



Excise Act 1901

NOTICE OF INTENTION TO PROPOSE EXCISE TARIFF ALTERATION

Notice No. 4 (2013)

Pursuant to section 160B of the *Excise Act 1901*, I, James O'Halloran, Deputy Commissioner of Taxation, hereby give notice that it is intended, within seven sitting days of the House of Representatives after the date of publication of this Notice in the *Gazette*, to propose in the Parliament an Excise Tariff alteration in accordance with the following particulars and operating as follows:

1. That the *Excise Tariff Act 1921* be altered as set out in Schedule 1 to this Notice, that the alterations operate on and after 1 December 2013 and that:
 - (a) in the case of the alterations set out in Part 1 of that Schedule—the alterations apply in relation to goods entered for home consumption on or after 1 December 2013; and
 - (b) in the case of the alterations set out in Part 2 of that Schedule:
 - (i) section 6A of the *Excise Tariff Act 1921*, as altered by that Part, applies in relation to the indexation day that is 1 February 2014 and each later indexation day; and
 - (ii) section 6AA of the *Excise Tariff Act 1921*, as altered by that Part, applies in relation to the indexation day that is 1 March 2014 and each later indexation day.

Schedule 1—Alterations to the Excise Tariff Act 1921

Part 1—Increase in tobacco duty rates on 1 December 2013

1 Schedule (cell at table subitem 5.1, column headed “Rate of Duty”)

Repeal the cell, substitute:

\$0.40197 per stick

2 Schedule (cell at table subitem 5.5, column headed “Rate of Duty”)

Repeal the cell, substitute:

\$502.48 per kilogram
of tobacco content

Part 2—Indexation

3 Section 6A

Repeal the section, substitute:

6A Indexation of alcohol duty rates

- (1) If the indexation factor for an indexation day is greater than 1, each rate of duty set out in item 1, 2 or 3 of the Schedule (each *alcohol duty rate*) is, on that day, replaced by the rate of duty worked out using the formula:

$$\frac{\text{Alcohol duty rate on the day before the indexation day}}{\text{Indexation factor for the indexation day}} \times \text{Indexation factor for the indexation day}$$

Note: For *indexation factor* see subsection (3) and for *indexation day* see subsection (10).

- (2) The amount worked out under subsection (1) is to be rounded to the same number of decimal places as the alcohol duty rate was on the day before the indexation day (rounding up if the next decimal place is 5 or more).

Indexation factor

- (3) The *indexation factor* for an indexation day is the number worked out using the formula:

$$\frac{\text{Index number for the most recent reference quarter before the indexation day}}{\text{Index number for the base quarter}}$$

Note: For *index number*, *reference quarter* and *base quarter* see subsection (10).

- (4) The indexation factor is to be worked out to 3 decimal places (rounding up if the fourth decimal place is 5 or more).

Effect of delay in publication of index number

- (5) If the index number for the most recent reference quarter before the indexation day is published by the Statistician on a day (the *publication day*) that is not at least 5 days before the indexation day, then, despite subsection (1), any replacement of an alcohol duty rate under subsection (1) happens on the fifth day after the publication day.

Effect of Excise Tariff alteration

- (6) If an Excise Tariff alteration proposed in the Parliament proposes to substitute, on and after a particular day, a rate for an alcohol duty rate, treat that substitution as having had effect on and after that day for the purposes of this section.

Changes to CPI index reference period and publication of substituted index numbers

- (7) Amounts are to be worked out under this section:
- using only the index numbers published in terms of the most recently published index reference period for the Consumer Price Index; and
 - disregarding index numbers published in substitution for previously published index numbers (except where the substituted numbers are published to take account of changes in the index reference period).