Australian Customs Notice 1998 57

**INDEXATION OF CERTAIN EXCISE AND CUSTOMS TARIFF RATES OF DUTY AND THE DIESEL FUEL REBATE**

Section 6A of the *Excise Tariff Act 1921* (the Excise Tariff) and section 19 of the *Customs Tariff Act 1995* provide for indexation increases to rates of excise and customs duty for certain excisable and like customable goods in February and August of each year in certain circumstances. The increases are related to movements in the Consumer Price Index (CPI). As a result of CPI movements during the 1998 June quarter, there has been an increase in the rates of excise and customs duty on spirits, beer (except "home brew"), tobacco and most petroleum products on and from 1 August 1998. The new rates of duty are set out in Table 1 (excise duty) and Table 2 (customs duty) of the Attachment to this ACN.

The CPI for the June quarter 1998 was released by the Australian Bureau of Statistics on 22 July 1998. Subsection 6A(5) of the Excise Tariff requires that the last preceding June index number published by the Australian Statistician be divided by the previous highest December or June index number since December 1983 to establish a factor. When this factor is greater than 1, it is used to calculate the new rates of excise and customs duty applying to the relevant excisable and like customable goods in accordance with subsection 6A(4) of the Excise Tariff.

The June 1998 index number (121.0) was divided by the December 1996 number (120.3) to establish a factor of 1.006; hence the increases in the rates of duty.

In accordance with long-standing policy, where rates of excise and customs duty are indexed in the above circumstances, complementary increases in the rates of diesel fuel rebate are also made. These increases are effected by declarations under subsection 78A(5A) of the *Excise Act 1901*Customs Act 1901. The new declared rates of diesel fuel rebate are also effective on and from 1 August 1998 and are listed in Tables 3 and 4 of the Attachment.

Actual rates of rebate payable can differ from these declared rates because of the averaging provisions of the rebate legislation. The rate applicable to a particular claim is shown on the payment advice forwarded to claimants.

Any enquiries concerning these matters should be directed to:

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| for Excise Tariff Rates: | Senior Inspector, Petroleum Excise  Australian Customs Service CANBERRA ACT 2600  Ph: (02) 6275 6136 |
| for Customs Tariff Rates: | Senior Inspector, Tariff Legislation Tariff  Australian Customs Service CANBERRA ACT 2600  Ph: (02) 6275 6516 |
| for Diesel Fuel Rebate: | Senior Inspector, Rebate &amp; Subsidy Excise  Australian Customs Service CANBERRA ACT 2600  Ph: (02) 6275 6108 |

Tariff pages to be issued in connection with these changes are: Excise - E73-89

Customs - 22/3, 22/5, 22/7, 22/9, 24/3, 24/5, 27/3, 27/5, 27/7, 27/9

Operative date: 1 August 1998 (Excise - C97/10752)

(Tariff - C98/06509)

R hunt

Acting National Manager Excise Branch

for Chief Executive Officer 29 July 1998