

# Fuel tax credits

*Australia only*

Fuel tax credits are amounts you can claim for the fuel tax included in the price of fuel you acquire and use for your business activities.

You can refer to the ATO's [fuel tax credits eligibility tool](#) to find out if you are eligible to claim. If you are, you'll need to find out the [rate](#) you can claim. The rates vary depending on the fuel you use and your business activities.

Your business must be registered for both fuel tax credits and GST before you can claim fuel tax credits. For more information, [see the ATO website](#).

If your business receives fuel tax credits for fuel on machinery, equipment or heavy vehicles, it's easy to record the amount using a [journal entry](#).

The journal entry would involve two accounts:

- A **4-XXXX** or **8-XXXX** Income account which would be *credited*. This increases income which amounts to decreasing expense.
- A choice of a **2-XXXX** Liability account or **1-XXXX** Asset account which would be *debited*.

If you want to keep your tax credit account grouped with your other tax liability accounts, such as GST collected and paid, choose a liability account. For information on creating accounts, see [Setting up accounts](#).

Here's an example journal entry for a \$1000 fuel tax credit for a reporting period:

AR Record Journal Entry

Journal ? Help for this window

Display in GST [BAS] reports as:  Sale (Supply)  Purchase (Acquisition)  Tax Inclusive  Year-End Adjustment

General Journal No.: GJ000001

Date: 30/11/2016

Memo:

Acct No.	Name	Debit	Credit	Job	Memo	Tax
2-6000	Fuel Tax Credits Receivable	\$1,000.00				N-T
4-6100	Fuel Tax Credits		\$1,000.00			N-T

Total Debit: \$1,000.00

Total Credit: \$1,000.00

Tax: \$0.00

Out of Balance: \$0.00

Save as Recurring Use Recurring

Record Cancel

**Need to change your fuel tax credit journal entry?** See Changing or deleting a transaction.

## Fuel tax credits FAQs

How do I determine the amount of fuel tax credit I'm eligible to claim?

What BAS fields are used for fuel tax credits?

How do i track the litres I purchase?

### Related topics

[Recording a journal entry](#)

[Finding a transaction](#)

[Lodge your activity statement](#)

[BASlink FAQs](#)

[GST/Tax reports](#)

[Changing or deleting a transaction](#)

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