

Excise and Excise-equivalent Duties Table (Budget Measures—Motor Spirits) Amendment Bill

Government Bill

Explanatory note

General policy statement

This Bill amends the Excise and Excise-equivalent Duties Table (the **Table**) to increase the rates of excise duty and excise-equivalent duty on motor spirits on 1 July 2019 and 1 July 2020. 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. *Clause 3* amends the Table to increase those duties on motor spirits by 3.5 cents per litre on 1 July 2019. *Clause 5* amends the Table to increase those duties on motor spirits by a further 3.5 cents per litre on 1 July 2020.

This Bill also amends the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Regulations 2004 to consequentially increase the refunds available under those regulations of excise duty, excise-equivalent duty, and goods and services tax on motor spirits. *Clause 4* amends regulation 6 to increase those refunds by 4.025 cents per litre on 1 July 2019. *Clause 6* amends regulation 6 to increase those refunds by a further 4.025 cents per litre on 1 July 2020.

Departmental disclosure statement

The Ministry of Transport is required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement provides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2019&no=151>

Regulatory impact assessment

The Ministry of Transport produced a regulatory impact assessment on 14 June 2018 to help inform the main policy decisions taken by the Government relating to the contents of this Bill.

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

- <https://www.transport.govt.nz/about/governance/ris-bccs/>
- <http://www.treasury.govt.nz/publications/informationreleases/ria>

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause. This Bill, except *Part 2*, comes into force on **1 July 2019**. *Part 2* comes into force on **1 July 2020**.

Clause 3 amends the Excise and Excise-equivalent Duties Table to increase the rates of excise duty and excise-equivalent duty on motor spirits by 3.5 cents per litre on 1 July 2019.

Clause 4 amends regulation 6 of the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Regulations 2004 to increase the 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, by 4.025 cents per litre on 1 July 2019.

Clause 5 amends the Excise and Excise-equivalent Duties Table to increase the rates of excise duty and excise-equivalent duty on motor spirits by a further 3.5 cents per litre on 1 July 2020.

Clause 6 amends regulation 6 of the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Regulations 2004 to increase the 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, by a further 4.025 cents per litre on 1 July 2020.

Hon Phil Twyford

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Contents

	Page
1 Title	1
2 Commencement	1
Part 1	
Amendments to take effect on 1 July 2019	
3 Rate of excise duty and excise-equivalent duty on motor spirits amended	2
4 Rates of refunds of excise duty and excise-equivalent duty amended	2
Part 2	
Amendments to take effect on 1 July 2020	
5 Rate of excise duty and excise-equivalent duty on motor spirits amended	2
6 Rates of refunds of excise duty and excise-equivalent duty amended	2

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Excise and Excise-equivalent Duties Table (Budget Measures—Motor Spirits) Amendment Act **2019**.

2 Commencement

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- (1) This Act, except Part 2, comes into force on **1 July 2019**.

- (2) Part 2 of this Act comes into force on **1 July 2020**.

Part 1
Amendments to take effect on 1 July 2019

3 Rate of excise duty and excise-equivalent duty on motor spirits amended

- (1) This section amends the Excise and Excise-equivalent Duties Table (the **Table**) made under clause 16(1) of Schedule 3 of the Customs and Excise Act 2018. 5
- (2) In the Table, Parts A and B, items relating to fuels, fourth column, replace “63.024¢ *plus* 8¢ per g of Pb” with “66.524¢ *plus* 8¢ per g of Pb” in each place.

4 Rates of refunds of excise duty and excise-equivalent duty amended 10

- (1) This section amends the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Regulations 2004.
- (2) In regulation 6(a), replace “72.4776” with “76.5026”.

Part 2
Amendments to take effect on 1 July 2020 15

5 Rate of excise duty and excise-equivalent duty on motor spirits amended

- (1) This section amends the Excise and Excise-equivalent Duties Table (the **Table**) made under clause 16(1) of Schedule 3 of the Customs and Excise Act 2018.
- (2) In the Table, Parts A and B, items relating to fuels, fourth column, replace “66.524¢ *plus* 8¢ per g of Pb” with “70.024¢ *plus* 8¢ per g of Pb” in each place. 20

6 Rates of refunds of excise duty and excise-equivalent duty amended

- (1) This section amends the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Regulations 2004.
- (2) In regulation 6(a), replace “76.5026” with “80.5276”. 25