

AUSTRALIAN CUSTOMS NOTICE NO. 2003/51

Customs Tariff Proposals Nos. 3 and 4 (2003) – ultra low sulphur diesel and aviation fuels

# Ultra low sulphur diesel (ULSD) and related products

Customs Tariff Proposal No. 3 (2003) was tabled in Parliament on 25 June 2003 and contains alterations to the *Customs Tariff Act 1995* (the Customs Tariff), effective from 1 July 2003. The Proposal was tabled cognately with Excise Tariff Proposal No. 1 (2003) that makes equivalent alterations to the *Excise Tariff Act 1921* (the Excise Tariff).

The Proposals alter the Customs and Excise Tariff classifications for diesel and similar products (kerosene, heating oil, stabilised crude petroleum oil and topped crude petroleum oil for use as fuel in an internal combustion engine and certain other uses) to provide for excise and customs duty differentials based on sulphur content.

Commencing from 1 July 2003, diesel and similar products with high sulphur content (above 50 parts per million) will attract customs and excise duty at a rate of 39.143 cents per litre (cpl), 1 cpl above the current diesel rate of 38.143 cpl. Customs and excise duty on ultra low sulphur diesel (not exceeding 50 parts per million) and similar products will remain at 38.143 cpl.

Customs Tariff Proposal No. 3 (2003) also increases the customs duty differential by a further 1 cpl from 1 January 2004 with a customs duty rate for high sulphur diesel and similar products of 40.143 cpl. Excise Tariff Proposal No. 2 (2003) makes equivalent alterations to the Excise Tariff.

Details of the new tariff subheadings and statistical codes applicable to ultra low sulphur diesel and related products will be available on a COMPILE news message and on the Customs internet site in the near future.

# Aviation fuels

Customs Tariff Proposal No. 4 (2003) was also tabled in Parliament on 25 June 2003 and contains alterations to the Customs Tariff, effective from 1 July 2003. The Proposal was tabled cognately with Excise Tariff Proposal No. 3 (2003) that makes equivalent alterations to the Excise Tariff.

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The Proposals increase the rates of customs and excise duty for aviation fuels by

0.306 cpl. The customs duty on aviation kerosene increases to $0.03151 per litre and on aviation gasoline to $0.03114 per litre, with effect from 1 July 2003.

Customs Tariff reprint pages will be issued as soon as possible to reflect these changes.

Any queries relating to Customs Tariff Proposals Nos. 3 and 4 (2003) should be directed to Manager, Tariff Legislation and External Review on (02) 6275 6486.

John Arndell

Acting National Manager Trade

for

Chief Executive Officer June 2003