Australian Customs Notice 1997 73

**CALCULATION OF EXCISE AND CUSTOMS RATES OF DUTY FOR CERTAIN TOBACCO PRODUCTS**

Following the High Court of Australia's decision that certain business franchise fees are an excise and cannot be imposed by the States and Territories, and in response to the request of the States and Territories, the Commonwealth increased duties on certain tobacco products by $167 to $251.27 per kilogram, effective on and from 7 August 1997.

At the time of these arrangements being put in place, the Treasurer stated that the Commonwealth was aware of the effects on the tobacco industry of replacing the value-based franchise fees with a weight-based system and that the Commonwealth would consider alternative arrangements that would be neutral as between different manufacturers.

At the request of the States and Territories, the Commonwealth has agreed to introduce a 'hybrid' ad valorem and weight based regime. The new 'hybrid' rate comprises a weight based duty component and an ad valorem component applied to the wholesale list prices declared by the Chief Executive Officer and published in the Commonwealth gazette. Should a wholesale list price not be declared for a particular product a solely weight based rate will apply to that product.

The new arrangements are contained in Excise Tariff Notices Nos. 4 (1997) and Customs Tariff Notices Nos. 4 (1997), published in Special Commonwealth Gazette No. S 358 of 16 September 1997. The wholesale list prices were published in Special Commonwealth Gazette No. S 359 of 17 September 1997.

The new rates and wholesale list prices take effect on and from 17 September 1997. Table 1 and 2 of the Attachment provide the new rates.

Tariff pages to be issued in connection with these changes are: Excise - E77 (R1)

Customs - Chapter 24/3 (R.4), Chapter 24/5 (R.0)

Any enquiries concerning these changes should be directed to:

|  |  |
| --- | --- |
| for Excise Tariff Rates: | Assistant Director, Tobacco Excise Branch  Australian Customs Service CANBERRA ACT 2600  Ph: (02) 6275 6103 |
|  |  |
| for Customs Tariff Rates: | Senior Inspector, Tariff Legislation Tariff, Valuation &amp; Origin Australian Customs Service CANBERRA ACT 2600  Ph: (02) 6275 6516 |

(J H Jeffery)

A/g National Director, Commercial Services

for Chief Executive Officer CANBERRA

September 1997 (Excise - C97/07449)

(Tariff, Valuation &amp; Origin - C97/06816) **ATTACHMENT**

**to: ACN 97/73**

**TABLE 1: SCHEDULE TO THE EXCISE TARIFF ACT 1921**

1. Item 6 of the Schedule

|  |  |  |
| --- | --- | --- |
| 6. | Tobacco (other than tobacco delivered under sub-item 8(C) or item 9A of this Schedule): |  |
|  |  |  |
|  | (A) Tobacco of a kind for which a wholesale list price is prescribed by By-law | $86.92 per kilogram plus 50.32 % of the wholesale list price |
|  |  |  |
|  | (B) Other | $232.17 per kilogram |

1. Item 7 of the Schedule

|  |  |  |
| --- | --- | --- |
| 7. | Cigars (other than cigars delivered under item 9A of this Schedule) |  |
|  |  |  |
|  | (A) Cigars of a kind for which a wholesale list price is prescribed by By-law | $86.92 per kilogram plus 50.32 % of the wholesale list price |
|  |  |  |
|  | (B) Other | $232.17 per kilogram |

**ATTACHMENT to: ACN 97/73**

**TABLE 1: SCHEDULE TO THE EXCISE TARIFF ACT 1921**

1. Item 8 of the Schedule

|  |  |  |
| --- | --- | --- |
| 8. | Cigarettes (other than cigarettes delivered under item 9A of this Schedule) and fine cut tobacco (other than tobacco delivered under item 6 or item 9A of this Schedule): |  |
|  |  |  |
|  | (A) Cigarettes of a kind for which a wholesale list price is prescribed by By-law | $86.92 per kilogram plus 50.32 % of the wholesale list price |
|  |  |  |
|  | (B) Other cigarettes |  |
|  | (1) of a weight such that there are no more than 1200 per kilogram | $232.17 per kilogram |
|  | (2) other | $350 per kilogram |
|  | (C) Fine cut tobacco suitable for the manufacture of cigarettes | $232.17 per kilogram |

**ATTACHMENT to: ACN 97/73**

**TABLE 2: SCHEDULE TO THE CUSTOMS TARIFF ACT 1921**

|  |  |  |
| --- | --- | --- |
| **2402.10.** | **-Cigars, cheroots and cigarillos, containing tobacco** |  |
|  |  |  |
| 2402.10.10 | -- Of a kind for which the Chief Executive Officer of Customs has declared a wholesale list price by instrument in writing published in the *Gazette* | $86.92 per kg plus 50.32% of the total list price  NZ: $86.92 per kg plus 50.32% of the total list price  PNG: $86.92 per kg plus 50.32% of the total list price  FI: $86.92 per kg plus 50.32% of the total list price  DC: $86.92 per kg plus 50.32% of the total list price |
|  |  |  |

|  |  |  |
| --- | --- | --- |
| 2402.10.90 | --Other | $232.17 per kg NZ:$232.17 PNG:$232.17 DC:$232.17 |
|  |  |  |
| **2402.20** | **Cigarettes containing tobacco** |  |
|  |  |  |
| 2402.20.10 | -- Of a kind for which the Chief Executive Officer of Customs has declared a wholesale list price by instrument in writing published in the *Gazette* | $86.92 per kg plus 50.32% of the total list price  NZ: $86.92 per kg plus 50.32% of the total list price  PNG: $86.92 per kg plus 50.32% of the total list price  FI: $86.92 per kg plus 50.32% of the total list price  DC: $86.92 per kg plus 50.32% of the total list price |

**ATTACHMENT to: ACN 97/73**

**TABLE 2: SCHEDULE TO THE CUSTOMS TARIFF ACT 1921**

|  |  |  |
| --- | --- | --- |
| **2402.20.9** | **--Other:** |  |
|  |  |  |
| 2402.20.91 | ---Of a weight such that there are no more than 1 200 per kilogram | $232.17 per kg NZ:$232.17 PNG:$232.17 FI:$232.17 DC:$232.17 |
|  |  |  |
| 2402.20.99 | ---Other | $350.00/kg NZ:$350.00/kg PNG:$350.00/kg |

|  |  |  |
| --- | --- | --- |
|  |  | FI:$350.00/kg DC:$350.00/kg |
|  |  |  |
| **2403.10** | **Smoking tobacco, whether or not containing tobacco substitutes in any proportion:** |  |
|  |  |  |
| 2403.10.20 | --- Of a kind for which the Chief Executive Officer of Customs has declared a wholesale list price by instrument in writing published in the *Gazette* | $86.92 per kg plus 50.32% of the total list price  NZ: $86.92 per kg plus 50.32% of the total list price  PNG: $86.92 per kg plus 50.32% of the total list price  FI: $86.92 per kg plus 50.32% of the total list price  DC: $86.92 per kg plus 50.32% of the total list price |
|  |  |  |
| 2403.10.80 | ---Other | $232.17 per kg NZ:$232.17 PNG:$232.17 FI:$232.17 DC:$232.17 |

**ATTACHMENT to: ACN 97/73**

**TABLE 2: SCHEDULE TO THE CUSTOMS TARIFF ACT 1921**

|  |  |  |
| --- | --- | --- |
| **2403.99.9** | **---Other** |  |
|  |  |  |
| 2403.99.91 | --- Of a kind for which the Chief Executive Officer of Customs has declared a wholesale list price by instrument in writing published in the *Gazette* | $86.92 per kg plus 50.32% of the total list price  NZ: $86.92 per kg plus 50.32% of the total list price  PNG: $86.92 per kg plus 50.32% of the total list price  FI: $86.92 per kg plus 50.32% of the total list |

|  |  |  |
| --- | --- | --- |
|  |  | price  DC: $86.92 per kg plus 50.32% of the total list price |
|  |  |  |
| 2403.99.99 | ---Other | $232.17 per kg NZ:$232.17 PNG:$232.17 FI:$232.17 DC:$232.17 |