



Office of State Revenue
NSW TREASURY

ABN: 77 456 270 638

Revenue Ruling No. BF5

Diesel Fuel Exemption - Refunds to Wholesalers

PREAMBLE

Section 40 (4) of the Business Franchise Licences (Petroleum Products) Act 1987 provides that, in the calculation of licence fees, the value of any diesel fuel sold to holders of diesel fuel exemption certificates for use otherwise than for propelling diesel-engined road vehicles on roads shall be disregarded.

Diesel fuel sold by oil companies to wholesalers necessarily includes the franchise fee, as the fee is levied on the first wholesale sale. Administrative arrangements exist for 'second' wholesalers to obtain the exemption under section 40 (4) when fuel is sold by them to holders of exemption certificates.

RULING

(a) Agents of Oil Companies

1. Wholesalers who are agents of oil companies are required to submit to their parent oil companies, monthly schedules of sales to diesel fuel exemption certificate holders. These schedules include the date of each sale, invoice number, name of purchaser, diesel fuel exemption certificate number and number of litres sold. The oil companies then credit the wholesalers with the franchise fees previously levied on the fuel.

(b) Independent Wholesalers

2. Wholesalers who are not tied to one particular oil company, but instead purchase fuel from a number of sources, are not able to obtain from their suppliers refunds of franchise fees paid on fuel subsequently sold to certificate holders.
3. In such cases, a refund will be made by the Department direct to the wholesaler. Applications for refunds must include schedules of sales containing similar information to the schedules submitted by agents to their oil companies, as described in paragraph 1 of this Ruling.

A. D. CLYNE,
Chief Commissioner for
Business Franchise Licences (Petroleum Products).
29th December 1987

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