

Emissions Policy: Fuel Tax Credits



In 2006, the Australian Government introduced Fuel Tax Credit for fuel used in heavy vehicles and other business activities. The Fuel Tax Credit provides a credit for the excise or customs duty paid on fuel used for business activities.

You can claim fuel tax credit for taxable liquid fuels you use in heavy vehicles, including emergency vehicles, travelling on a public road if:

- The vehicle is used for business purposes;
- It has a gross vehicle mass (GVM) greater than 4.5 tonnes (or, if acquired before July 2006, the GVM may equal 4.5 tonnes); and
- Diesel vehicles meet one of a number of environmental performance criteria.

You need to keep records showing you acquired the fuel and used it in an eligible activity.

Vehicles used off-road or on private roads may be eligible for fuel tax credit as eligible business activities.

Environmental Criteria for Diesel Vehicles

There are four criteria that may be used to demonstrate compliance with the Australian Government's Fuel Tax Credit requirements, of which any one criterion is sufficient.

Vehicles Manufactured After 1995

Fuel used in vehicles manufactured from January 1996 is potentially eligible for the Fuel Tax Credit.

Fuel used in vehicles that have been retrofitted with an engine manufactured from January 1996 may also be eligible.

Vehicles Registered in an Audited Accredited Maintenance Program

Minimum requirements are set by the Australian Government's Department of Infrastructure and Transport, and maintenance programs are accredited by the Department Secretary.

Fuel used in vehicles registered in such a program may be eligible for the Fuel Tax Credit.

Further information:

Email: DPTI.LowEmissionVehicles@sa.gov.au

Web: www.lowemissionvehicles.sa.gov.au



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Vehicles Achieving In-Service Emissions Standards

Rule 147a of the Australian Vehicle Standards Rules 1999 specifies emissions performance limits for diesel vehicles under the 'DT80' test.

The test must be performed at an accredited test facility, such as DPTI's Regency Park Emissions Test Facility.

Fuel used in complying vehicles may be eligible for the Fuel Tax Credit.

Vehicles Complying with an Endorsed Maintenance Schedule

Maintaining appropriate maintenance and service schedules for a vehicle may allow an eligible claim for Fuel Tax Credit on the fuel it uses.

How Much is the Fuel Tax Credit?

The Fuel Tax Credit equates to the level of excise or customs duty paid on the fuel.

In practice, the Fuel Tax Credit is reduced by the Road User Charge. For diesel, as of July 2012, the Fuel Tax Credit less the Road User Charge equates to 12.643 ¢/L.

For fuels such as LPG, LNG and CNG, the Road User Charges reduces the Fuel Tax Credit to nil.

Interaction with the Carbon Price

From July 2014, an effective carbon price may be applied to fuel used in heavy vehicles (it already applies to liable entities use of fuel for other activities).

An effective price on carbon is applied through Fuel Tax Credit reductions, at a level equivalent to the prevailing carbon price.

The Fuel Tax Credit Reductions are as shown in Table 1.

Table 1: Carbon Price Impact on Fuel Tax Credit

Fuels	2012/13	2013/14	2014/15
Petrol	5.520 ¢/L	5.796 ¢/L	6.096 ¢/L
Diesel	6.210 ¢/L	6.521 ¢/L	6.858 ¢/L
Other Liquids	6.210 ¢/L	6.521 ¢/L	6.858 ¢/L
LPG	3.680 ¢/L	3.864 ¢/L	4.064 ¢/L
LNG & CNG	6.670 ¢/kg	7.004 ¢/kg	7.366 ¢/kg

From 2015/16, the Fuel Tax Credit changes will be determined every six months, based on the average carbon price over the previous six months.

The South Australian Government provides this policy summary to assist the community, and is not able to warrant the currency or accuracy of the information in this fact sheet. The Fuel Tax Credit is Australian Government policy and subject to change. Below are web links to information from the Australian Government.

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See Also:

- [Emissions Policy: Australian Design Rules](#)
- [Emissions Policy: Carbon Pricing](#)
- [Emissions Policy: Fuel Standards](#)
- [Emissions Policy: In-Service Performance](#)

External Links:

- [Australian Government's Department of Infrastructure & Transport \(Fuel Tax Credits\)](#)

Further information:

Email: DPTI.LowEmissionVehicles@sa.gov.au

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