LIQUEFIED GAS (ROAD VEHICLE USE) TAX (REPEAL) BILL 1979

Date Introduced: 13 September 1979
House: House of Representatives
Presented by: Hon. W.F. Fife, Minister for Business and Consumer Affairs

Short Digest of Bill

Purpose

To remove the tax on liquefied gas for road vehicle use.

Background

In the Treasurer's 1974-75 Budget speech, the Government announced the imposition of a tax on liquefied gas used for propelling road vehicles.

A significant factor influencing the introduction of such a tax was that users of liquefied gas propelled vehicles made no contribution to government revenue. Users of vehicles propelled by other fuels however paid taxes which contributed to the construction and maintenance of roads.

It was decided to set the tax at 2 cents a litre or almost exactly 40% of the rate of excise duty on petrol at that time. This figure was chosen as one which would minimise the erosion of petrol excise but not unduly inhibit the expansion of the use of gas for propelling road vehicles. It was also decided that for at least 5 years any increases in the rate of tax would be limited to 50% of any increases in petrol excise that may occur.

The Liquefied Gas (Road Vehicle Use) Tax Act 1974 introduced the tax on liquefied gas. It was accompanied by the Liquefied Gas (Road Vehicle Use) Tax Collection Act 1974 which provided the administrative machinery necessary for the collection of the tax.

This tax was increased to 2.125 cents per litre on 18 August 1977 by the Liquefied Gas (Road Vehicle Use) Tax Amendment Act 1977 in line with increases in petrol excise.

The Prime Minister on 27 June 1979 announced the Government's intention to remove the tax on liquefied gas.
used for road vehicle propulsion. This decision was announced as part of a series of new government initiatives on energy conservation designed to encourage a shift in energy use away from oil to other sources of energy.

Provisions


The repeal of the Acts and hence the abolition of tax on liquefied gas is to be effective from 28 June 1979 (clause 2).

Finance, Industries, Trade & Development Group

LEGISLATIVE RESEARCH SERVICE

18 September 1979