



Revenue Ruling No. BF7

Business Franchise Licences Petroleum Products Act 1987 - Zone Exemption and Inter-zone Sales

PREAMBLE

Clause 9 of the Business Franchise Licences (Petroleum Products) Regulation 1987 provides exemptions from the payment of fees in respect of sales in northern areas of New South Wales.

The boundaries of the various areas for the purposes of exemptions were published in the Government Gazette on 3 July 1987. The various zones and the extent of the exemption in each zone are as follows:-

Zone	Extent of Exemption
Zone 1 – the towns of Bonshaw, Jennings, Tenterfield, Boggabilla and Mungindi and the area bounded by the border between the State of New South Wales and the State of Queensland, the Tweed River, Terranora Inlet and the Cobabi Broadwater.	100 per cent
Zone 2 – the area bounded by the border between the State of New South Wales and the State of Queensland to the North, the Pacific Ocean to the East, latitude 29 degrees 21 minutes South to the South and the border between the State of New South Wales and the State of South Australia to the West, excluding the areas in Zone 1.	80 per cent
Zone 3 – the area bounded by latitude 29 degrees 21 minutes South to the North, the Pacific Ocean to the East, latitude 30 degrees South to the South and the border between the State of New South Wales and the State of South Australia to the West.	60 per cent
Zone 4 – the area bounded by latitude 30 degrees South to the North, the Pacific Ocean to the East, latitude 30 degrees 22 minutes South to the South and the border between the State of New South Wales and the State of South Australia to the West.	40 per cent
Zone 5 – the area bounded by latitude 30 degrees 22 minutes South to the North, the Pacific Ocean to the East, latitude 30 degrees 41 minutes South to the South and the border between the State of New South Wales and the State of South Australia to the West.	20 per cent

Petroleum franchise fees are assessable on the first sale of petroleum products in New South Wales, and the price of such sales includes the fee applicable to the zone in which the sale is made.

Where products are resold in a zone in which a lower franchise fee applies, administrative arrangements exist to enable the fee to be adjusted to ensure that wholesalers are not disadvantaged compared with their competitors in that zone.

RULING

1. A rebate in the form of an act of grace payment will be paid to wholesalers who purchase product in one zone and resell to a purchaser in a zone in which a lower rate of fee applies. The amount of the rebate will be the difference between the fees applying in the two zones.
2. A copy of the return form which must be used when claiming a rebate is attached. Claims should be lodged monthly and forms are available from the Department.

A. D. CLYNE,
Chief Commissioner for Business
Franchise Licences (Petroleum Products).
12 February 1989