

***EXC 2016/8 -***



Australian Government

Australian Taxation Office

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## Legislative Instrument

### Excise (Volume of LPG – Temperature and Pressure Correction) Determination 2016 (No. 2)

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I, Deborah Jenkins, Acting Deputy Commissioner of Taxation, make this determination under section 65 of the *Excise Act 1901* (***Excise Act***).

#### **Deborah Jenkins**

Acting Deputy Commissioner of Taxation

Dated: 13/09/2016

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#### **Name of determination**

1. This determination may be cited as the *Excise (Volume of LPG – Temperature and Pressure Correction) Determination 2016 (No. 2)*.

#### **Commencement**

2. This determination commences on the day after registration.

#### **Repeal of previous determination**

3. *Excise (Volume of LPG – Temperature and Pressure Correction) Determination 2016 (No. 1)* - F2016L00130, registered on 22 February 2016, is repealed on commencement of this determination.

#### **Determination**

4. This determination is a legislative instrument for the purposes of the *Legislation Act 2003* (***Legislation Act***).
5. This determination applies to Liquefied Petroleum Gas (LPG) delivered for home consumption pursuant to section 61C of the *Excise Act* on or after the date of commencement.

#### **Object**

6. Under section 65 of the *Excise Act*, the CEO may determine rules for working out the volume of excisable goods.
7. These rules govern the volume of LPG for the purposes of determining the amount of excise duty payable on LPG.

## Determining the volume of LPG

8. In determining the volume of LPG (in litres) delivered into home consumption, the following methods are permissible subject to paragraphs 9, 10 and 12:

**Method 1** – Determining the volume of LPG in litres by use of a factor based on density.

This method allows for the conversion from kilograms to litres of a quantity of LPG delivered for home consumption by either:

- (a) the use of a factor based on the measured density of the LPG at ambient temperature corrected to 15° Celsius using the American Society for Testing and Materials (ASTM) *Petroleum Measurement Tables for Light Hydrocarbon Liquids – Density Range 0.500 to 0.653 Kg/L at 15° C*; or
- (b) the use of the conversion factor stipulated in Section 24(1) of the *Excise Regulation 2015* (Excise Regulation).

**Method 2** – Determining the volume of LPG in litres at 15° Celsius by use of equilibrium vapour pressure and a temperature correction factor.

Method 2 requires the use of the American Petroleum Institute (API) *Manual of Petroleum Measurement Standards, Chapter 11.2.2M – Compressibility Factors for Hydrocarbons: 350-637 kg/m<sup>3</sup> Density (15° C) and -46° C to 60° C Metering Temperature* to correct the volume of LPG metered under operating pressure to the corresponding volume at the equilibrium vapour pressure for the metered temperature and the use of the American Society for Testing and Materials (ASTM) *Petroleum Measurement Tables for Light Hydrocarbon Liquids – Density Range 0.500 to 0.653 Kg/L at 15° C*, to correct the volume of the LPG to 15° Celsius.

**Method 3** – Determining the volume of LPG in litres at ambient temperature and operating pressure for aggregated clearances of transport LPG not exceeding 150,000 litres

9. A person who has aggregated clearances of transport LPG exceeding 150,000 litres per accounting period must use either Method 1 or 2 for determining the volume of their transport LPG.
10. A person who does not have aggregated clearances of transport LPG exceeding 150,000 litres per accounting period and does not have a requirement on their permission issued under section 61C of the Excise Act to use Method 1 or 2 to correct the volume of LPG delivered on all their clearances may use Method 1, 2 or 3 for determining the volume of LPG.
11. For the purposes of paragraph 8, the versions of the incorporated *API Manual of Petroleum Measurement Standards* and the *ASTM Petroleum Measurement Tables for Light Hydrocarbon Liquids that are current* at the time of commencement of this determination are to be used.
12. A person must use one Method for the duration of an accounting period as stipulated in Section 24(2) of the Excise Regulation, unless authorised in writing by the CEO to do otherwise.

## Definitions

13. The following expressions are defined for the purposes of this determination:

**accounting period** means the 12 month period adopted for income tax purposes as provided by section 18 of the *Income Tax Assessment Act 1936*, or another period approved in writing by the CEO;

**aggregated clearances** means the volume of LPG delivered for home consumption by you in the accounting period from excise licensed establishments based on historical data, or the volume of LPG reasonably expected to be delivered for home consumption by you in an accounting period if no historical data is available;

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

**excise licensed establishment** means premises that are specified in an Excise licence issued pursuant to section 39A of the Excise Act;

**LPG (or liquefied petroleum gas)** means goods classified to sub-item 10.19A of the Schedule to the *Excise Tariff Act 1921* (the Schedule);

**Transport LPG** means LPG which is supplied or used 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.