

AUSTRALIAN CUSTOMS AND BORDER PROTECTION NOTICE NO. 2014/32

Carbon Tax Repeal changes for 1 July 2014

This Notice summarises the changes to the *Customs Tariff Act 1995* (Customs Tariff) resulting from Carbon Tax Repeal legislation, operative 1 July 2014.

Aviation Fuel

The *Customs Tariff Amendment (Carbon Tax Repeal) Act 2014* (the Act) received Royal Assent on 17 July 2014. This Act amends the Customs Tariff to remove the carbon tax imposed on excise-equivalent duty applied on imported aviation gasoline and aviation kerosene (aviation fuels).

Prior to the repeal of the carbon tax the duty applied to aviation fuel was a designated levy to fund the Civil Aviation Safety Authority (CASA) plus an aviation fuel carbon component. The new legislated rates remove the carbon tax component. The CASA component is not affected.

The Act alters rates of duty for aviation gasoline and kerosene as set out in the Table below. The adjusted rates of duty apply to the listed subheadings in Schedule 3 and relevant items in Schedules 5 to 9 of the Customs Tariff, applicable to Australia’s free trade agreements.

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| --- | --- | --- | --- |
| **Goods** | **Subheading** | **Current Excise- Equivalent Duty** | **New Excise-**  **Equivalent Duty 1 July 2014** |
| Gasoline for use as fuel in aircraft | 2710.12.61  2710.91.61  2710.99.61 | $0.09144/L  ($0.05588 carbon component rate) | $0.03556/L |
| Kerosene for use as fuel in aircraft | 2710.19.40  2710.91.40  2710.99.40 | $0.1016/L  ($0.06604 carbon component rate) | $0.03556/L |

Amendment to the *Customs Regulations 1926* (Customs Regulations) for carbon tax refunds

A new refund circumstance, subregulation 126(1)(zc), has been inserted in the Customs Regulations to allow refunds of the carbon tax overpaid on aviation fuel, following the repeal of the tax from 1 July 2014.

This Regulation will allow for the refund of duty overpaid in the period between 1 July and 17 July 2014 when the Act received Royal Assent.

Please direct any inquiries concerning these matters to the following contact: Manager Trade Policy and Negotiation

Australian Customs and Border Protection Service 5 Constitution Avenue

CANBERRA ACT 2601

Ph: (02) 6275 6542

Customs Tariff pages to be issued in connection with these changes are:

|  |  |  |
| --- | --- | --- |
| Customs Tariff Act 1995 35 – Blank (R.1) |  | |
| Schedule 3 |
| 27/7 - 27/8 (R.27) | 27/11 - 27/12 (R.13) | 27/13 – 27/14 (R.13) |
| 27/15-27/16 (R.8) | 27/17 - 27/18 (R.8) | 27/19-27/20 (R.7) |
| Schedule 5 | Schedule 6 | Schedule 7 |
| 5/3 - 5/4 (R.34) | 6/3 - 6/4 (R.33) | 7/5 - 7/6 (R.7) |
| 5/5 - 5/6 (R.10) | 6/5 - 6/6 (R.10) | 7/6A - 7/6B (R.5) |
| Schedule 8 | Schedule 9 |  |
| 8/3 - 8/4 (R.19)  8/5 - 8/6 (R.7) | 9/3 - 9/4 (R.8)  9/5 - 9/6 (R.3) |  |

(signed)

Geoff Johannes

National Manager Trade Branch Canberra ACT

24 July 2014

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