

Excise duty: Who can get refunds, and how

Excise duty is a charge imposed by the government on certain products sourced from overseas and some products produced within New Zealand.

In some cases, Land Transport New Zealand can offer refunds of excise duty.

Who's entitled to a refund?

You're entitled to a refund of the excise duty and the goods and services tax (GST) charged on motor spirits that's used:

- as fuel in an **exempted vehicle**
- as fuel in a **road user charges**-licensed vehicle
- as fuel in a **commercial vessel**
- for commercial purposes other than as fuel in any motor vehicle, vessel, or aircraft.

The legislative provisions relating to refunds of excise duty on fuel are:

- the Land Transport Management Act 2003
- the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Regulations 2004.

What's an exempt vehicle?

The definition of an **exempt vehicle** is:

'A motor vehicle that is not required to be registered under section 5 of the Transport (Vehicle and Driver Registration and Licensing) Act 1986 and is used for commercial purposes, or a vehicle listed in the schedule to the Regulations.'

In general, agricultural vehicles, some mobile machinery and commercial vehicles that don't travel on the road are exempt vehicles.

What's a commercial vessel?

Commercial vessels are vessels that are operated exclusively or principally for commercial purposes, and which are issued with a Maritime Safety Authority (MSA) number.

If a vessel doesn't have a MSA number, it must operate under an approved Maritime Safety Authority safety plan.

If a vessel doesn't have either a MSA number or an approved safety plan, it can't be deemed commercial and isn't eligible for a refund of excise duty.

Vessels operated by the Royal New Zealand Coastguard are also classed as commercial vessels.

Fuel types eligible for a refund

The types of fuel eligible for a refund are:

- motor spirits
- CNG
- LPG.

Fuels not eligible for a refund

The following fuel types aren't eligible for a refund:

- any fuel used for a motor vehicle that's used principally in vehicle races, trials, or other sporting events
- fuel used in recreational boats and pleasure craft
- fuel that has already had excise duty refunded
- diesel.

Refund rates

The refund rates (including GST) **at the time of print** are:

- petrol: 32.602 cents per litre (includes 6.502 cents ACC refund)
- LPG: 11.7 cents per litre
- CNG: \$3.57 per gigajoule.

ACC levy

The ACC levy was introduced on 1 July 2003. It goes into the ACC Motor Vehicle Account, which covers the cost of accidents and rehabilitation for victims of accidents.

However, provision has been made for the refund of the Motor Vehicle Account Levy for exempted vehicles and for fuel used for commercial purposes. These refunds are automatically added onto the refund of fuel excise duty.

The one exception is vehicles that are over 3.5 tonnes gross vehicle mass and petrol powered. Owners of these vehicles **are** liable for the Motor Vehicles Account Levy, and do not receive the levy refund.

How to claim a refund

To get a refund of fuel excise duty you need to fill out form MR 70, available from Land Transport NZ [regional offices](#) or by [contacting the excise duty officer](#) at Land Transport NZ's regional office in Palmerston North.

Lodge your claim within three months of the close of a quarter (quarters close 31 March, 30 June, 30 September and 31 December).

- If your claim isn't lodged within this timeframe, but is lodged within two years of the close of a quarter, then the refund is reduced by 10%.
- Any claim made later than two years from the close of any quarter won't be accepted unless Land Transport NZ is satisfied that special circumstances exist.

Attach copies of all purchase receipts to your claim. The receipts must fall within the dates of the quarter you're claiming for. The MR 70 form asks you to summarise all purchases and fuel used. Make sure you fill this in correctly.

You must declare and deduct any fuel that is used for non-eligible purposes, but which is included in your purchases.

You must list all the vehicles that use the fuel you're claiming for, together with details of fuel usage for commercial purposes.

You'll be allocated a customer number to use for any future claims.

Are claims subject to audit?

Yes. Land Transport NZ's Economic Compliance Unit carries out audits of claims, including on-site inspections.

If you make a claim, you need to keep your records for **three years**.

Under section 43 of the Land Transport Management Act 2003, Land Transport NZ can prosecute people submitting incorrect or fraudulent claims. A fine not exceeding \$2,000 can be imposed on summary conviction.

Serious cases may result in fraud charges being laid under the provisions of the Crimes Act 1961.

We won't accept any claims that are incorrect or missing supporting information.

Where can I find out more?

If you have questions about your eligibility, or refunds of excise duty, contact:

The Excise Duty Officer
Economic Compliance Unit
Land Transport New Zealand
P O Box 1947
Palmerston North
Fax (06) 356 5017
Telephone (06) 350 1895