



Australian Government
Australian Taxation Office

Fuel tax credits expanded from 1 July 2008

This fact sheet provides information about how fuel tax credits work and the different rates that apply before and after 1 July 2008.



Access the full Portable Document Format (PDF) version of [Fuel tax credits expanded from 1 July 2008](#) (NAT 15231, PDF, 112KB)

Overview

Fuel tax credits provide you with a credit for the fuel tax (excise or customs duty) included in the price of fuel you use in:

- business activities
- machinery
- plant
- equipment
- heavy vehicles.

The only fuels that are not eligible are:

- aviation fuels
- alternative fuels such as liquefied petroleum gas (LPG), compressed natural gas (CNG), liquefied natural gas (LNG), ethanol and biodiesel
- fuels you use in light vehicles of 4.5 tonne gross vehicle mass (GVM) or less travelling on a public road.

Fuel tax credits were introduced on 1 July 2006 and expanded from 1 July 2008. This means even if you weren't eligible before, you may be able to claim fuel tax credits for fuel you acquire, manufacture or import for use in your business activities from 1 July 2008.

You must be registered for GST and fuel tax credits before you can make a claim on your BAS. If you are already claiming fuel tax credits, check to see if more of your fuel is eligible.

What you can claim

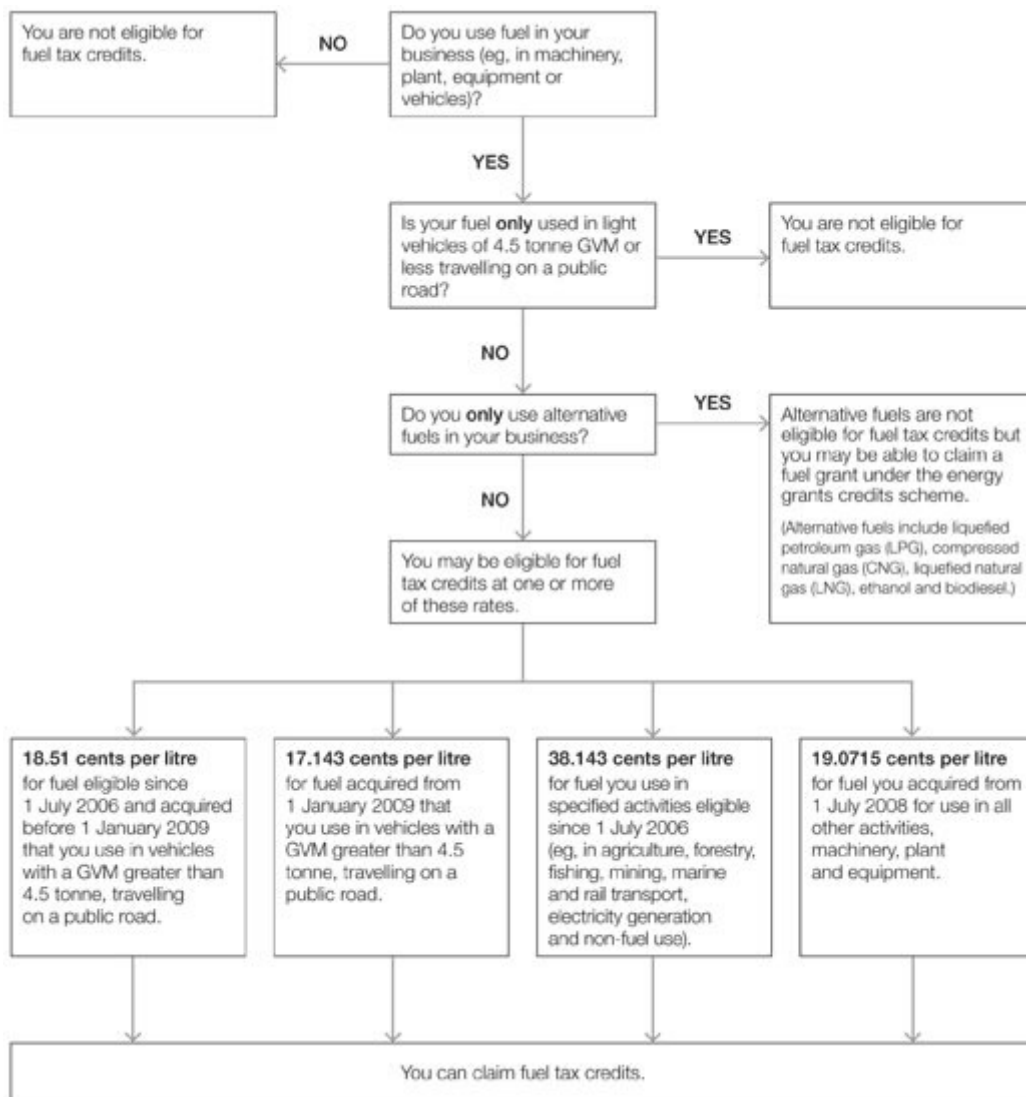
Once you have registered, you can claim fuel tax credits for most fuel you use in your business. The amount you can claim depends on how you use the fuel. You can claim:

- **18.51 cents per litre** for fuels eligible from 1 July 2006 and acquired before 1 January 2009 that you use in vehicles with a GVM greater than 4.5 tonne, travelling on a public road. This rate is subject to change – [check the latest rate](#).
- **17.143 cents per litre** for fuels eligible from 1 July 2006 and acquired from 1 January 2009 that you use in vehicles with a GVM greater than 4.5 tonne, travelling on a public road. This rate is subject to change – [check the latest rate](#).
- **19.0715 cents per litre** for fuels you acquired from 1 July 2008 to use in all other activities, machinery, plant and equipment. Examples include a wide range of construction, wholesale/retail, property management, and landscaping activities.



If your fuel tax credits are likely to exceed \$3 million in a financial year, you may need to join the [Greenhouse Challenge Plus program](#).

Can you claim fuel tax credits?



How do you register for fuel tax credits?

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

If you are already registered for GST but have not yet registered for fuel tax credits, you can do this by:

- phoning us on **13 72 26** at any time and providing your details using interactive voice recognition – make sure you have your Australian business number (ABN) and tax file number handy when you call
- completing the form [Add a new business account](#) (NAT 2954)
- phoning us on **13 28 66** between 8.00am and 6.00pm, Monday to Friday.

If you have an ABN but are not registered for GST, you can register for GST and fuel tax credits at the same time by:

- registering electronically through the Australian Business Register at www.abr.gov.au (to use this service you must be registered to deal with us electronically – for more information visit [Online Services](#) or phone **1300 139 051**)
- completing the form [Add a new business account](#) (NAT 2954).



To obtain a copy of Add a new business account (NAT 2954):

- visit [Add a new business account](#)
- phone our publications distribution service on **1300 720 092**.

How do you calculate fuel tax credits?

There are three steps:

Step 1: work out how many eligible litres of fuel you have used in your business.

Step 2: check what fuel tax credit rate applies to each of your [activities](#).

Step 3: work out the amount of your fuel tax credits in dollars by multiplying the number of eligible litres by the relevant fuel tax credit rate (Step 1 x Step 2).



To help you work out your fuel tax credits, use our [online calculator](#).

Activities where you can claim 17.143 cents per litre

This rate is for road transport – that is, motor vehicles with a GVM greater than 4.5 tonne travelling on a public road. If you use a heavy diesel vehicle on a public road and your vehicle was manufactured before 1 January 1996, you must meet an environmental criterion to claim fuel tax credits.

For more information on the environmental criteria, refer to [Fuel tax credits for heavy diesel vehicles – guidelines for satisfying environmental criteria](#) (DOTARS/050054). To obtain a copy, phone us on **1300 720 092**.

Activities where you can claim 38.143 cents per litre

Certain fuels have been eligible for fuel tax credits since 1 July 2006 when you use them for specified activities in:

- agriculture
- fishing
- forestry
- mining
- marine transport
- rail transport
- nursing and medical services
- generation of electricity (business or commercial), and
- non-fuel use (for example, fuel you use in burner applications or as a mould release).

All taxable fuels (including petrol) you use in these activities are eligible from 1 July 2008.

Activities where you can claim 19.0715 cents per litre

Eligibility for fuel tax credits expanded from 1 July 2008 to include all taxable fuels you use in machinery, plant and equipment for business activities not previously eligible. The only exception is fuel you use in light vehicles of 4.5 tonne GVM or less travelling on a public road.

To claim fuel tax credits for these activities, you must have acquired the fuel on or after 1 July 2008. Here are some examples of business equipment you can claim fuel tax credits for:

- all-terrain bikes (off-road use)
- asphalt pavers
- augers
- backhoes
- blowers/ vacuums
- botcats
- bulldozers
- cement mixers
- chainsaws
- compactors
- compressors
- cranes
- crushers
- dredges
- drills
- excavators
- front end loaders
- graders
- hoists
- lawn mowers
- outboard motors
- pumps

- rollers
- whipper-snippers
- winches.

Fuel tax credits at a glance

Activity/business use	Eligible fuel	Rate from 1 July 2006 in cents per litre	Rate from 1 July 2008 in cents per litre	Rate from 1 January 2009 in cents per litre
In a vehicle greater than 4.5 tonne GVM travelling on a public road (diesel vehicles acquired before 1 July 2006 can equal 4.5 tonne GVM).	All taxable fuels – for example, diesel and petrol.	18.51*	18.51*	17.143*
Emergency vehicles greater than 4.5 tonne GVM travelling on a public road (diesel vehicles acquired before 1 July 2006 can equal 4.5 tonne GVM).	All taxable fuels – for example, diesel and petrol.	18.51*	18.51*	17.143*
Specified activities eligible since 1 July 2006 in: <ul style="list-style-type: none"> ■ agriculture ■ fishing ■ forestry ■ mining ■ marine transport ■ rail transport, and ■ nursing and medical services 	Diesel and fuel oil	38.143	38.143	38.143
	All taxable fuels including petrol	Nil	38.143	38.143
Burner applications	All taxable fuels – for example, diesel, petrol, heating oil, kerosene and fuel oil.	38.143	38.143	38.143
Non-fuel uses such as: <ul style="list-style-type: none"> ■ fuel you use directly as a mould release ■ fuel you use as an ingredient in the manufacture of products. 	All taxable fuels – for example, kerosene, fuel oil, toluene, mineral turpentine and white spirit.	38.143	38.143	38.143
Packaging fuels in containers of 20 litres or less for non-internal combustion engine use.	Mineral turpentine, white spirit, kerosene and certain other fuels.	38.143	38.143	38.143
Supply of fuel for domestic heating.	Heating oil and kerosene	38.143	38.143	38.143
Electricity generation by a commercial generation plant, a stationary generator or a portable generator.	All taxable fuels – for example, diesel, petrol, heating oil, kerosene, and fuel oil.	38.143	38.143	38.143
Emergency vessels	Diesel and fuel oil.	38.143	38.143	38.143
	All taxable fuels	Nil	38.143	38.143

	including petrol.			
All other activities, machinery, plant and equipment are eligible from 1 July 2008. Examples of activities are:	All taxable fuels – for example, diesel and petrol.	Nil	19.0715**	19.0715**
<ul style="list-style-type: none"> ■ construction ■ manufacturing ■ wholesale/retail ■ property management, and ■ landscaping. 				

* This rate accounts for the road user charge, which is subject to change. To check the current rate for these activities, visit www.ato.gov.au/fuelschemes or phone **13 28 66**.

**The rate of 19.0715 cents per litre is 50% of the full rate of 38.143 cents per litre. The full rate will apply to all these activities from 1 July 2012.



Fuel is taxable fuel if excise or customs duty is required to be paid on it.

Businesses with more than \$3 million in fuel tax credits

If you are likely to claim more than \$3 million of fuel tax credits in a financial year, you may need to register for Greenhouse Challenge Plus (GCP) to receive any amounts over this threshold. The \$3 million threshold is calculated differently for GST groups, branches and joint ventures.

Greenhouse Challenge Plus is administered by the Department of the Environment, Water, Heritage and the Arts.



For more information about GCP:

- visit the Department of the Environment, Water, Heritage and the Arts website at www.environment.gov.au/settlements/challenge– you can also register for the program here
- phone the GCP hotline on **(02) 6274 1229**.

For more information about how GCP works in relation to GST groups, branches and joint ventures, phone us on **13 28 66** between 8.00am and 6.00pm, Monday to Friday.

Record keeping

The records you currently keep for your business will generally support your claims for fuel tax credits. Your records must show that you:

- acquired the fuel
- used it in your business
- applied the correct rate when working out how much you could claim.

You must keep these records for five years after you make the claim.

More information

For more information about fuel tax credits:

- refer to
 - [Fuel tax credits for business](#) (NAT 14584)
 - [Fuel tax credits for heavy diesel vehicles – guidelines for satisfying environmental criteria](#) (DOTARS/050054)
 - [Keeping records and calculating eligible litres](#) (NAT 15230)
 - [Energy grants credits scheme - alternative fuels](#) (NAT 15227)
- Phone us on **13 28 66** between 8am and 6pm Monday to Friday, or
- write to us at:
Australian Taxation Office

**PO Box 3001
Penrith NSW 2740**

To obtain copies of these publications, phone our publications distribution service on **1300 720 092**.

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.

Our commitment to you

We are committed to providing you with guidance you can rely on, so we make every effort to ensure that our publications are correct.

If you follow our guidance in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our guidance in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at **www.ato.gov.au** or contact us.

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