Legislative Instrument

Excise (Denatured spirits) Determination 2016 (No. 3)

I, Deborah Jenkins, Acting Deputy Commissioner of Taxation, make this determination under the following provision:

* Subsection 77FG(1) of the *Excise Act 1901* (Excise Act).

Deborah Jenkins

Acting Deputy Commissioner of Taxation

Dated: 13 September 2016

1. **Name of instrument**

This determination may be cited as the *Excise (Denatured spirits) Determination 2016 (No.3*).

1. **Legislative Instrument**

This determination is a legislative instrument for the purposes of the *Legislation Act 2003* (Legislation Act).

1. **Commencement**

This determination commences on the day after it is registered. On commencement it replaces and repeals *Excise (Denatured spirits) Determination 2006 (No. 2) (*which expires on 1 October 2016).

1. **Application**

This determination applies to spirit delivered for home consumption on or after the date of commencement.

It applies to applications received on or after the date of commencement.

1. **Revoking of previous instrument**

*Excise (Denatured spirits) Determination 2006 (No. 2)* is revoked on commencement of this determination.

The new instrument is a restatement of the previous determination which is scheduled to be repealed on 1 October 2016 under the sunsetting provisions as prescribed in Part 4 of Chapter 3 of the Legislation Act.

1. **Determination**

Section 77FG of the Excise Act allows the CEO to determine a formula for denaturing spirit for the purposes of subitem 3.8 of the Excise Tariff.

Spirit denatured to the formula may be delivered into home consumption under subitem 3.8 at a free rate of duty and pass out of the CEO’s control.

1. **The Formula**

The formula for denaturing spirit is:

*Spirit* ***plus*** *at least one denaturant listed in the Schedule at or above the minimum concentration specified.*

The minimum concentration specified in the Schedule is the minimum concentration for adding to 100% pure ethanol. If the spirit is less than 100% ethanol, the minimum concentration is to be adjusted accordingly.

**Example:** spirit consisting of 80% ethanol may be denatured according to the formula by the addition of 0.80% v/v n-propanol.

This determination allows licensed entities to supply ethyl alcohol that is denatured to this formula at a free rate of duty.

1. **Definitions**

**In this determination**:

* **CAS registry number** refers to the unique number allocated to the chemical substance in the registry of the Chemical Abstracts Service, a division of the American Chemical Society.
* **CEO** means the Commissioner of Taxation (see subsection 4(1) of the Excise Act).
* **Excise tariff** means the Schedule to the *Excise Tariff Act 1921.*
* **ppm** means parts per million.
* **v/v** means volume to volume.
* **w/w** means weight to weight.

SCHEDULE

| **Item** | **Denaturant** | **CAS registry number** | **Minimum concentration for 100% ethanol** |
| --- | --- | --- | --- |
| 1 | acetaldehyde | 75-07-0 | 1.0% v/v |
| 2 | n-propanol | 71-23-8 | 1.0% v/v |
| 3 | n-propyl acetate | 109-60-4 | 1.0% v/v |
| 4 | acetone | 67-64-1 | 2.0% v/v |
| 5 | denatonium benzoate | 3734-33-6 | 5 ppm |
| 6 | ethyl acetate | 141-78-6 | 1.0% v/v |
| 7 | propylene glycol mono-methyl ether | 107-98-2 | 1.0% v/v |
| 8 | sodium nitrite | 7632-00-0 | 0.25% v/v |
| 9 | methyl ethyl ketone | 78-93-3 | 0.5% v/v |
| 10 | methoxy propyl acetate | 108-65-6 | 0.5% v/v |
| 11 | methanol | 67-56-1 | 5.0% v/v |
| 12 | isopropanol | 67-63-0 | 5.0% v/v |
| 13 | tertiary butyl alcohol | 75-65-0 | 0.25% v/v |
| 14 | methyl isobutyl ketone | 108-10-1 | 0.25% v/v |
| 15 | n-hexane | 110-54-3 | 1.0% v/v |
| 16 | ethyl ether  | 60-29-7 | 1.0% v/v |
| 17 | propylene glycol | 57-55-6 | 20.0% v/v |
| 18 | sodium hydroxide | 1310-73-2 | 0.25% w/w |
| 19 | sodium molybdate | 7631-95-0 | 0.25% w/w |
| 20 | sodium tolytriazole | 64665-57-2 | 0.25% w/w |