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QC 81776

Calculating eligible fuel quantities

Methods and measures to help calculate the eligible quantity.

Last updated 6 July 2021

On this page

There are a variety of methods and measures to help you work out how much fuel is eligible for fuel tax credits.

Find out about:

- Methods to help calculate the eligible quantity
- Measures to help calculate eligible quantities

Methods to help calculate the eligible quantity

To work out the quantity of fuel when claiming fuel tax credits, you can use any apportionment method considered fair and reasonable for your circumstances.

You can use any of the following commonly used methods for apportionment:

- Constructive method – where you add up all the eligible quantities of each fuel type that attract the same fuel tax credit rate
- Deductive method – where you subtract any ineligible fuel, such as fuel you used in light vehicles on a public road, from the total fuel acquired
- Percentage use method – where you determine a reliable percentage of eligible fuel usage for a sample period and apply this over a number of BAS periods
- Estimated use method – where you make a fair and reasonable estimate of the quantity of fuel you acquire for use in a BAS period for
  - eligible and ineligible activities
  - multiple activities with different fuel tax credit rates.

You may find one method better suits your circumstances. You may wish to review the method you're currently using – for example, if you need to undertake reconciliations because you used the rate that applied when you used the fuel, instead of when you acquired it, and the rate changed between when you acquired the fuel and when you used it.

If rates change during a BAS period, separate the fuel acquired before the rate change from the fuel acquired after a rate change, before applying your method. However, if you claim less than $10,000 in fuel tax credits in a year, you may use a simplified method.

Once you've calculated the eligible quantity of fuel, you can work out your fuel tax credits.

Before calculating your fuel tax credit entitlements for fuel you use in a heavy vehicle travelling on public roads, work out how much fuel is consumed by the auxiliary equipment.

You can use the commonly used methods and reliable measures to apportion fuel used in heavy vehicles for travelling on public roads or

to power the auxiliary equipment of the heavy vehicle.

See also:

- Basic method for heavy vehicles
- Heavy vehicles
- Fuel tax credit calculator
- Simplified fuel tax credits
- PCG 2021/2 *Fuel tax credits – basic method for heavy vehicles*
- PCG 2016/8 *Fuel tax credits – apportioning fuel for fuel tax credits*
- PCG 2016/11 *Fuel tax credits – apportioning taxable fuel used in a heavy vehicle with auxiliary equipment*

Constructive method

When using the constructive method, you add up the eligible quantity (litres or kilograms) of each fuel type you acquired with the same fuel tax credit rate.

Example: Constructive method where all fuel is eligible

Tim's Bus Company operates four diesel-powered 15 tonne GVM buses and four petrol-powered 10 tonne GVM trucks. All the fuel Tim purchases for the buses and trucks is used for travelling on public roads.

Tim adds up the tax invoices and records of fuel he purchased during the quarterly BAS period. The total amount of fuel comes to 50,000 litres.

As Tim uses 100% of the diesel and petrol he purchases for activities eligible for fuel tax credits at the same rate, he doesn't have to complete separate calculations to work out the amount of fuel tax credits he can claim.

Tim uses the total of 50,000 litres to calculate his fuel tax credits for the BAS period.

If the rate changes during the BAS period, Tim needs to separate his tax invoices and records for fuel purchased before and after

the rate change. He can then do separate calculations to work out the amount of fuel tax credits he can claim.

Example: Constructive method applied to different rates

Daniel operates a mobile crane service in the building and construction industry. He uses a diesel-powered crane and a petrol-powered 10 tonne GVM truck with an elevated work platform. Daniel also has a four-wheel drive (4WD) utility he uses:

- 75% of the fuel is used for travel on public roads to and from construction sites
- 25% of the fuel is for driving on-site to undertake maintenance or repairs.

There is a bulk-diesel storage tank for the cranes and 4WD, and Daniel purchases petrol for the truck at a service station. He records the fuel he takes out of bulk storage in a fuel book located by the tank.

His records show the total fuel used in the monthly BAS period was as follows:

Diesel

- 8,250 L for use in his cranes in building/construction
- 125 L for on-site use in the 4WD utility
- 375 L for on-road use in the 4WD utility (not eligible for fuel tax credits)

Petrol

- 2,750 L for on-road use in his truck greater than 4.5 tonne GVM for travelling on public roads
- 1,250 L for operating the elevated work platform

Daniel works out the fuel tax credits he can claim as follows:

Calculation	Use
9625 L (8,250 + 125 + 1250)	Use rate for 'All other business uses'
2,750 L	Use rate for 'In a heavy vehicle for travelling on public roads'

Deductive method

Using the deductive method, you subtract the quantity of ineligible fuel (for example, fuel used in light vehicles on public roads) from the total fuel you acquired.

Example: Deductive method where part of the fuel is not eligible

Marilyn's Mining operates a gold mine in an isolated location, with exclusively diesel-powered equipment and vehicles.

The company also operates 10 small passenger vehicles for transporting miners to the local airstrip, and for travelling into town for supplies and off-site recreation (ineligible for fuel tax credits).

Five forklifts and front-end loaders are used exclusively on the mine site for the construction of private access roads for use in the gold mining activities.

All vehicles are fuelled on-site from the bulk storage tanks operated by the company. This fuel is recorded by reference to tank meters, and is supported by vehicle logbooks which record how many litres went into each vehicle.

The company uses the deductive method to calculate fuel tax credits, which means the fuel used for the passenger vehicles is subtracted from the total quantity of fuel purchased during the quarterly BAS period.

The total fuel purchased for the BAS period is 500,000 L. The vehicle logbooks show 15,245 L were used in passenger vehicles

travelling on public roads, which is ineligible for fuel tax credits.

The quantity of eligible fuel is the total fuel purchased minus the ineligible amount:

500,000 L − 15,245 L = 484,755 L

Marilyn's Mining's fuel tax credits are calculated using 484,755 L.

Percentage use method

The percentage use method is where you determine a reliable percentage of eligible fuel usage for a sample period, then apply this over a number of BAS periods.

To use this method, you must keep detailed records of your taxable fuel usage during an appropriate sample period of your choice. You must be able to show your fuel usage in the sample period accurately reflects your standard business activities.

If the ratio of eligible to non-eligible fuel you use remains consistent over BAS periods, you can use a percentage to calculate your eligible quantities of fuel.

You can use the percentage use method for one or more fuel types. You need to do a sample period for each type of fuel and monitor the percentage of fuel you use that is eligible.

If you use fuel for activities with different fuel tax credit rates, you can't adopt a single percentage for that fuel type. You'll need to calculate and monitor percentages for each fuel or activity with a different fuel tax credit rate.

Once you've established a reliable use percentage, you can apply this to fuel you acquire to work out the fuel tax credits you can claim. You must review your sample percentage if your business operations change in a way that substantially affects how much eligible fuel you use in a financial year.

The benefit of using this method is that, apart from the sample period, you do not need to keep notebooks or detailed records of the fuel you have used. However, you still need to keep all of the following:

- records of your fuel purchases
- evidence your activities are eligible for fuel tax credits

- details of any fuel that is lost, stolen or otherwise disposed of.

Example: Percentage use method when fuel usage does not change

Griffin Transport operates four 8 tonne GVM diesel trucks, two 4 tonne GVM diesel trucks and one diesel 4WD passenger vehicle.

Over a typical 12 week period, Griffin Transport keeps records that show the diesel fuel they purchase is used in three different ways:

- 66% in the 8 tonne GVM trucks for travelling on public roads – eligible for fuel tax credits
- 31% in the 4 tonne GVM trucks – ineligible for fuel tax credits
- 3% in the company 4WD travelling on public roads – also ineligible.

Therefore, 66% of Griffin Transport's total diesel purchases for that period are eligible for fuel tax credits. As the company continues to operate the same number of trucks without substantially changing their pattern of fuel use, the percentage use amount the company uses on its next BAS is 66%.

The diesel acquired 17,500 L of diesel during the quarterly BAS period, so eligible litres are 66% of 17,500 L, which equals 11,550 L.

Griffin Transport uses 11,550 L to calculate its fuel tax credits.

If the rate changes during the BAS period, Griffin Transport needs to separate the fuel purchased before and after the rate change. They can then work out 66% of each amount, and do separate calculations to work out the amount of fuel tax credits they can claim.

Estimated use method

The estimated use method is where you make a fair and reasonable estimate of the quantity of fuel you acquire for use in a BAS period for:

- eligible and ineligible activities
- multiple activities with different fuel tax credit rates.

When you estimate what proportion of the fuel will be eligible for fuel tax credits, you must be able to show how you arrived at your estimate, and that it's fair and reasonable.

Example: Estimated use method for eligible and ineligible activities

Richard runs a small potato farm 15km from Manjimup. His only diesel road vehicle is a 4WD utility. The utility is used on the farm for various farm activities and, on average, is used two times per week to travel to Manjimup for groceries, and social and recreational activities.

Richard is aware diesel he uses in making the journeys to Manjimup is not eligible for fuel tax credits. Richard also uses diesel fuel in his machinery and equipment for his agricultural activities.

Based on the vehicle's fuel consumption, he estimates each of these journeys uses 3 L of diesel. He acquires four 200 L rums of fuel each quarter. Some of this diesel is used to fuel his vehicle and the rest in agricultural activities.

Richard is registered for GST and lodges his BAS on a quarterly basis. As he lodges his BAS quarterly, Richard calculates and claims his fuel tax credits quarterly. The quarterly fuel quantities are calculated as follows:

- total diesel purchased (200 L × 4 drums per quarter) = 800 L
- fuel used on public roads
  (2 trips per week × 12 weeks = 24 trips)
  24 trips × 3 L per trip = 72 L
- fuel used in agriculture = 800 L − 72 L = 728 L.

Richard uses 728 L to calculate his fuel tax credits.

If the rate changes during the BAS period, Richard needs to separate the fuel purchased before and after the rate change. He can then work out the amount of fuel that is eligible for each

period, and do the calculations to work out the amount of fuel tax credits he can claim.

Measures to help calculate eligible quantities

You can use any appropriate, reliable measure as the basis for working out your eligible quantities of fuel. Some examples of reliable measures are:

- odometer readings of kilometres travelled
- route distances if a vehicle travels on fixed routes
- kilowatt hours of electricity generated
- hours of operation for the vehicle or equipment
- average hourly fuel consumption of the vehicle or equipment.

You can use statistical sampling as part of any method.

The examples below include commonly used measures. However, there may be other measures more appropriate for your circumstances, depending on the activity you undertake.

Average hourly fuel consumption measure

If you keep records of the hours your vehicle or equipment (including auxiliary equipment) is used in your business activities – for example, for billing or maintenance purposes – you may use this measure to work out your fuel tax credits.

You'll need to establish an average hourly fuel consumption rate for your vehicle or equipment. You can do this by keeping records of the operating times, and the fuel used during an appropriate sample period of your choice, provided it accurately reflects your circumstances.

Manufacturers may also provide fuel consumption rates based on different operating conditions – for example, light, medium and heavy use. To work out the consumption rate, you'll need to consider the conditions in which your vehicle or equipment is used during the BAS period.

If you use the average fuel consumption rate measure, you need to keep appropriate records that detail how the eligible quantity used was

worked out.

Example: Average fuel consumption if you record hourly use

Tom is the owner and operator of an earthmoving contracting business. He purchases diesel fuel in bulk for use in a number of small excavators he uses to carry out work in road construction activities and agricultural activities, such as land grading, dam construction and maintenance on farms.

The excavators are transported from job to job with his 6 tonne truck and trailer. Tom refuels his truck at the bowser, and is eligible to claim fuel tax credits at the full rate, minus the road user charge, for the travel it undertakes on public roads.

While Tom does not routinely record the volume of fuel that goes into each excavator at the time of refuelling, he does record the operational hours for each excavator per job for billing purposes.

To work out the average litres used per hour, Tom itemised the hours of work completed by each excavator for the different activities over a typical 12-week sample period, and recorded the quantity of fuel used.

After the sample period of 12 weeks, Tom's records show he used:

- 9,125 L undertaking 365 hours of eligible agricultural activities, indicating an average hourly consumption of 25 L per hour
- 8,300 L undertaking 415 hours of eligible road construction activities, indicating an average hourly consumption of 20 L per hour.

Tom could also use the fuel consumption rates published by the manufacturer to work out the average litres used per hour in his excavators.

To calculate the total fuel used in a later BAS period, Tom uses the operational hours recorded for the period and the average hourly consumption for each excavator based on the sample period. His calculations for the BAS period are as follows:

- agricultural activities (320 hours × 25 L) = 8,000 L

- road construction activities (390 hours × 20 L) = 7,800 L

Note: if the conditions in which Tom uses his equipment vary, he should consider if average hourly fuel consumption is the most appropriate way to calculate his fuel tax credits.

If the rate changes during the BAS period, Tom needs to separate the operational hours recorded before and after the rate change. He can then work out the litres for each activity, and do separate calculations to work out the amount of fuel tax credits he can claim.

Sampling measure

If you're using a number of the same or similar vehicles or equipment in similar ways, you can use a sample that is a reasonable representation of the fleet or equipment, to calculate your fuel tax credits.

A significant number of similar vehicles or equipment is not required in the sample size, provided the circumstances and conditions of their use is consistent.

A sampling size will be appropriate where:

- a fleet consisting of different types of vehicles, equipment or assets is sorted into groups, based on vehicle and equipment type, age and use (then each group is tested)
- the sample size delivers a consistent result
- the sample is representative of the population from which it is drawn.

The sample of the population should also reflect a reasonable representation of:

- events, routes or fuel usage
- vehicle load and conditions of use

Seasonal changes that affect fuel usage should be taken into consideration.

You should review your sample percentage if your business operations change in a way that affects how much eligible fuel you use in a financial year.

Regardless of business operations changing, we recommend you resample every five years.

Example: Percentage use method and statistical sampling for medium-to-large fleets of vehicles or equipment

Sharon operates Sharon Enterprises Pty Ltd and carries on a bauxite mining business with 200 light vehicles (4WDs, utilities and dual-cabs) in addition to equipment and heavy vehicles used solely off-road.

The light vehicles are used:

- within the mine site – eligible for fuel tax credits
- to travel from the mine site to the local town on public roads – ineligible for fuel tax credits.

Sharon's records show she is able to distinguish between fuel used in light vehicles versus fuel used in heavy vehicles and at the mine site. However, the number of light vehicles within Sharon's enterprise makes it difficult to distinguish between eligible and ineligible use with full confidence.

Sharon determines the percentage use method is the most appropriate for her operations. Therefore, she needs to conduct a survey on a defined sample of her light vehicle fleet, to determine an eligible off-road percentage of fuel that can be claimed for fuel tax credits.

Sharon determines that out of the fleet, only 50 vehicles travel to the local town, and the remainder operate solely within the mine site undertaking certain uses. Sharon samples five of the 50 vehicles that operate on public roads, as this is representative of the ineligible fuel usage.

She selects five vehicles that travel on the mine site and on public roads. Each vehicle in the sample is provided with a logbook to record the distance and purpose of the travel, and whether the travel was off-road or on a public road. The sampling is carried out over a four-week period and confirms that 90% of the light vehicle use for the vehicles that operate on the mine site and public roads is for travel off-road.

Her records show the following fuel consumption for the BAS period:

- light vehicles used exclusively on mine site – 15,000 L
- light vehicles that travel on public roads and mine site – 5,000 L
- heavy vehicles and plant – 250,000 L.

Sharon calculates her eligible litres as follows:

- Light vehicles used on mine site 15,000 L
- Light vehicles that travel on public roads and the mine sites 5,000 × 90% = 4,500 L
- Heavy vehicles and plant 250,000 × 100% = 250,000 L

See also:

- FTD 2010/1 *Fuel tax: Apportionment used when determining total fuel tax credits in calculating the net fuel amount under section 60-5 of the Fuel Tax Act 2006*
- PCG 2016/8 *Fuel tax credits – apportioning fuel for fuel tax credits*
- PCG 2016/11 *Fuel tax credits – apportioning taxable fuel used in a heavy vehicle with auxiliary equipment*

QC 18683

Fuel blends

You can claim fuel tax credits for blended fuels, including common fuel blends, certain other fuel blends and fuel blends used for heavy vehicles for travelling on public roads.

Last updated 17 June 2021

On this page

You can claim fuel tax credits for fuel blends. The rate you can claim depends on the amount of biodiesel or fuel ethanol in each blend.

From 1 July 2016, increased excise duty rates took effect for biodiesel and fuel ethanol manufactured in Australia.

Common blends

There are two common fuel blends, diesel and petrol blends.

Diesel blends

Blends of biodiesel and diesel with 20% or less biodiesel (for example B5 or B20), are considered to be 100% diesel and you can claim fuel tax credits at the diesel rate on the entire amount.

Petrol blends

Blends of fuel ethanol and petrol with 10% or less ethanol (for example E10) are considered to be 100% petrol and you can claim fuel tax credits at the petrol rate on the entire amount.

See also:

- Fuel tax credit rates

Other fuel blends

You may be using a fuel blend that is not invoiced as one of the commonly used blends of B5, B20 or E10, for example B30. The fuel tax credit rate will depend on the blend ratio.

From 1 July 2016, if you:

- import and pay customs duty on biodiesel or fuel ethanol and then use it in blends not invoiced as B5, B20 or E10, you can claim fuel tax credits on all the components of the blend. For fuel tax credit purposes these fuels are treated as if they are manufactured in Australia. The fuel tax credit rate for the imported biodiesel and ethanol component is the excise duty rate that applies to domestic biofuel blends.
- use a blend that contains more than 20% biodiesel or more than 10% ethanol, you can claim fuel tax credits on both components of the blend.

You must have documentation showing the proportion of each fuel in the blend before you work out your fuel tax credits.

To work out your fuel tax credits for these blends, you must first work out the proportion of eligible fuel (for example, diesel or petrol) and then multiply this amount by the applicable fuel tax credit rate for each component of the blend.

For example, if you acquire for business use:

- fuel ethanol invoiced as E85, you can claim fuel tax credits at the E85 rate in the rates table under 'Blended fuels'
- fuel ethanol sold as E85, but you have documentation (for example, from the supplier) that shows the fuel contains 20% petrol and 80% ethanol, you can claim fuel tax credits for each component using the rate that applies
- a biodiesel blend and the invoice states it is a blend containing 40% biodiesel and 60% diesel, you can claim fuel tax credits for each component of the blend using the applicable rate.

Special rules apply to other blends, such as blends used for heavy vehicles travelling on public roads.

See also:

- Fuel tax credit rates for business
- Excise rates for fuel

Example: Use of a B30 blend in machinery on a construction site

Fuel tax credit rates change regularly. Check the rates before completing your calculation.

Keyser uses a blend of 30% biodiesel and 70% diesel in his machinery on a construction site. He has sufficient documentation confirming this blend ratio.

In July 2021, Keyser purchases 10,000 litres of that fuel for use in his machinery.

Keyser is entitled to claim fuel tax credits for both the diesel and biodiesel portion of the fuel he uses in his machinery on the construction site.

The rate for diesel in July 2021 was 42.7 cents per litre and the rate for biodiesel was 8.5 cents per litre.

He calculates the fuel tax credits for this fuel as follows:

Fuel tax credits on the diesel portion	(10,000 litres × 70%) × $0.427 per litre = $2,989.00
Fuel tax credits on the biodiesel portion	(10,000 litres × 30%) x $0.085 per litre = $255.00
Fuel tax credit entitlement	$2,989.00 + $255.00 = $3,244.00

Blends used for heavy vehicles travelling on public roads

If you use a blended fuel in a heavy vehicle for travelling on public roads, you must work out the road user charge (RUC) on the entire quantity of fuel when calculating your fuel tax credits. The RUC applies to the whole quantity of fuel used for travelling on public roads even if you are only entitled to claim fuel tax credits for a portion of the fuel blend.

Heavy vehicles have a GVM greater than 4.5 tonnes. Diesel vehicles acquired before 1 July 2006 can equal 4.5 tonnes GVM.

Fuel you use to power auxiliary equipment of a heavy vehicle travelling on public roads (such as powering the refrigeration unit of a refrigerated trailer) is not reduced by the RUC. You can claim fuel tax credits at the rate for the fuel blend you use in your business.

See also:

- Heavy vehicles
- Fuel tax credit rates – business
- Excise rates for fuel

Example: Use of a B30 blend in a heavy vehicle

Fuel tax credit rates change regularly. Check the rates before completing your calculation.

Raj uses a blend of 30% biodiesel and 70% diesel in his trucks for travelling on public roads. He has sufficient documentation confirming this blend ratio.

In July 2021, Raj purchases 10,000 litres of that blend for use in his trucks.

Raj is entitled to claim fuel tax credits for the diesel and biodiesel portion of the fuel he uses in his trucks for travelling on public roads. The rate for diesel in July 2021 is 42.7 cents per litre and the rate for biodiesel is 8.5 cents per litre. Raj must calculate the RUC on the entire quantity of fuel, including the biodiesel portion. From 1 July 2021, the RUC is 26.4 cents per litre.

He calculates the fuel tax credits for this fuel as follows:

Fuel tax credits on the diesel portion	(10,000 litres × 70%) × $0.427 per litre = $2,989.00
Fuel tax credits on the biodiesel portion	(10,000 litres × 30%) × $0.085 per litre = $255.00
RUC on the entire fuel	10,000 litres × $0.264 per litre = $2,640.00
Fuel tax credit entitlement	($2,989.00 + $255.00) − $2,640.00 = $604.00

There may be circumstances where the RUC, when calculated on the entire quantity of fuel, exceeds any fuel tax credit entitlement. In those circumstances the fuel tax credit amount is nil.

Definitions

Biodiesel: mono-alkyl esters of fatty acid of a kind used as a fuel, derived from animal or vegetable fats or oils whether or not used.

B5: a blend of biodiesel and diesel that contains no more than 5% biodiesel.

B20: a blend of biodiesel and diesel that contains no more than 20% biodiesel.

Ethanol: this becomes fuel ethanol when it is denatured for use in an internal combustion engine. Denaturing means the ethanol is chemically treated to make it unfit for human consumption by the addition of 1% or more of unleaded petrol or another denaturant that meets the requirements of Excise (Denatured spirits) Determination 2016 (No. 3)

E10: a blend of fuel ethanol and petrol that contains no more than 10% ethanol.

E85: a blend of fuel ethanol and petrol that generally contains more than 70% but no more than 85% ethanol.

QC 25200

Fuel sold for domestic home heating

How to claim fuel tax credits if you sell fuel for domestic home heating.

Last updated 25 March 2015

To claim fuel tax credits for fuel sold for domestic home heating, you must:

- acquire, manufacture, or import **kerosene** or **heating oil** to be sold to householders for domestic home heating
- be registered for GST
- be registered for fuel tax credits.

You are only entitled to claim fuel tax credits for kerosene or heating oil if you reasonably believe it **will** be used for domestic heating purposes. You should consider the following before claiming:

- the volume of fuel that is being delivered
- the location of the delivery
- the name to whom the delivery is made (an individual or business name)
- frequency of deliveries and seasonal factors
- any other relevant factors indicating either a domestic or commercial purchaser.

A distributor should not claim fuel tax credits for sales of fuel to a **business** for heating because that business is generally entitled to fuel tax credits on the fuel.

A distributor cannot claim fuel tax credits for sales of diesel for heating of either a domestic or business premises. A business can claim fuel tax credits for diesel used for heating.

Where kerosene is packaged in containers of 20 litres or less, for a use other than in an internal combustion engine (such as for domestic heating), it is the packager of the fuel who is entitled to the fuel tax credits. Domestic or business users cannot claim fuel tax credits.

QC 22542

GST instalments

If you pay GST instalments and are eligible for fuel tax credits, you must claim on a business activity statement.

Last updated 2 June 2015

If you pay GST instalments and are eligible for fuel tax credits, you must claim them on a business activity statement (BAS). This is regardless of whether you pay two or four GST instalments for the financial year.

Before you were registered for fuel tax credits, you may have received instalment notices. After you register, you will no longer receive these notices. Instead, you will receive a quarterly BAS.

Your fuel tax credits are not included in the calculation of your GST instalment amount printed on your BAS. You need to show your fuel tax credits at label **7D** and any fuel tax credits you have over claimed at **7C**.

Fuel tax credits can only be claimed on your BAS. They cannot be claimed on your annual GST return.

Lodging a BAS to claim your fuel tax credits

If your only obligation is your GST instalment amount, you must lodge your BAS to claim your fuel tax credits. If you do not have fuel tax credits to claim for the tax period, you may still need to lodge a BAS. For example, you must lodge a BAS if you need to vary your GST instalment amount or report a fuel tax credit adjustment.

If you pay GST instalments and already lodge a BAS for other reporting requirements such as pay as you go (PAYG) withholding, continue doing this, even if you do not have fuel tax credits to claim.

Special rule for the June quarter (quarter 4)

A special rule applies to the June quarter (1 April to 30 June). You must lodge a BAS in this quarter if:

- you over claimed fuel tax credits and need to make an adjustment at label **7C** to decrease your fuel tax credit entitlement
- you haven't made an adjustment on a previous BAS in that financial year to reflect the decrease to your fuel tax credit entitlement.

See also:

- Making adjustments and correcting errors
- GST instalments

Example: GST instalment payer previously receiving an instalment notice

Raj runs a lawn maintenance business and pays GST by instalments. Before he registered for fuel tax credits, Raj received instalment notices and paid the amount shown on that notice.

After he registered for fuel tax credits on 15 August, Raj received a quarterly BAS at the end of the first quarter instead of an instalment notice.

Raj's BAS will show the GST instalment amount and have two additional labels for his fuel tax credits - label **7D Fuel tax credits** and label **7C Fuel tax credit over claim**.

Raj's GST instalment amount is $1,725.

September quarter
During winter, Raj closes down his business as there is no call on his services. When Raj receives his September quarter BAS it will show as follows:

Label **1A - GST instalment**	$1,725		Label **7D - Fuel tax credit**	$
Label **8A**	$1,725		Label **8B**	$
			Label **9 – Payment**	$

As Raj has no fuel tax credit claim, he does not have to lodge his BAS. He simply pays his instalment amount of $1,725 by the due date.

December quarter
In the December quarter, Raj re-opens the business. Raj calculates his fuel tax credits as $320.40

Raj completes his BAS as follows:

Label **1A - GST instalment**	$1,725		Label **7D - Fuel tax credit**	$320
Label **8A**	**$1,725**		Label **8B**	**$320**
			Label **9 – Payment**	**$1,405**

As Raj wants to claim his fuel tax credits, he has to lodge his BAS. He does this and pays $1,405.

Annual GST return
At the end of the financial year, Raj receives his annual GST return. He does **not** claim any fuel tax credits on this form as it is only to account for any difference between his actual GST liability and his GST instalments.

See also:

- What you need to do with your quarterly GST and PAYG instalment notice

QC 21305

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We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

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