



Office of State Revenue
NSW TREASURY

ABN: 77 456 270 638

Revenue Ruling No. BF9

Business Franchise Licences Petroleum Products Act, 1987 - Measures to Avoid Imposition of Fees in Both NSW and the ACT.

PREAMBLE

On 1 January 1988, the A.C.T. introduced petroleum products franchise fees at the same rates applying in New South Wales. Arrangements have been introduced to avoid the imposition of fees in both jurisdictions where products are sold between New South Wales and the A.C.T.

The New South Wales legislation levies fees on the first sale in New South Wales, while the A.C.T. legislation levies fees on the first sale in the A.C.T. The arrangements outlined in this Ruling will ensure that fees are only imposed in the State or Territory in which the petroleum products are sold for final consumption.

RULING

1. Section 43 of the New South Wales Act provides:-

"If-

- (a) petroleum products sold in New South Wales are subsequently resold in another State or Territory of the Commonwealth; and
- (b) by virtue of the resale of the petroleum products in that State or Territory, a person has paid a fee to another person under a law of that State or Territory that corresponds to this Act,

the Chief Commissioner shall refund, to the person who paid it, any fee paid to the Chief Commissioner under this Act in respect of the sale of the petroleum products in New South Wales."

- 2. New South Wales distributors who buy petroleum products at a price which includes the New South Wales fee, and sell to A.C.T. businesses, will be able to obtain a refund or credit of the fee from their supplier provided they submit monthly schedules of those sales to their supplier. The supplier will debit the distributor's account with the A.C.T. franchise fee, pay that fee to the A.C.T. licensing authority, and credit the distributor with the amount of the New South Wales fee.
- 3. The A.C.T. licensing authority will not require payment of the fee from A.C.T. businesses provided these procedures, which ensure that the A.C.T. fee is paid by the New South Wales supplier, are followed.
- 4. A.C.T. distributors who sell in New South Wales are required to hold a New South Wales licence, but they will not be required to pay A.C.T. fees provided they comply with the following procedures. They should submit schedules of New South Wales sales to their suppliers, who will credit their account with

Lang Centre
Cnr Hunter and Marsden Streets
Parramatta NSW
GPO Box 4042
Sydney NSW 2001
DX 456 Sydney
Phone (02) 9639 6200
Facsimile (02) 9639 6464
Internet www.nsw.gov.au

the A.C.T. fee and debit their account with the New South Wales fee. The New South Wales fee must then be remitted to the Department by the supplier.

5. Schedules of sales outlined in paragraphs 2 and 4 must contain the date of each sale, invoice number, name and address of purchaser, description of product and volume in litres. Copies of schedules must be submitted to the Department by the suppliers with their monthly licence applications.

A. D. CLYNE,
Secretary and Chief Commissioner for
Business Franchise Licences (Petroleum Products).
19 February 1988