



Australian Government
Department of Transport and
Regional Services



Fuel Tax Credit for Heavy Diesel Vehicles:

Guidelines for Satisfying Environmental Criteria



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SECTION 1 - INTRODUCTION

If you are the operator of a diesel truck or bus over 4.5 tonnes gross vehicle mass (GVM), which is used in an on-road business activity you may be eligible to claim a fuel tax credit for fuel used in that vehicle from 1 July 2006¹. The current Energy Grants Credits Scheme ceases to apply to these vehicles after 30 June 2006.

These guidelines have been prepared by the Department of Transport and Regional Services (DOTARS) to assist road transport operators in understanding the new environmental criteria which apply to fuel tax credit claims for diesel fuelled vehicles.

New Eligibility Criteria

Under the new fuel tax credit, the previous urban and regional boundary criteria for fuel grants will no longer apply. From 1 July 2006, a vehicle with a GVM greater than 4.5 tonnes using diesel fuel must satisfy one of four environmental criteria to be eligible for a fuel tax credit². A vehicle greater than 4.5 tonnes using a fuel other than diesel is not subject to the environmental criteria. A farm vehicle used primarily on an agricultural property in a primary production business is also excluded from the criteria.

These guidelines explain each of the environmental criteria. They also identify what documentary evidence claimants should have and retain to verify a claim for the fuel tax credit.

For information about all other aspects of the fuel tax credit, visit the Australian Taxation Office website at www.ato.gov.au/fuelschemes, or phone the Tax Office on 13 28 66 between 8:00am and 6:00pm Monday to Friday.

Keeping records and calculating eligible fuel

Businesses can only claim fuel tax credits on their activity statement (BAS) in a similar way to their reporting and claiming arrangements for GST credits.

To support your claims for a fuel tax credit, you must keep records that show you acquired the fuel and used it in an eligible activity. You must keep these records for five years after you make the claim. The records must be in English or easily translated into English. You do not need to send these records to the Tax Office unless requested.

These guidelines simply indicate the level of information required to demonstrate eligibility for the fuel tax credit. You do not need to prepare specific documents to establish your eligibility, provided normal records you keep are adequate. Templates are provided for each criterion which you can choose to use if convenient. These templates can be downloaded from www.dotars.gov.au.

The Tax Office can examine your claims at any time to ensure they meet the eligibility requirements of fuel tax credit. If you cannot support your claims with adequate records, you may have to repay all or part of the credit you receive. You may also have to pay penalties and interest, and you could lose your eligibility to participate.

¹Vehicles purchased before 1 July 2006 which have a GVM of 4.5 tonnes are also eligible.

²Vehicles purchased before 1 July 2006 which have a GVM of 4.5 tonnes are also subject to the criteria.

SECTION 2 - MAKING A CLAIM

The environmental criteria set out in Section 3 of these guidelines only apply to diesel fuelled vehicles greater than 4.5 tonnes GVM³. Vehicles greater than 4.5 tonnes which operate on fuels other than diesel are not subject to the environmental criteria.

Before you make a claim for a fuel tax credit you need to establish the basis of your entitlement. You should first examine the Environmental Criteria 1 - 4 in Section 3 of these guidelines to determine whether you are eligible to claim a fuel tax credit for diesel fuel used in that vehicle. Each vehicle must be assessed separately.

You need to meet only one of the criteria.

If you determine that you are eligible, you will then need to maintain and retain adequate records applicable to the criterion under which you are making a claim.

SECTION 3 - ENVIRONMENTAL CRITERIA

This Section explains each of the four environmental criteria, how to demonstrate compliance with the criteria and what records should be kept.

You need to meet only one of the criteria.

³Vehicles purchased before 1 July 2006 which have a GVM of 4.5 tonnes are also subject to the criteria.

Criterion 1

Vehicles manufactured on or after 1 January 1996

Explanation

1996 and later model vehicles

If the vehicle has been manufactured on or after 1 January 1996, diesel fuel used in the vehicle is eligible for the fuel tax credit.

Under Section 5 of the *Motor Vehicle Standards Act 1989* (MVSA), all vehicles are required to be fitted with either a compliance (identification) plate or a used import plate. These plates include a date of manufacture.

In the case of vehicles which were originally supplied to the Australian market as new vehicles, the date on the compliance (identification) plate is the “date of manufacture” (month/year) as defined in the Australian Design Rules.

In the case of imported used vehicles, there are two dates on the used import plate - the approval date (month/year) and the year the vehicle was actually built (there may be a gap of some years between these two dates).

Many vehicles will also be fitted with a data plate by the manufacturer which includes the actual build date, but this is not a legal requirement and such a plate may not be present.

For the purposes of Criterion 1, the date of manufacture shall be taken as:

- (a) the month and year displayed on the Compliance (Identification) Plate defined in Section 5 of the Motor Vehicle Standards Act 1989, for those vehicles fitted with an identification plate (see Figure 1); or
- (b) the year of manufacture displayed as part of the description of the vehicle on the used import plate defined in Section 5 of the Motor Vehicle Standards Act 1989, for those vehicles fitted with a used import plate (see Figure 2).



Date of Manufacture
(Month/Year)

Figure 1 – Compliance (Identification) Plate

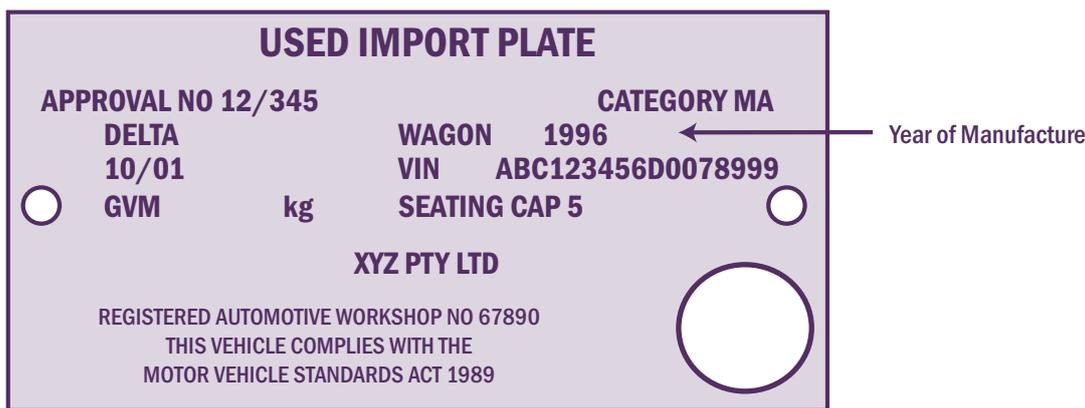


Figure 2 – Used Import Plate

Vehicle registration papers will not be accepted as proof of date of vehicle manufacture.

Pre-1996 vehicles fitted with Post-1 January 1996 engines

Vehicles manufactured before 1996 which have been retrofitted with an engine manufactured on or after 1 January 1996 may qualify for the fuel tax credit. For a vehicle with a retrofitted engine to be eligible, the engine must be certified to Australian Design Rule (ADR) 70/00 or later emission standard (currently ADR 80/00 or ADR80/01), be properly installed, and retain all the original (or equivalent) components.

Record Keeping

1996 and later model vehicles

In order to make a claim under Criterion 1, you must be able to demonstrate from the information on the compliance (identification) plate, or the used import plate fitted to the vehicle, that the vehicle was manufactured on or after 1 January 1996.

You may wish to use the template at Attachment A to assist you with your record keeping but other systems providing an equivalent level of information are acceptable. The template is also available on the DOTARS website at www.dotars.gov.au.

Pre-1996 vehicles fitted with Post-1 January 1996 engines

In order to make a claim under Criterion 1, you must have:

- (a) documentary evidence to demonstrate that the engine installed in the vehicle was manufactured on or after 1 January 1996 and is certified to ADR 70/00, ADR 80/00 or ADR 80/01; and
- (b) documentary evidence in the form of an engineers certificate, or proof of calculations showing that manufacturers' specifications have been met in relation to the engine installation, including appropriate components.

You may wish to use the template at Attachment A to assist you with your record keeping but other systems providing an equivalent level of information are acceptable. The template is also available on the DOTARS website at www.dotars.gov.au.

If your vehicle was manufactured before 1996 you are not able to claim the fuel tax credit under Criterion 1, unless the vehicle has been properly retrofitted with an engine manufactured on or after 1 January 1996 which is certified to ADR70/00 or later emission standards.

Criterion 2

Vehicles registered in an audited maintenance program that is accredited by the Transport Secretary

Explanation

If the vehicle is part of an eligible accredited audited maintenance program, diesel fuel used in the vehicle is eligible for the fuel tax credit.

For the purposes of the fuel tax credit, accredited audited maintenance programs are required to meet certain minimum requirements related to emissions performance and auditing, and must be accredited by the Transport Secretary. Eligible accredited audited maintenance programs will be listed on the DOTARS website at www.dotars.gov.au.

Record Keeping

In order to make a claim under Criterion 2, you must retain the current membership certificate or equivalent documentation demonstrating the vehicle's membership of an accredited audited maintenance program for the period for which the claim is being made.

You may wish to use the template at Attachment B to assist you with your record keeping, but other systems providing an equivalent level of information are acceptable. The template is also available on the DOTARS website at www.dotars.gov.au.

If you are a member of an audited maintenance program which is not on the DOTARS list of accredited audited maintenance programs or your vehicle is not in an audited maintenance program, you are not able to claim the fuel tax credit under Criterion 2.

Criterion 3

Vehicles that meet Rule 147A of the Australian Vehicle Standards Rules 1999 (the “DT80” test)

Explanation

If the vehicle has passed the Australian Transport Council’s in-service emission standard for diesel vehicles (also known as the “DT80” test) and that test was performed in a suitably equipped test facility, diesel fuel used in the vehicle is eligible for the fuel tax credit. The test is specified in Rule 147A of Schedule 1 to *National Transport Commission (Road Transport Legislation – Vehicle Standards) Amendment Regulations (No. 1)*.

A test report is valid for 2 years, after which another test is required if you wish to continue to use this criterion as the basis for your claim.

For the purposes of the fuel tax credit, the Australian Taxation Office determines what evidence is required to satisfy the requirements of Rule 147A (the DT80 test). The Department of Transport and Regional Services (DOTARS) is assisting the Tax Office by providing assessments of the capability of test facilities to undertake the DT80 test, and listing those facilities that it considers to meet the assessment requirements on the DOTARS website. The Tax Office has indicated that a facility registered on the DOTARS website at www.dotars.gov.au as a DT80 test facility will be recognised by the Tax Office for the purposes of the fuel tax credit.

Record Keeping

In order to make a claim under Criterion 3, you must have and retain a DT80 test report issued by the test facility which demonstrates that vehicle’s compliance within the last two years. The time period between the test date and the latest date of the period for which you are claiming must not be more than two years.

You may wish to use the template at Attachment C to assist you with your record keeping but other systems providing an equivalent level of information are acceptable. The template is also available on the DOTARS website at www.dotars.gov.au.

If you do not have a “pass” result on a DT80 test report issued within the last two years by a test facility recognised by the Australian Taxation Office, you are not able to claim the fuel tax credit under Criterion 3.

Criterion 4

Vehicles which comply with a maintenance schedule endorsed by the Transport Secretary

Explanation

If you conduct regular engine maintenance on the vehicle in accordance with the requirements set out below, diesel fuel used in the vehicle is eligible for the fuel tax credit.

Guidelines relating to minimum maintenance schedules have been developed based on manufacturers' recommendations and industry advice. The schedules identify those components that require maintenance, and the frequency of that maintenance, in order to ensure satisfactory emissions performance.

You have the choice of either adhering to the manufacturer's specified maintenance schedules for the vehicle, or adhering to the appropriate generic maintenance schedule endorsed by the Transport Secretary. It is recommended that you maintain the vehicle according to the manufacturer's specifications where they exist.

The generic schedules should be used where:

1. the appropriate manufacturer's service manuals/recommendations are not available; or
2. the engine is outside the time frame of manufacturer's maintenance specifications; or
3. the components listed below are not included in the manufacturer's maintenance specifications.

In the case of condition 3 above, you may use the manufacturer's specified maintenance schedules for those components included in the manufacturer's schedules, in combination with the appropriate generic schedule for those components which are not included.

For the purposes of Criterion 4, components requiring regular maintenance are:

- Oil and Oil filters
- Air filters
- Fuel filters
- Injectors
- Injector pumps
- Valves

The generic maintenance schedules for specific engine groupings are set out below. They are also available on the DOTARS website at www.dotars.gov.au.

Generic Maintenance Schedules

The schedules below are to be followed when you are not using the manufacturer's specifications for engine maintenance. Follow the schedule applicable to your vehicle.

As indicated in the schedules, the "Maintenance Items" are to be serviced in accordance with the "Maintenance Action" at intervals no longer than the applicable "Interval Period". However, it is recognised that operational or other matters may make it difficult for a vehicle operator to exactly comply with the maintenance intervals on some occasions. The Tax Office will not insist on strict compliance with the specified interval period provided that the maintenance action is performed within 1 month of the specified time, or within 5,000 km or 10% of the specified distance (whichever is the greater).

Schedule 1

Vehicles greater than 16 tonnes GVM, travelling more than 80,000 km/year

Maintenance Items	Maintenance Action	Interval Period
Oil/Oil filter	Replace	20,000 km
Fuel filter/s	Replace	20,000 km
Air filter	Inspect & Clean or Replace	20,000 km
Valves	Inspect & Adjust	200,000 km
Injectors	Rebuild or Replace	600,000 km
Fuel pump	Rebuild & Adjust	800,000 km
Injection timing	Check & Set	400,000 km

Schedule 2

Vehicles greater than 16 tonnes GVM, travelling less than 80,000 km/year

Maintenance Items	Maintenance Action	Interval Period (whichever occurs first)
Oil/Oil filter	Replace	15,000 km / 6 months
Fuel filter/s	Replace	15,000 km / 6 months
Air filter	Inspect & Clean or Replace	15,000 km / 6 months
Valves	Inspect & Adjust	12 months
Injectors	Rebuild or Replace	300,000 km
Fuel pump	Rebuild & Adjust	500,000 km
Injection timing	Check & Set	250,000 km

Schedule 3

Vehicles up to and including 16 tonnes GVM, travelling any distance

Maintenance Items	Maintenance Action	Interval Period (whichever occurs first)
Oil/Oil filter	Replace	10,000 km / 3 months
Fuel filter/s	Replace	20,000 km / 6 months
Air filter	Inspect & Clean or Replace	10,000 km / 3 months
Valves	Inspect & Adjust	30,000 km / 6 months
Injectors	Rebuild or Replace	200,000 km
Fuel pump	Rebuild & Adjust	200,000 km
Injection timing	Check & Set	20,000 km / 6 months

Record Keeping

In order to make a claim under Criterion 4, you must complete and retain records of all appropriate maintenance activities as specified in the manufacturer's specifications or the appropriate generic maintenance schedule. You should be able to provide the Tax Office, if requested, records detailing maintenance that you have undertaken or that has been undertaken by an independent workshop or similar facility.

If you are following the manufacturer's engine maintenance schedules you need to be able to provide these on request, and demonstrate that you have complied with them.

If you are using the generic schedules, you need to document which schedule you are using and demonstrate that you have complied with it.

You may wish to use the maintenance template at Attachment D to assist you with your record keeping, but other systems providing an equivalent level of information are acceptable. The template is also available on the DOTARS website at www.dotars.gov.au.

If you can not demonstrate that you have conducted regular periodic maintenance on the vehicle in accordance with the manufacturer's specifications or with the relevant generic schedule, you are not able to claim the fuel tax credit under Criterion 4.

ATTACHMENT A

Optional Record Keeping Template for Criterion 1

This template is provided for your guidance and use if desired. It is not a requirement.

Complete the Vehicle Details table below for both 1996 and later model vehicles and pre-1996 vehicles fitted with post-1 January 1996 engines.

Vehicle Details	
Make	
Model	
VIN	
Engine No.	
Registration No.	
Date of Manufacture*:	

* Date of manufacture from the Compliance (Identification) Plate or Used Import Plate as defined in Section 3 (Criterion 1).

In addition, for pre-1996 vehicles fitted with engines manufactured on or after 1 January 1996, complete the Engine Retrofit Details table below by inserting the build date, ticking the appropriate boxes and attaching documentary evidence to support the claims made in the table.

Engine Retrofit Details	
1. Build date of the engine: _____	
2. Engine is compliant with:	<input type="checkbox"/> ADR 70/00 <input type="checkbox"/> Later Standard (specify below)

3. An engineers certificate, or proof of calculations showing that manufacturers' specifications have been met in relation to the engine installation (including appropriate components) is attached:	
<input type="checkbox"/> Engineers certificate <input type="checkbox"/> Proof of calculations	

ATTACHMENT B

Optional Record Keeping Template for Criterion 2

This template is provided for your guidance and use if desired. It is not a requirement.

Complete the Vehicle Details table below.

Vehicle Details	
Make	
Model	
VIN	
Engine No.	
Registration No.	

Complete the declaration below by ticking the appropriate boxes, inserting the program details and attaching a copy of the certificate or similar record demonstrating membership of an accredited audited maintenance program covering the period of the claim.

This vehicle is part of an accredited audited maintenance program endorsed by the Secretary of the Department of Transport and Regional Services:

Yes No

The name of the program is:

A copy of the certificate demonstrating membership of this program for the period of the claim is attached:

Yes No

ATTACHMENT C

Optional Record Keeping Template for Criterion 3

This template is provided for your guidance and use if desired. It is not a requirement.

Complete the Vehicle Details table below.

Vehicle Details	
Make	
Model	
VIN	
Engine No.	
Registration No.	

Complete the declaration below by ticking the appropriate boxes, inserting the test facility details and attaching a copy of the test report.

This vehicle has been issued with a test report demonstrating compliance with the Australian Transport Council's in-service emission standard for diesel vehicles (also known as the "DT80" test):

Yes No

The test was performed by the following test facility which is registered with Department of Transport and Regional Services:

The date of the DT80 test report is not more than two years older than the latest date for the period that is being claimed:

Yes No

A copy of the test report is attached:

Yes No

ATTACHMENT D

Optional Record Keeping Template for Criterion 4

This template is provided for your guidance and use if desired. It is not a requirement.

Complete the Vehicle Details table below.

Vehicle Details	
Make	
Model	
VIN	
Engine No.	
Registration No.	

Complete the declaration below by ticking the appropriate box to confirm which one of the three methods you are using. If you are following the manufacturer's engine maintenance schedules you need to be able to provide these on request. If you are using the generic schedules, you need to document which schedule you are using in the box following 'Schedule No.' below.

Method 1

I am using the manufacturer's maintenance schedules for all components

Method 2

I am using a combination of the manufacturer's maintenance schedules and Schedule No. of the generic schedules for the nominated components as follows (tick appropriate box):

Oil/Oil Filter	<input type="checkbox"/> Manufacturer's Schedule	<input type="checkbox"/> Generic Schedule
Fuel Filter/s	<input type="checkbox"/> Manufacturer's Schedule	<input type="checkbox"/> Generic Schedule
Air filter	<input type="checkbox"/> Manufacturer's Schedule	<input type="checkbox"/> Generic Schedule
Valves	<input type="checkbox"/> Manufacturer's Schedule	<input type="checkbox"/> Generic Schedule
Injectors	<input type="checkbox"/> Manufacturer's Schedule	<input type="checkbox"/> Generic Schedule
Fuel pump	<input type="checkbox"/> Manufacturer's Schedule	<input type="checkbox"/> Generic Schedule
Injection timing	<input type="checkbox"/> Manufacturer's Schedule	<input type="checkbox"/> Generic Schedule

Method 3

I am using Schedule No. of the generic schedules for all components



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