



Excise (Blending exemptions) Determination 2014 (No. 1)

Excise Act 1901

Determination of circumstances for the purposes of subsection 77H(3) of the *Excise Act 1901*

Under subsection 77H(4) of the *Excise Act 1901* (Excise Act), I make the following determination:

Citation

1. This determination may be cited as the *Excise (Blending exemptions) Determination 2014 (No. 1)*.

Legislative instrument

2. This determination is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Commencement

3. This determination commences on 1 July 2014.

Application

4. This determination applies to circumstances that occur on or after the date of commencement.

Revocation of previous instrument

5. *Excise (Blending exemptions) Determination 2012 (No. 2)* – F2012L01262, registered on the 20/06/2012 is revoked on the commencement of this determination.

Object

6. Under subsection 77H(4) of the Excise Act the CEO may determine circumstances in which the product of the blending of 1 or more eligible goods (with or without other substances) is excluded from goods covered by paragraph 10(g) of the Schedule to the *Excise Tariff Act 1921* (the Schedule).
7. This means that whilst duty may be payable on one or more of its components, the product itself is not an excisable good subject to duty.

Interpretation

CEO means the Commissioner of Taxation (see subsection 4(1) of the Excise Act).

eligible goods means goods covered by item 10 paragraphs (a), (b), (c), (d), (da), (db), (dc), (e) or (f) of the Schedule.

Blending circumstances

8. Goods that are the product of the blending of 1 or more eligible goods (with or without other substances) are taken not to be goods covered by paragraph 10(g) of the Schedule in these circumstances:
- (a) oil and gasoline are blended for use as two stroke gasoline where duty has been paid on the oil at the rate specified in item 15 of the Schedule and on the gasoline at the rate specified in subitem 10.5;
 - (b) an incidental blend occurs where eligible goods are placed in a tank containing remnants of eligible goods or another substance;
 - (c) diesel or biodiesel on which duty has been paid is blended with stabilised crude petroleum oil not covered by paragraph 10(a) of the Schedule¹;
 - (d) eligible goods on which duty has been paid are blended with a dye;
 - (e) eligible goods on which duty has been paid are blended with prepared additives that:
 - (i) are packaged into packages of not more than 10 litres capacity, and
 - (ii) enhance the performance of an internal combustion engine or assist in its maintenance, and
 - (iii) are not methanol or eligible goods (or their imported equivalents);
 - (f) eligible goods on which duty has been paid are blended with prepared additives that:
 - (i) are not packaged into packages of 10 litres capacity or less, and
 - (ii) enhance the performance of an internal combustion engine or assist in its maintenance, and
 - (iii) are not methanol or eligible goods (or their imported equivalents), and
 - (iv) where the total amount of all prepared additives in the resultant blend does not exceed 0.5 % v/v;
 - (g) goods that are the product of the blending of amounts of liquefied petroleum gas (LPG) without other substances if the following apply:
 - (i) any applicable excise duty or an excise equivalent duty of Customs that is payable on each quantity of the LPG has been paid;
and
 - (ii) the blending occurs:
 - (a) in a container that is capable of containing not more than 210 kilograms of LPG; or
 - (b) in a tank at residential premises and the resultant blend is not for use in carrying on an enterprise; or
 - (c) in a tank that is for use in a system for supplying LPG to at least 2 residential premises (whether or not the system also supplies fuel to premises other than residential premises)

¹ Paragraph 10(a) of the Schedule does not cover stabilised crude petroleum oil for use (i) in the recovery, production, pipeline transportation or refining of petroleum condensate or stabilised crude petroleum oil, and (ii) as feedstock at a factory specified in a licence granted under Part IV of the Excise Act. Such stabilised crude petroleum oil is not excisable under item 10.

- (iii) the tank in which the blending occurs is not for use in a system for supplying fuel to an internal combustion engine of either a motor vehicle or a vessel, either directly or by filling another tank connected to such an engine.

For the purposes of (iii), the term motor vehicle does not include a vehicle that is designed merely to move goods with a forklift and is for use primarily off public roads, or a vehicle of a kind prescribed by the regulations for the purposes of paragraph 41-10(4)(b) of the *Fuel Tax Act 2006*.

Dated this 6th day of June 2014

James O'Halloran
Deputy Commissioner of Taxation