

Excise duty

who can get refunds and how

Excise duty is a charge imposed by the government on certain products sourced from overseas and some products produced within New Zealand.

In some cases, the NZ Transport Agency (NZTA) can offer refunds of excise duty.

Who's entitled to a refund?

You're entitled to a refund of the excise duty and the goods and services tax (GST) charged on motor spirits that's used:

- as fuel in an exempted vehicle
- as fuel in a road user charges-licensed vehicle
- as fuel in a commercial vessel
- for search and rescue purposes in a dedicated rescue vessel
- for commercial purposes other than as fuel in any motor vehicle, vessel, or aircraft.

Legislation

The legislative provisions relating to refunds of excise duty on fuel are:

- the Land Transport Management Act 2003
- the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Regulations 2004.

What's an exempt vehicle?

The definition of an *exempt vehicle* is:

A motor vehicle that is exempted from registration under part 17 of the Land Transport Act 1998 and is used for commercial purposes, or a vehicle listed in the schedule to the Regulations.

In general, agricultural vehicles, some mobile machinery and commercial vehicles that don't travel on the road are exempt vehicles.

What's a commercial vessel?

Commercial vessels are vessels that are operated exclusively or principally for commercial purposes.

Such vessels are required by maritime law to be issued with a current Maritime Safety Authority (MSA) number. Information about Safe Ship Management requirements and MSA numbers can be found online at www.maritimenz.govt.nz or by contacting Maritime New Zealand.

If a vessel doesn't have a current MSA number, it must operate under an approved Maritime Safety Authority safety plan. If a vessel doesn't have either a current MSA number or an approved safety plan, it can't be deemed commercial and isn't eligible for a refund of excise duty.

Vessels operated by the Royal New Zealand Coastguard are also classed as commercial vessels.

Fuel types eligible for a refund

The types of fuel eligible for a refund are:

- motor spirits
- CNG
- LPG.

Fuels types not eligible for a refund

The following fuel types aren't eligible for a refund:

- any fuel used for a motor vehicle that's used principally in vehicle races, trials, or other sporting events
- fuel used in recreational boats and pleasure craft
- fuel that has already had excise duty refunded
- diesel.

ACC levy

The ACC levy was introduced on 1 July 2003. It goes into the ACC Motor Vehicle Account, which covers the cost of accidents and rehabilitation for victims of accidents.

However, provision has been made for the refund of the Motor Vehicle Account levy for exempted vehicles and for fuel used for commercial purposes. These refunds are automatically added onto the refund of fuel excise duty.

The one exception is vehicles that are over 3.5 tonnes gross vehicle mass and petrol powered. Owners of these vehicles **are** liable for the Motor Vehicles Account levy and do not receive the levy refund.

How to claim a refund

To get a refund of fuel excise duty you need to fill out form MR70. You can download the form from www.landtransport.govt.nz or printed copies are available from your nearest NZTA regional offices or by contacting the excise duty officer at the NZ Transport Agency.

Lodge your claim within three months of the close of a quarter (quarters close 31 March, 30 June, 30 September and 31 December).

If your claim isn't lodged within this timeframe, but is lodged within two years of the close of a quarter, the refund is reduced by 10 percent.

Any claim made later than two years from the close of any quarter won't be accepted unless the NZTA is satisfied that special circumstances exist.

Attach copies of all purchase receipts to your claim. The delivery or purchase date on the receipts must fall within the dates of the quarter you're claiming for. The MR70 form asks you to summarise all purchases and fuel used. Make sure you fill this in correctly.

You must declare and deduct any fuel that is used for non-eligible purposes, but which is included in your purchases.

You must list all the vehicles that use the fuel you're claiming for, together with details of fuel usage for commercial purposes.

You'll be allocated a customer number to use for all future claims.

Claims are paid by direct credit to a nominated bank account and a summary payment advice is sent by email.

Are claims subject to audit?

Yes. The NZTA's Crown Revenue Team carries out audits of claims and may refer claims to Field Audit Officers to complete on-site inspections.

If you make a claim, you need to keep your records for three years. You must also retain the customer copy or a photocopy of the MR70 form for each claim.

Under section 43 of the Land Transport Management Act 2003, the NZTA can prosecute people submitting incorrect or fraudulent claims. A fine not exceeding \$2000 can be imposed on summary conviction.

Serious cases may result in fraud charges being laid under the provisions of the Crimes Act 1961. We won't accept any claims that are incorrect or missing supporting information.

Where can I find out more?

If you have questions about your eligibility, or refunds of excise duty:

- write to the NZ Transport Agency, Transport Registry Centre, Private Bag 11777, Manawatu Mail Centre, Palmerston North 4442
- fax (06) 953 6409
- email: CrownRev.Info@nzta.govt.nz.

For more general information on road user charges:

- read factsheet 38 *Road user charges*
- call the Road User Charges contact centre on 0800 655 644.

The information in this factsheet is a general guide only. It is not the source of the law and should not be used in place of authoritative legal documents. Some factsheets are updated frequently and print versions can quickly become out of date. If the currency of the information you are reading is important, check the factsheet index on our website (www.nzta.govt.nz/factsheets) or call us on 0800 655 644.

Contact details

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- Write to us: NZ Transport Agency, Private Bag 11777, Palmerston North 4442.