragraph 13 is now paragraph 21.                            |

**References***Legislative references:*

FTA 41-5(3)

FTA 42-5

FTA 43-5(2)

FTA 43-5(2A)

## ATO references

ISSN: 2209-1297

BSL: PW

ATOlaw topic: Excise ~~ Fuel tax credits ~~ Reporting

**© AUSTRALIAN TAXATION OFFICE FOR THE COMMONWEALTH OF AUSTRALIA**

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).