


# ***FTD 2006/2A1 - Addendum - Fuel tax: what records are required to be kept by taxpayers to substantiate a claim for a fuel tax credit?***

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# Addendum

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## Fuel Tax Determination

Fuel tax: what records are required to be kept by taxpayers to substantiate a claim for a fuel tax credit?

This Addendum amends Fuel Tax Determination FTD 2006/2 to reflect the withdrawal of Fuel Tax Determination FTD 2006/1 Fuel tax: for the purposes of calculating your entitlement to a fuel tax credit what methods can be used to calculate the quantity of taxable fuel that you acquire, manufacture in, or import into, Australia for use in carrying on your enterprise or for use in generating electricity for domestic use?. In addition, this Addendum amends FTD 2006/2 for the repeal of Division 45 of the *Fuel Tax Act 2006*, by the *Tax Laws Amendment (2009 Measures No. 2) Act 2009*, to remove the Greenhouse Challenge Plus Programme condition for fuel tax credits.

This Addendum also makes further minor amendments to FTD 2006/2 to reference FTD 2010/1 and PS LA 2010/3 that have since issued and to update other references.

### **FTD 2006/2 is amended as follows:**

#### **1. Footnote 5**

Omit the footnote; substitute:

<sup>5</sup> For information regarding methods that may be used to calculate the quantity of fuel that you acquire for use in carrying on your enterprise or in generating electricity for domestic use see Fuel Tax Determination FTD 2010/1 Fuel tax: is apportionment used when determining total fuel tax credits in calculating the net fuel amount under section 60-5 of the *Fuel Tax Act 2006*? and Law Administration Practice Statement PS LA 2010/3 Apportionment for the purposes of the *Fuel Tax Act 2006*.

# FTD 2006/2

## 2. Paragraph 9

Omit the first dot point; substitute:

- From 1 July 2006, you are entitled to a partial credit for taxable fuel, (including petrol), acquired for use in a vehicle with a gross vehicle mass (GVM) over 4.5 tonnes or diesel vehicles with a GVM of 4.5 tonnes acquired before 1 July 2006<sup>6A</sup> travelling on a public road, provided the use is in carrying on your enterprise.<sup>7</sup>

## 3. Paragraphs 13 to 20

Omit the paragraphs (including heading).

## 4. Footnote 14

Omit the footnote; substitute:

- <sup>14</sup> If you are registered or required to be registered for GST, the tax period to which your fuel tax credit is attributed depends on whether or not you hold a tax invoice. See Division 65 of the FT Act for attribution rules for fuel tax credits.

## 5. Footnote 15

Omit the footnote; substitute:

- <sup>15</sup> For GST purposes, under Subdivision 29-C of the GST Act, the Commissioner may treat as a tax invoice a particular document that is not a tax invoice. Where the Commissioner accepts a document as a tax invoice for GST purposes, the Commissioner will also accept the document as an invoice for the purposes of substantiating your claim for a fuel tax credit. See Goods and Services Tax Ruling GSTR 2000/17 Goods and services tax: tax invoices, Goods and Services Tax Ruling GSTR 2000/34 Goods and services tax: what is an invoice for the purposes of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act), and Law Administration Practice Statement PS LA 2004/11 The Commissioner's discretions to treat a particular document as a tax invoice or adjustment note.

## 6. Paragraph 26

After the paragraph; insert:

26A. For further discussion on methods of apportionment and records that may be used to calculate and substantiate claims, respectively, see Fuel Tax Determination FTD 2010/1 Fuel tax: is apportionment used when determining total fuel tax credits in calculating the net fuel amount under section 60-5 of the *Fuel Tax Act 2006*? and Law Administration Practice Statement PS LA 2010/3 Apportionment for the purposes of the *Fuel Tax Act 2006*.

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<sup>6A</sup> See item 12 of Schedule 3 to the Transitional Act.

<sup>7</sup> If subitem 10(3) and subitem 11(3) of Schedule 3 to the Transitional Act apply to you, then under subitem 10(4) and subitem 11(4) respectively, you are taken, for the purposes of section 43-10 of the FT Act to have acquired, manufactured in or imported into, Australia fuel for use in a vehicle travelling on a public road. The effect of subitem 10(4) and subitem 11(4) of Schedule 3 to the Transitional Act is that for fuel used in a vehicle travelling other than on a public road, the fuel tax credit is reduced under section 43-10 of the FT Act by the amount of the road user charge.

**7. Paragraphs 27 to 33**

Omit the paragraphs (including headings).

**8. Paragraph 34**

(a) Omit the first sentence; substitute:

To be entitled to a fuel tax credit, operators of diesel powered motor vehicles with a GVM of more than 4.5 tonnes or with a GVM of 4.5 tonnes acquired before 1 July 2006<sup>17A</sup> are required to meet certain environmental criteria.<sup>18</sup>

(b) Omit the first dot point; substitute:

- have been manufactured on or after 1 January 1996;

**9. Paragraph 35**

Omit the paragraph; substitute:

35. If you operate a diesel powered motor vehicle with a GVM of more than 4.5 tonnes or with a GVM of 4.5 tonnes acquired before 1 July 2006<sup>18A</sup> you will need to keep records that show that you have complied with these requirements.<sup>19</sup> These records must be retained for at least five years.

**10. Paragraph 36**

Omit the paragraph; substitute:

36. During the period 1 July 2006 to 30 June 2009, your net fuel amounts for tax periods ending in a financial year must not take into account more than \$3 million of fuel tax credits, unless you were a member of the Greenhouse Challenge Plus Programme (GCPP)<sup>20</sup> or another programme determined by the Minister for the Environment, Heritage and the Arts. For this period, if you were a member of the programme, there is no difference in the records that you will be required to keep to support your claims for a fuel tax credit. However, you will be required to keep records that show that you were a member of the programme.

**11. Related Rulings/Determinations**

Omit:

- FTD 2006/1

<sup>17A</sup> See item 12 of Schedule 3 to the Transitional Act.

<sup>18</sup> Section 41-25 of the FT Act. A diesel powered motor vehicle that is used in carrying on a primary production business and primarily on an agricultural property is not subject to environmental criteria.

<sup>18A</sup> See item 12 of Schedule 3 to the Transitional Act.

<sup>19</sup> For further information see the Department of Transport and Regional Services' website [www.dotars.gov.au](http://www.dotars.gov.au).

<sup>20</sup> Division 45 of the FT Act was repealed with effect from 1 July 2009. This means that an entity is not required to be a member of the GCPP to be able to take into account in more than \$3 million in fuel tax credits in its net fuel amounts for tax periods in a financial year. For the period 1 July 2006 to 30 June 2009, if you become aware of an entitlement to fuel tax credits in excess of \$3 million in a financial year and you were not a member of the GCPP, you are deemed to be a member of the GCPP immediately prior to its close, therefore enabling you to make a decreasing fuel tax adjustment for the fuel tax credits. The decreasing fuel adjustment is attributable to the tax period ending 30 June 2009 and you will have four years from the end of the tax period to claim the entitlement in accordance with section 105-55 of the TAA.

# FTD 2006/2

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Insert:

- FTD 2010/1

## 12. Legislative References

Omit:

- FT Act 45-5
- ANTS(GST)A 1999 29-70(1)

Insert:

- ANTS(GST)A 1999 29-C
- FT (Consequential and Transitional Provisions) Act 2006 Sch 3 12
- TAA 1953 Sch 1 105-55
- Tax Laws (2009 Measures No. 2) Act 2009

## 13. Other References

Insert:

- Law Administration Practice Statement PS LA 2010/3

This Addendum applies on and from 20 October 2010.

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**Commissioner of Taxation**

20 October 2010

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ATO references

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