

**Customs and Excise
(Budget Measures—Motor Spirits)
Amendment Bill**

Government Bill

Explanatory note

General policy statement

This Bill amends the Customs and Excise Act 1996 to increase the rates of excise duty and excise-equivalent duty on motor spirits. The increases are to provide additional funding to the national land transport fund established under the Land Transport Management Act 2003. Excise duty is payable on motor spirits manufactured in New Zealand. Excise-equivalent duty is payable on motor spirits imported into New Zealand. *Part 1* inserts a *new section 79AC* to increase those duties on motor spirits by 3 cents per litre on 1 July 2013, 1 July 2014, and 1 July 2015.

This Bill also amends the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Regulations 2004 to increase consequentially the refunds available under those regulations of excise duty, excise-equivalent duty, and goods and services tax, on motor spirits. *Part 2* inserts a *new regulation 6A* to increase those refunds by 3.45 cents per litre on 1 July 2013, 1 July 2014, and 1 July 2015.

Regulatory impact statement

The Ministry of Transport produced a regulatory impact statement on 30 April 2013 to help inform decisions taken by the Government relating to the contents of this Bill.

A copy of this regulatory impact statement can be found at—

- <http://www.transport.govt.nz/about/functions/Documents/Regulatory-Impact-Statement-Fuel-Excise-Duty-2013.pdf>
- <http://www.treasury.govt.nz/publications/informationreleases/ris>

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 relates to commencement. The Bill comes into force on **1 July 2013**, but some of the amendments that it makes do not take effect until 1 July in 2014 or 2015.

Part 1 Amendments to Customs and Excise Act 1996

Clause 3 identifies the principal Act amended by *Part 1*: the Customs and Excise Act 1996.

Clause 4(1) inserts a *new section 79AC*. *New section 79AC* increases the rates of excise duty and excise-equivalent duty on motor spirits by 3 cents (per litre or, as the case requires, per litre of motor spirits) on 1 July in 2013, 2014, and 2015.

Clause 4(2) repeals *new section 79AC* on **1 July 2015** (but without affecting any amendments it makes before or on that date).

Clause 5 amends section 79A(1), which relates to Orders in Council altering rates of excise duty and excise-equivalent duty on motor spirits. The amendment makes section 79A(1) clearer in the light of *new section 79AC* inserted by *clause 4*.

Part 2

Consequential amendments

Clause 6 identifies the principal regulations amended by *Part 2*: the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Regulations 2004.

Clause 7(1) inserts a *new regulation 6A*. *New regulation 6A* amends a rate only if the rate is one that is—

- a rate of refunds of excise duty, excise-equivalent duty, and goods and services tax to which persons are entitled under regulation 5 of the principal regulations in respect of motor spirits; and
- a rate that is specified in regulation 6(a) of the principal regulations, and that is expressed in cents per litre; and
- in force immediately before 1 July in 2013, 2014, or 2015.

New regulation 6A ensures that the rate is on that date replaced with a new rate calculated by adding to the rate the amount of 3.45 cents (which is the 3 cents increase — made by *new section 79AC(3)* inserted by *clause 4(1)* — and goods and services tax).

Clause 7(2) revokes *new regulation 6A* on **1 July 2015** (but without affecting any amendments it makes before or on that date).

Hon Gerry Brownlee

**Customs and Excise
(Budget Measures—Motor Spirits)
Amendment Bill**

Government Bill

Contents

		Page
1	Title	2
2	Commencement	2
Part 1		
Amendments to Customs and Excise Act 1996		
3	Principal Act	2
4	New section 79AC inserted (Rates of duties on motor spirits increased by 3 cents on 1 July in 2013, 2014, and 2015)	2
	79AC Rates of duties on motor spirits increased by 3 cents on 1 July in 2013, 2014, and 2015	2
5	Section 79A amended (Power to alter rates of excise duty and excise-equivalent duty on motor spirits by Order in Council)	3
Part 2		
Consequential amendments		
6	Principal regulations	3
7	New regulation 6A inserted (Rates of refunds in respect of motor spirits increased by 3.45 cents on 1 July in 2013, 2014, and 2015)	3

**Customs and Excise
(Budget Measures—Motor Spirits)
Amendment Bill**

- 6A Rates of refunds in respect of motor spirits increased by 3.45 cents on 1 July in 2013, 2014, and 2015 3
-

The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Customs and Excise (Budget Measures—Motor Spirits) Amendment Act **2013**.

- 2 Commencement** 5
This Act comes into force on **1 July 2013**.

**Part 1
Amendments to
Customs and Excise Act 1996**

- 3 Principal Act** 10
This Part amends the Customs and Excise Act 1996 (the **principal Act**).

- 4 New section 79AC inserted (Rates of duties on motor spirits increased by 3 cents on 1 July in 2013, 2014, and 2015)** 15

- (1) After section 79AB, insert:

“79AC Rates of duties on motor spirits increased by 3 cents on 1 July in 2013, 2014, and 2015

- “(1) In accordance with section 76G(1), this section amends the Excise and Excise-equivalent Duties Table. 20

- “(2) A rate in that Table is amended by this section only if the rate is one that is—

“(a) a rate of excise duty or excise-equivalent duty on motor spirits (as defined in **subsection (4)**); and

“(b) a rate of that kind expressed either as a rate ‘per l’ or as a rate ‘per l ms’; and 25

- “(c) not a component of a rate of that kind that is a component expressed as plus a stated amount ‘per g of Pb’; and
“(d) in force immediately before 1 July in 2013, 2014, or 2015. 5
- “(3) The rate is on that date replaced with a new rate calculated by adding to the rate the amount of 3 cents.
- “(4) **Motor spirits**, in this section, means any 1 or more fuels that are, or that contain, motor spirit.”
- (2) **Section 79AC** of the principal Act (as inserted by **subsection (1)**) is repealed on **1 July 2015** (but without affecting any amendments it makes before or on that date). 10
- 5 Section 79A amended (Power to alter rates of excise duty and excise-equivalent duty on motor spirits by Order in Council)** 15
In section 79A(1), replace “the current rates” with “any current rates”.

Part 2

Consequential amendments

- 6 Principal regulations** 20
This Part amends the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Regulations 2004 (the **principal regulations**).
- 7 New regulation 6A inserted (Rates of refunds in respect of motor spirits increased by 3.45 cents on 1 July in 2013, 2014, and 2015)** 25
- (1) After regulation 6, insert:
“**6A Rates of refunds in respect of motor spirits increased by 3.45 cents on 1 July in 2013, 2014, and 2015**
“(1) A rate is amended by this regulation only if the rate is one that is— 30
“(a) a rate of refunds of excise duty, excise-equivalent duty, and goods and services tax to which persons are entitled under regulation 5 in respect of motor spirits; and

**Customs and Excise
(Budget Measures—Motor Spirits)
Amendment Bill**

Part 2 cl 7

- “(b) a rate that is specified in regulation 6(a), and that is expressed in cents per litre; and
 - “(c) in force immediately before 1 July in 2013, 2014, or 2015.
- “(2) The rate is on that date replaced with a new rate calculated by adding to the rate the amount of 3.45 cents.” 5
- (2) **Regulation 6A** of the principal regulations (as inserted by **subsection (1)**) is revoked on **1 July 2015** (but without affecting any amendments it makes before or on that date).
-