



PS LA 2003/1 - Petroleum excise duty - reporting for adjustments outside the current reporting period

 This cover sheet is provided for information only. It does not form part of *PS LA 2003/1 - Petroleum excise duty - reporting for adjustments outside the current reporting period*

 This document has changed over time. This version was published on *12 September 2024*



This Practice Statement outlines the arrangements in place to allow petroleum excise payers to make adjustments for overpayments or underpayments that have occurred outside the current reporting period.

This Practice Statement is an internal ATO document and an instruction to ATO staff.

Taxpayers can rely on this Practice Statement to provide them with protection from interest and penalties in the following way. If a statement turns out to be incorrect and taxpayers underpay their tax as a result, they will not have to pay a penalty, nor will they have to pay interest on the underpayment provided they reasonably relied on this Practice Statement in good faith. However, even if they do not have to pay a penalty or interest, taxpayers will have to pay the correct amount of tax provided the time limits under the law allow it.

1. What this Practice Statement is about

This Practice Statement outlines the administrative arrangements in place to allow certain petroleum excise payers to make adjustments on an excise return for overpayments or underpayments that have occurred outside the current reporting period. These arrangements remove the requirement to seek specific approval for each occasion.

2. When the administrative arrangements apply

Before we apply the administrative arrangements, the client must be assessed as low risk and will need to formally agree to only make adjustments where:

- there is minimal impact on the settlement payment for the period
- the client has an accounting system which is compliant with our requirements.

The client will also need to confirm:

- that supporting documentation will be maintained and made available to us on request
- that any adjustments that are found to have been incorrectly claimed will be corrected by an adjustment to the next excise return and reported on the next out-of-period adjustment report (Report). This may involve a set-on (debit adjustment) or set-off (credit adjustment) for an incorrect refund, drawback claim, underpayment or overpayment of excise liability
- which method they will use when utilising the arrangement (see section 5 of this Practice Statement).

3. Accepting an agreement

When an agreement is accepted, the client should be advised in writing, along with advice of when the

Report is required to be provided (see section 4 of this Practice Statement).

The advice should inform the client that acceptance of the agreement does not diminish or remove our ability to prosecute or take any other action.

4. Out-of-period adjustment report

If adjustments apply, the client must supply a Report at the time of lodging their excise return (or at the alternative interval agreed to), which should detail the:

- Australian business number
- client name
- adjustment claim code¹, including:
 - Retr – returns of physical product
 - Stor – errors of fact in relation to bunkers
 - Erro – errors of fact of misconception of law
 - Roth – does not fit into the above
 - Draw – drawbacks for duty-paid product being exported
- date of effect of duty
- tariff classification
- quantity²
- excise duty rate
- dollar amount
- comments (that is, vessel name for drawbacks)

¹ The adjustment claim code will only be required for each individual circumstance over 12 months old and for specific circumstances on request.

² The amount shown is taken as a credit, unless specified with a minus sign to signify a debit.

- net adjustment result, and
- signature.³

5. Utilising the arrangements

There are 2 ways in which clients can utilise the arrangements. Under either arrangement, a Report will detail all debit and credit adjustments identified during that period and will be netted off on the final excise payment.

Adjustments are not made to the quantity for the same product reported in the excise return

Where adjustments are not made to the quantity for the same product reported in the excise return, the net total of the Report will appear in the Out of period adjustment return (OOPAR) field and will be added or deducted from the total excise payable for that period. A positive amount will denote a debit and a negative amount will denote a credit.

Adjustments are made at the line level to the quantity for the same product reported in the excise return

Where adjustments are made at the line level to the quantity for the same product reported in the excise return, the Out of period adjustment return (OOPAR) field will only contain adjustment amounts relating to product for which there was insufficient quantities of that product delivered during the current period. This amount will be either added or deducted from the total excise payable for the period.

Date issued: 2 April 2003

Date of effect: 1 July 2003

³ Of the person authorised to sign the excise return.

Amendment history

12 September 2024

Part	Comment
Sections 2 and 4	Updated in line with current ATO style and accessibility requirements.
Section 5	Amended to meet changes to online reporting and to meet accessibility requirements
Contact details	Authorisation and contact officer details updated to reflect changes to structure and accountabilities.
All	Updated in line with current ATO style and accessibility requirements.

7 January 2016

Part	Comment
All	Updated to new LAPS format and style.
References	Citations changed due to Excise Regulation 2015 replacing Excise Regulations 1925.
Section 4	Amended to provide flexibility regarding the supply of data.
Contact details	Authorisation and contact officer details updated to reflect changes to structure and accountabilities.

27 September 2011

Part	Comment
Contact details	Updated.
Paragraphs 1 and 2	Tax Office updated to ATO as per Style Guide recommendations.

31 May 2010

Part	Comment
Contact details	Updated.

6 August 2008

Part	Comment
Contact details	Updated.

30 January 2008

Part	Comment
Paragraph 3	Clarification that the out-of-period adjustment report is due at intervals negotiated between the client and the Excise National Director. References to industry groups removed. Addition of 'electronically' to (c) to clarify the accepted method for receiving the adjustment report. Reference to statistical codes and original instruments removed. Phrases added to provide general clarification of the adjustment report process.
Paragraph 4	References to industry groups removed.

Various	Generic or alcohol, tobacco, petroleum excise industry references changed to specific references to petroleum. References to 'weekly' settlement permission changed to 'periodic' settlement permission.
Contact details	Authorisation and contact officer details updated to reflect changes to structure and accountabilities.

ATO references

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