

EXPOSURE DRAFT

2008-2009

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

EXPOSURE DRAFT (06/04/2009)

Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009

No. , 2009

(Treasury)

**A Bill for an Act to amend the *Excise Tariff Act
1921*, and for related purposes**

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1 **A Bill for an Act to amend the *Excise Tariff Act***
2 ***1921*, and for related purposes**

3 The Parliament of Australia enacts:

4 **1 Short title**

5 This Act may be cited as the *Excise Tariff Amendment (Carbon*
6 *Pollution Reduction Scheme) Act 2009*.

7 **2 Commencement**

8 (1) Each provision of this Act specified in column 1 of the table
9 commences, or is taken to have commenced, in accordance with
10 column 2 of the table. Any other statement in column 2 has effect
11 according to its terms.
12

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Schedule 1 Amendments

Commencement information

Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day on which this Act receives the Royal Assent.	
2. Schedule 1	At the same time as section 3 of the <i>Carbon Pollution Reduction Scheme Act 2009</i> commences.	

1 Note: This table relates only to the provisions of this Act as originally
2 passed by both Houses of the Parliament and assented to. It will not be
3 expanded to deal with provisions inserted in this Act after assent.

4 (2) Column 3 of the table contains additional information that is not
5 part of this Act. Information in this column may be added to or
6 edited in any published version of this Act.

3 Schedule(s)

8 Each Act that is specified in a Schedule to this Act is amended or
9 repealed as set out in the applicable items in the Schedule
10 concerned, and any other item in a Schedule to this Act has effect
11 according to its terms.

1
2
3

Schedule 1—Amendments

4

Excise Tariff Act 1921

5

1 After section 6A

6 Insert:

7

6AA Reduction of duty on fuels—offset of impact of carbon 8 pollution reduction scheme

9 *Definitions*

10 (1) In this section:

11 **6-month average Australian emissions unit auction charge** means
12 the amount published under section 271 of the *Carbon Pollution*
13 *Reduction Scheme Act 2009*.

14 [*Note: clause 271 of the Carbon Pollution Reduction Scheme Bill 2009*
15 *has been revised. The revised clause is set out in a note at the end of*
16 *this Bill.*]

17 **notional rate amount** means the amount specified in the definition
18 of **notional rate amount** in subsection 6G(1).

19 **relevant rate** means a rate of duty specified in subitem 10.1, 10.2,
20 10.3, 10.5, 10.10, 10.15, 10.16, 10.18, 10.20, 10.21, 10.25, 10.26,
21 10.27 or 10.28 of the Schedule.

22 *Rate-reducing day*

23 (2) For the purposes of this section, 1 July 2010 is a **rate-reducing**
24 **day**.

25 (3) For the purposes of this section, a day that is any of the following:

- 26 (a) 1 January 2011;
27 (b) 1 July 2011;
28 (c) 1 January 2012;
29 (d) 1 July 2012;
30 (e) 1 January 2013;

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Schedule 1 Amendments

1 (f) 1 July 2013;
2 is a **rate-reducing day** if the amount worked out using the
3 following formula is greater than 0:

$$4 \quad \begin{array}{r} \text{6-month average} \\ \text{Australian emissions unit} \\ \text{auction charge} \\ \text{published during the month} \\ \text{preceding that day} \end{array} - \begin{array}{r} \text{6-month average} \\ \text{Australian emissions unit} \\ \text{auction charge} \\ \text{published during the month} \\ \text{preceding the most recent} \\ \text{rate-reducing day} \end{array}$$

5 *Rate reduction*

6 (4) The **rate reduction** for the rate-reducing day that is 1 July 2010 is
7 the amount worked out to 5 decimal places (rounding up if the
8 sixth decimal place is 5 or more) using the formula:

$$9 \quad \begin{array}{r} \text{6-month average} \\ \text{Australian emissions unit} \\ \text{auction charge} \\ \text{published during June 2010} \end{array} \times 0.0027$$

10 (5) The **rate reduction** for a later rate-reducing day is the amount
11 worked out to 5 decimal places (rounding up if the sixth decimal
12 place is 5 or more) using the formula:

$$13 \quad \begin{array}{r} \text{The amount worked out} \\ \text{in relation to that day} \\ \text{using the formula in subsection (3)} \end{array} \times 0.0027$$

14 *Substituted rate of duty*

15 (6) This Act has effect as if, on a rate-reducing day, there were
16 substituted for each relevant rate a rate of duty worked out using
17 the formula:

$$18 \quad \text{Relevant rate} - \frac{\text{Rate reduction}}{\text{for the rate-reducing day}}$$

19 *Substituted notional rate amount—blended goods*

20 (7) This Act has effect as if, on a rate-reducing day, there were
21 substituted for the notional rate amount the amount worked out
22 using the formula:

$$23 \quad \text{Notional rate amount} - \frac{\text{Rate reduction}}{\text{for the rate-reducing day}}$$

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Amendments **Schedule 1**

1 *Publication of substituted rate of duty*

2 (8) If, under subsection (6), this Act is to have effect as if another rate
3 of duty were substituted for a relevant rate on a rate-reducing day,
4 the Commissioner of Taxation must, on or as soon as practicable
5 after that day, publish for the information of the public a notice in
6 the *Gazette* setting out:

- 7 (a) the substituted rate; and
8 (b) the goods to which it applies.

9 *Publication of substituted notional rate amount—blended goods*

10 (9) If, under subsection (7), this Act is to have effect as if an amount
11 were substituted for the notional rate amount on a rate-reducing
12 day, the Commissioner of Taxation must, on or as soon as
13 practicable after that day, publish for the information of the public
14 a notice in the *Gazette* setting out:

- 15 (a) the substituted amount; and
16 (b) the goods to which section 6G applies.

17 **2 Subsection 6G(1) (formula)**

18 Repeal the formula, substitute:

19
$$\left[\text{Volume} \times \text{Notional rate amount} \right] - \text{Previously paid duties}$$

20 **3 Subsection 6G(1)**

21 Insert:

22 *notional rate amount* means \$0.38143.

23 Note: See also section 6AA.

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Schedule 1 Amendments

1

2 *[Note: clause 271 of the Carbon Pollution Reduction Scheme Bill 2009*
3 *has been revised. The revised clause is as follows:*

4 ***^271 Information about auction results—last 6 months***

5 *6 months ending on 31 May*

6 (1) *Within 7 business days after the end of:*

7 (a) *May 2010; and*

8 (b) *May 2011; and*

9 (c) *May 2012; and*

10 (d) *May 2013;*

11 *the Authority must publish on its website the amount worked out to*
12 *2 decimal places (rounding up if the third decimal place is 5 or*
13 *more) using the formula:*

14
$$\frac{\text{Total auction proceeds}}{\text{Number of units issued as the result of auctions}}$$

15 *where:*

16 ***number of units issued as the result of auctions*** *means the total*
17 *number of Australian emissions units that were issued as the result*
18 *of auctions conducted by the Authority during the 6-month period*
19 *ending at the end of that May.*

20 ***total auction proceeds*** *means the total amount paid or payable by*
21 *way of charges for the issue of Australian emissions units that were*
22 *issued as the result of auctions conducted by the Authority during*
23 *the 6-month period ending at the end of that May.*

24 *6 months ending on 30 November*

25 (2) *Within 7 business days after the end of*

26 (a) *November 2010; and*

27 (b) *November 2011; and*

28 (c) *November 2012;*

29 *the Authority must publish on its website the amount worked out to*
30 *2 decimal places (rounding up if the third decimal place is 5 or*
31 *more) using the formula:*

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Amendments Schedule 1

1 Total auction proceeds
2 Number of units issued
3 as the result of auctions

4 *where:*

5 ***number of units issued as the result of auctions*** means the total
6 number of Australian emissions units that were issued as the result
7 of auctions conducted by the Authority during the 6-month period
8 ending at the end of that November.

9 ***total auction proceeds*** means the total amount paid or payable by
10 way of charges for the issue of Australian emissions units that were
11 issued as the result of auctions conducted by the Authority during
12 the 6-month period ending at the end of that November.

13 *Vintage years*

14 (3) *For the purposes of this section, if:*

- 15 (a) *an Australian emissions unit is issued as the result of an*
16 *auction conducted by the Authority before 1 July 2010; and*
17 (b) *the vintage year of the unit begins on or after 1 July 2011;*
18 *disregard the issue of the unit.*

19 (4) *For the purposes of this section, if:*

- 20 (a) *an Australian emissions unit is issued as the result of an*
21 *auction conducted by the Authority during an eligible*
22 *financial year; and*
23 (b) *the vintage year of the unit is not that eligible financial year;*
24 *disregard the issue of the unit.]*