Optimizing Fuel Tax Credits: A Comprehensive Analysis of Calculations for Australian Businesses



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What are Fuel Tax Credits?



Fuel Tax credits are refunds or credits that business can claim for the fuel tax paid on eligible fuel purchase used in their operations. This presentation will explore the calculation methods and provide strategies for maximizing credits.



The amount depends on when you acquire the fuel, what fuel you use and the activity you use it in. Fuel tax credits rates also change regularly so it's important to check the rates each time you do your business activity statement (BAS).

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Eligible Activities

To be eligible for fuel tax credits, business must meet certain criteria:

Business Use

Fuel tax credits can only be claimed for fuel used in eligible business activities, such as operating machinery, vehicles equipment, or generators for commercial purposes.

Use in Specific activities

Fuel must be used in eligible activities such as transportation on public roads, off-road use in agricultural, mining or construction activities or non-commercial activities like charities or government bodies.

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Fuel tax credits – Business

1. Fuel tax credits provide businesses with a credit for the fuel tax (excise or customs duty) that's included in the price of fuel used in:
   - Machinery
   - Plant
   - Equipment
   - Heavy vehicles
   - Light vehicles travelling off public roads or on private roads.

2. The amount depends on when you acquire the fuel, what fuel you use and the activity you use it in. Fuel tax credits rates also change regularly so it's important **to check the rates each time you do your business activity statement (BAS).**

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Fuel tax credits – Non-business

1. Fuel tax credits provide you with a credit for the fuel tax (excise or customs duty) included in the price of fuel.
2. If you are not registered, or not required to be registered, for goods and services tax (GST) you may be eligible to claim fuel tax credits for fuel used to:

- **Generate domestic electricity – for your home, house or household use**
- **Operate emergency vehicles or vessels – if you are a non-profit organization.**

3. Fuel you use in light vehicles of 4.5 tons gross vehicle mass (GVM) or less, for travelling on public roads are not eligible for claiming

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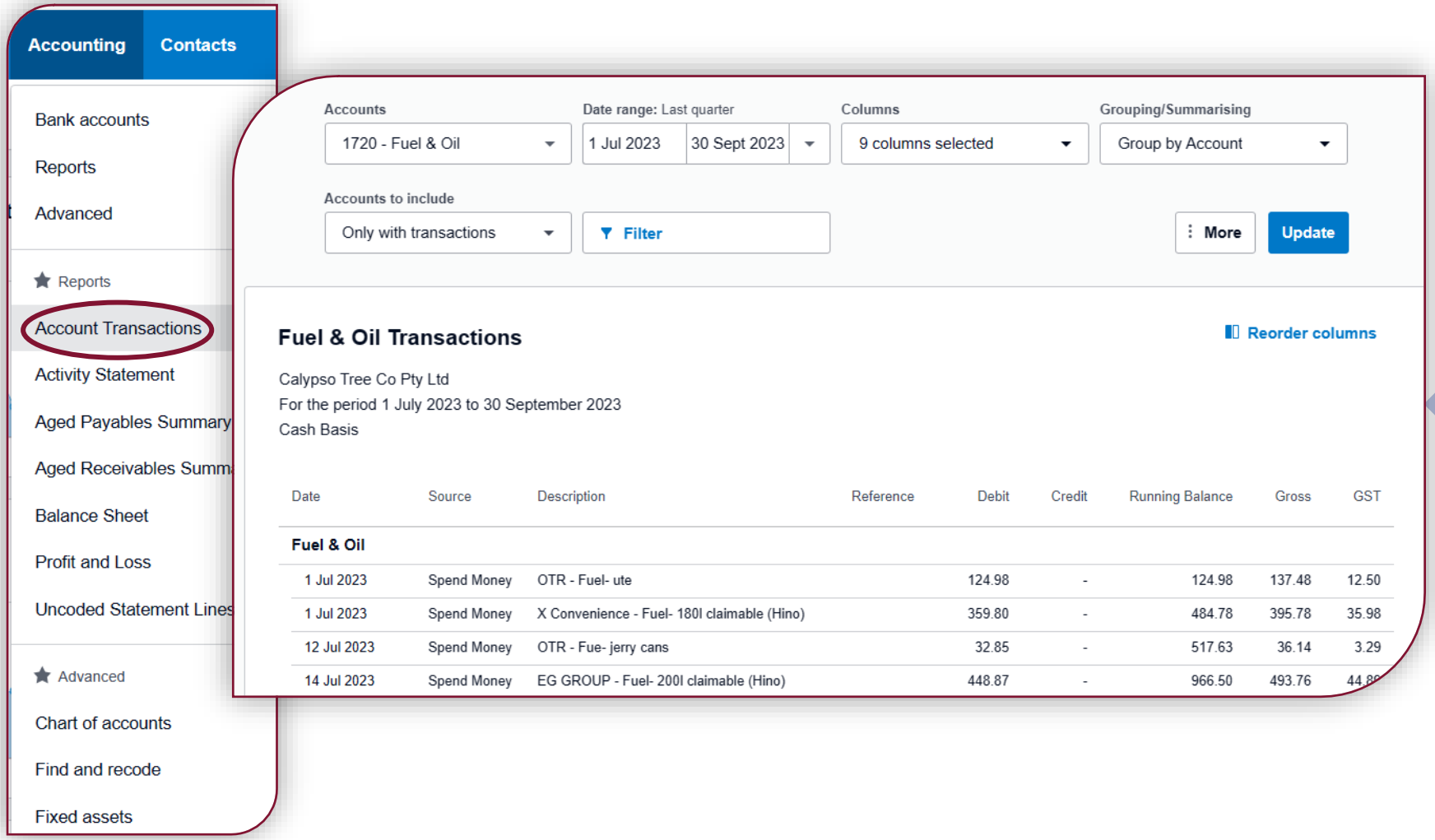
Fuel tax credit rates:

Eligible fuel type	**Used in heavy vehicles** for travelling on public roads	**All other business uses (**Claims for packaging or supplying fuel**)**
Liquid fuels – for example, diesel or petrol	20.0	48.8
Blended fuels	20.0	48.8
Blended fuel: E85	0	20.92
Liquefied petroleum gas (LPG) (duty paid)	0	15.9
Liquefied natural gas (LNG) or compressed natural gas (CNG)	0	33.4

Rates for fuel acquired from 1 August 2023 to 4 February 2024

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To Know Eligible Fuel for Claim



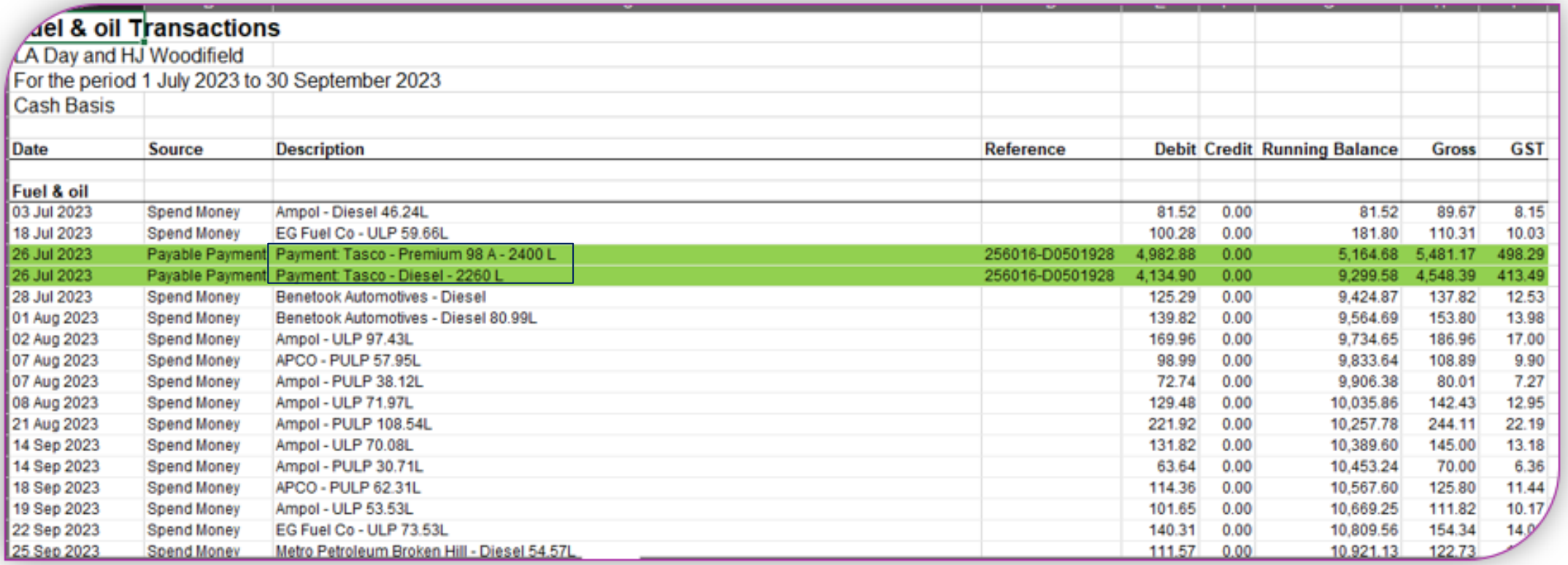
Step 1

- Go To **Account Transaction**
- Select **Fuel GL**
- Select the required BAS date range
- Click **Export** to Excel

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Step 2



uel & oil Transactions
LA Day and HJ Woodifield
For the period 1 July 2023 to 30 September 2023
Cash Basis

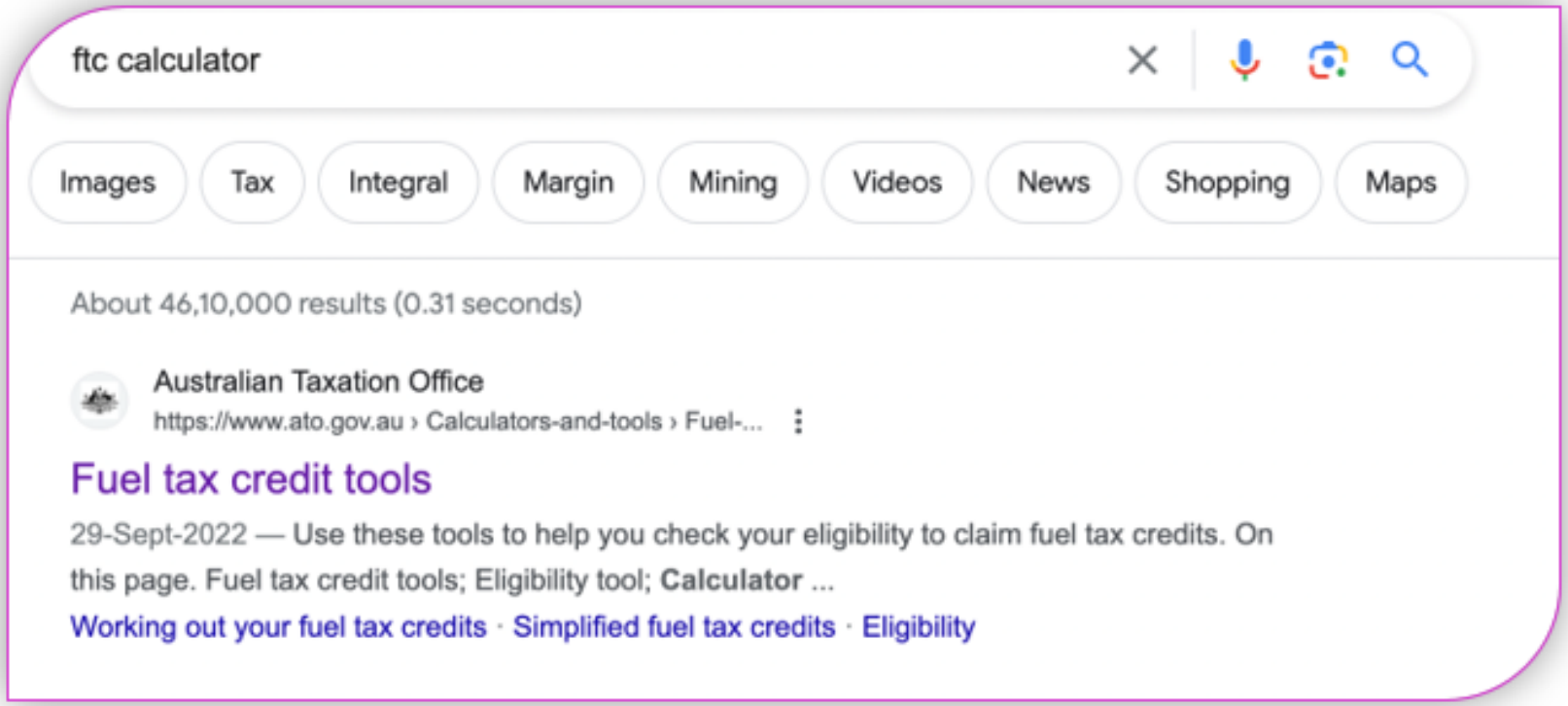
Date	Source	Description	Reference	Debit	Credit	Running Balance	Gross	GST
Fuel & oil								
03 Jul 2023	Spend Money	Ampol - Diesel 46.24L		81.52	0.00	81.52	89.67	8.15
18 Jul 2023	Spend Money	EG Fuel Co - ULP 59.66L		100.28	0.00	181.80	110.31	10.03
26 Jul 2023	Payable Payment	Payment: Tasco - Premium 98 A - 2400 L	256016-D0501928	4,982.88	0.00	5,164.68	5,481.17	498.29
26 Jul 2023	Payable Payment	Payment: Tasco - Diesel - 2260 L	256016-D0501928	4,134.90	0.00	9,299.58	4,548.39	413.49
28 Jul 2023	Spend Money	Benetook Automotives - Diesel		125.29	0.00	9,424.87	137.82	12.53
01 Aug 2023	Spend Money	Benetook Automotives - Diesel 80.99L		139.82	0.00	9,564.69	153.80	13.98
02 Aug 2023	Spend Money	Ampol - ULP 97.43L		169.96	0.00	9,734.65	186.96	17.00
07 Aug 2023	Spend Money	APCO - PULP 57.95L		98.99	0.00	9,833.64	108.89	9.90
07 Aug 2023	Spend Money	Ampol - PULP 38.12L		72.74	0.00	9,906.38	80.01	7.27
08 Aug 2023	Spend Money	Ampol - ULP 71.97L		129.48	0.00	10,035.86	142.43	12.95
21 Aug 2023	Spend Money	Ampol - PULP 108.54L		221.92	0.00	10,257.78	244.11	22.19
14 Sep 2023	Spend Money	Ampol - ULP 70.08L		131.82	0.00	10,389.60	145.00	13.18
14 Sep 2023	Spend Money	Ampol - PULP 30.71L		63.64	0.00	10,453.24	70.00	6.36
18 Sep 2023	Spend Money	APCO - PULP 62.31L		114.36	0.00	10,567.60	125.80	11.44
19 Sep 2023	Spend Money	Ampol - ULP 53.53L		101.65	0.00	10,669.25	111.82	10.17
22 Sep 2023	Spend Money	EG Fuel Co - ULP 73.53L		140.31	0.00	10,809.56	154.34	14.0
25 Sep 2023	Spend Money	Metro Petroleum Broken Hill - Diesel 54.57L		111.57	0.00	10,921.13	122.73	

Fuel to be considered in Liters Value for FTC calculation

For e.g., Consider the bulk liters for calculation (2400L + 2260L = 4660L)

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Calculation of FTC in ATO Portal:



Step 1 :

Visit for FTC Calculator in ATO Portal

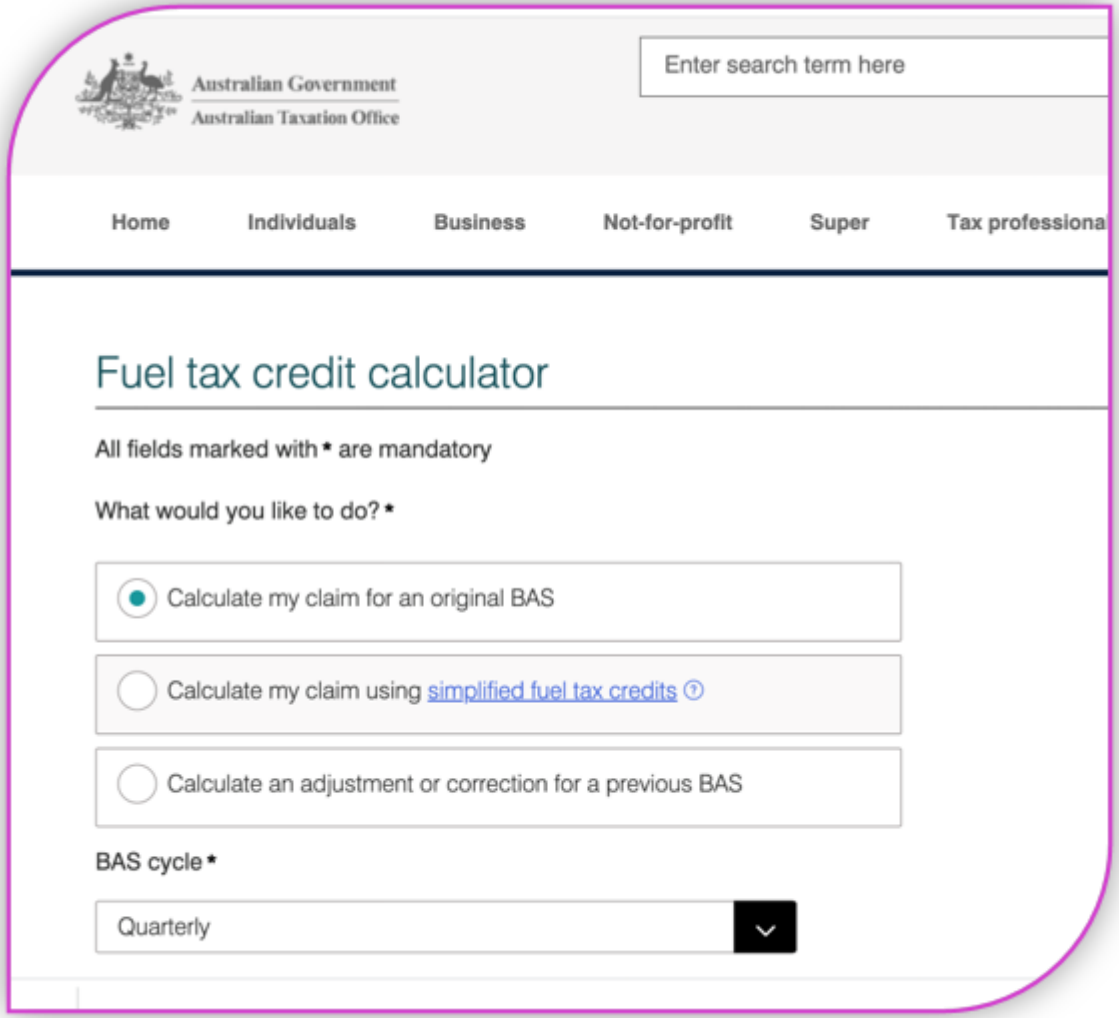
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Step 2

1.Select the option to perform the required calculation

2.Then select the bas cycle

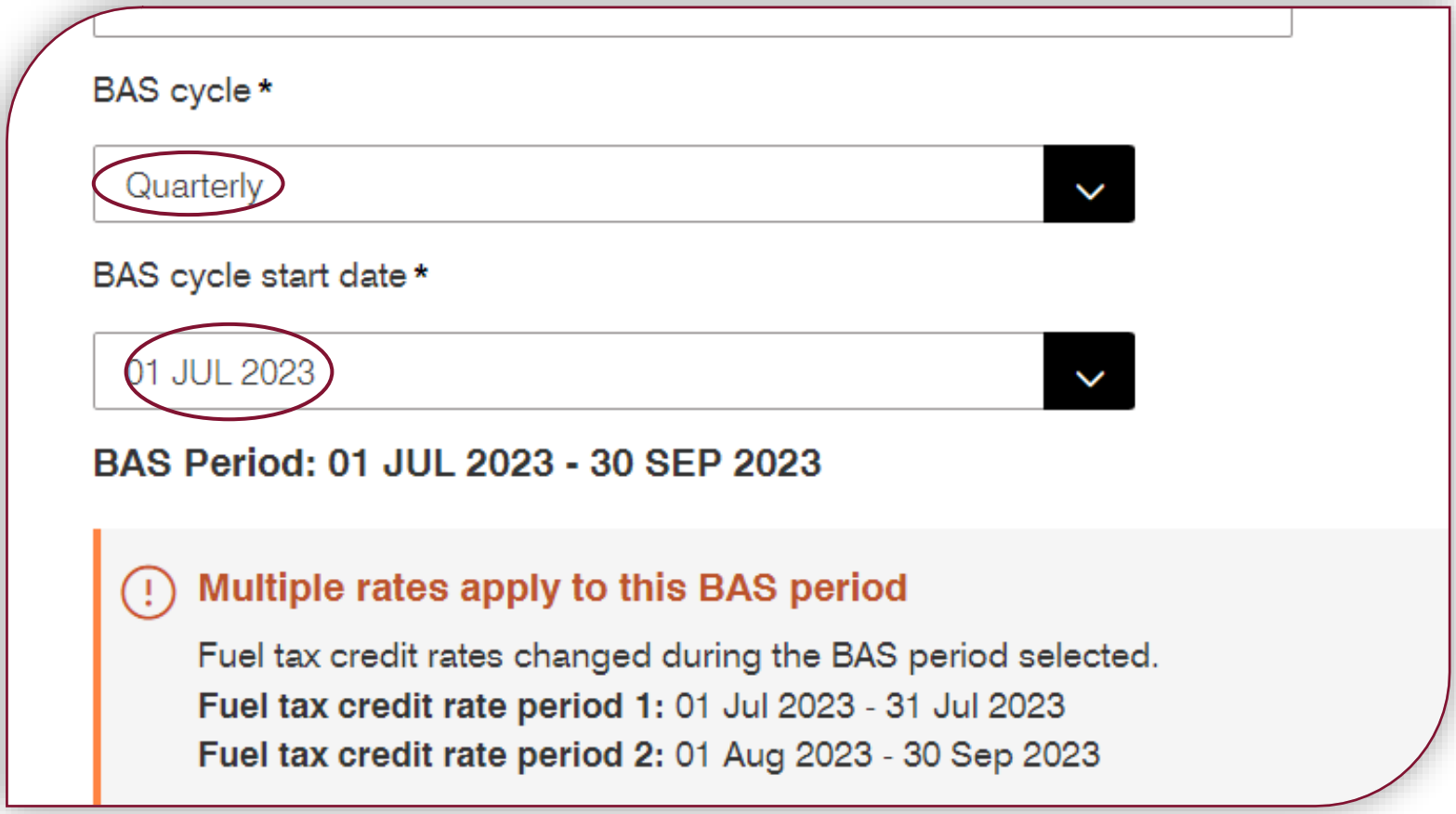


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Step **3:**

- Select the BAS start date
- Select the type of fuel
- Select the use of fuel
- Enter the quantity in liters
- Click Calculate



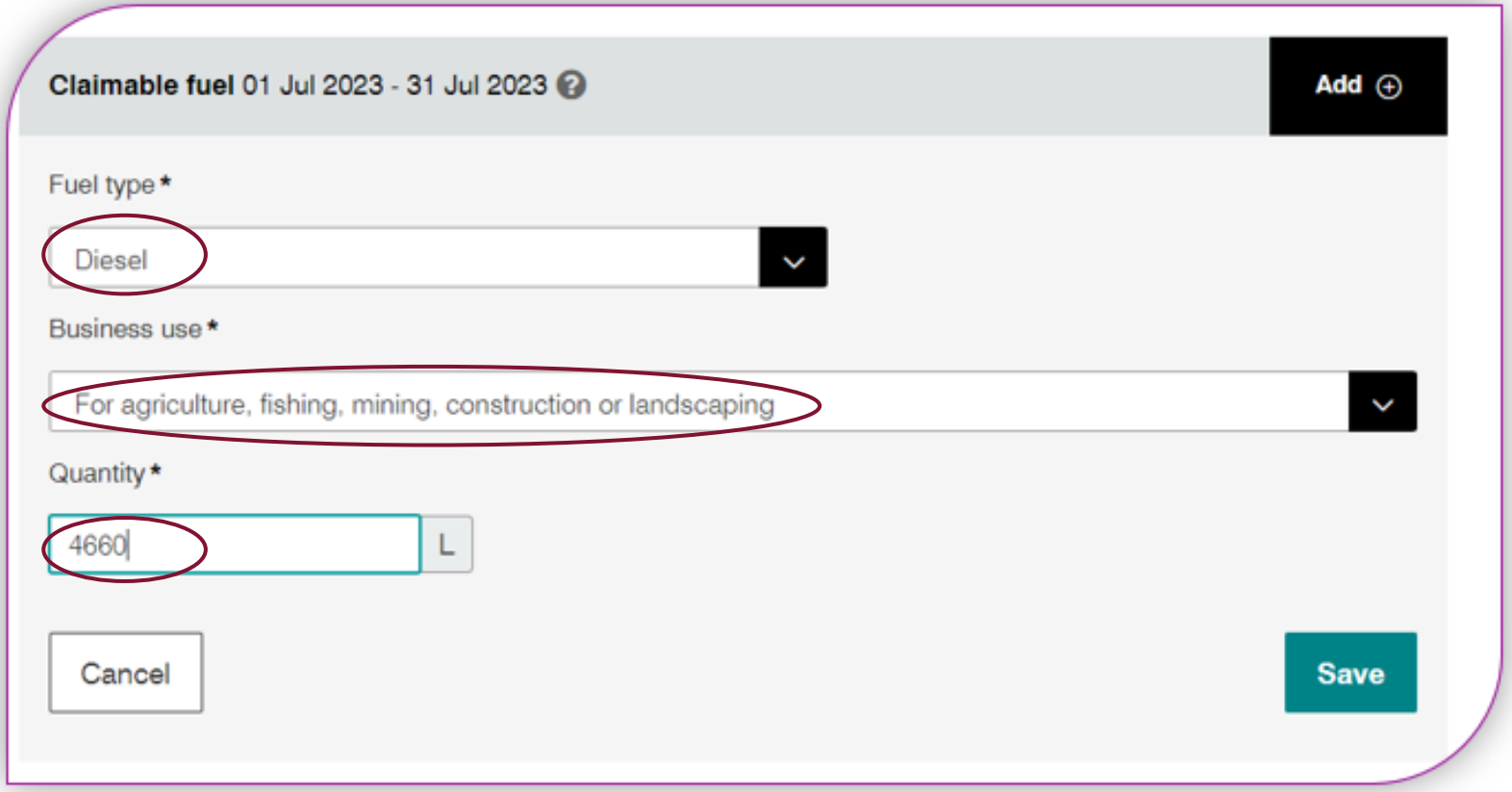
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Step 4:

Select the type of fuel and the usage

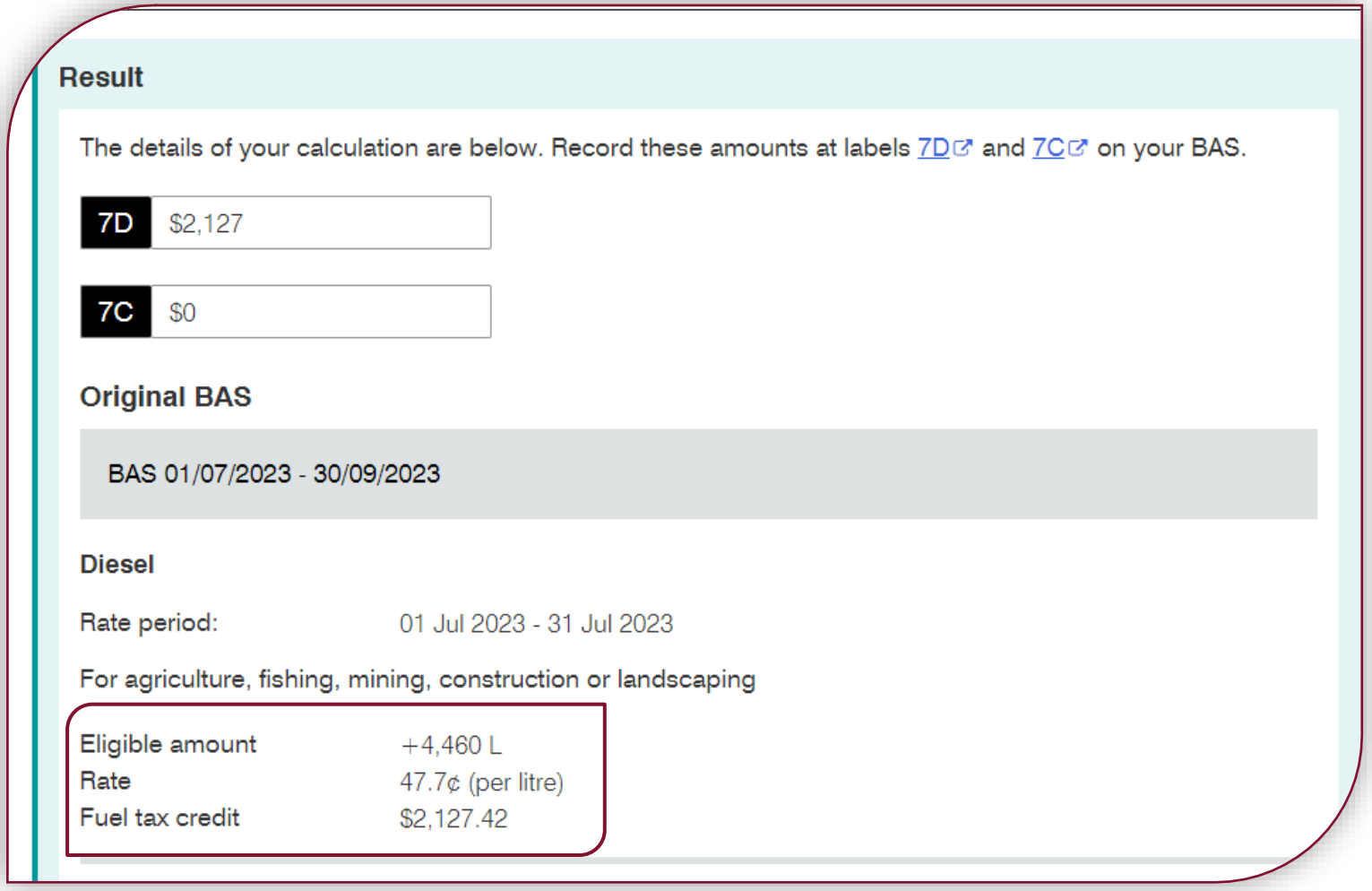
Enter the quantity in liters

Click Calculate



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As a result, It displays Eligible fuel tax credit for the bas period.

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Lodging Bas

On your BAS, you must record at fuel tax credit label 7D:

- ❑ Your fuel tax credit amount for the BAS period
- ❑ Any adjustments that will increase your fuel tax credit amount for the BAS period.

- ➢ If you have nothing to report at label 7D, write ‘0’ – do not leave it blank.
- ➢ If you need to make an adjustment in a BAS period that will decrease your fuel tax credit amount, you must include this at fuel tax credit label 7C.

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The End

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