

# SYNTHETIC GREENHOUSE GAS (GOODS) LEVY

From 1 July 2013 Customs will be collecting a Synthetic Greenhouse Gas (Goods) Levy on goods containing hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).

This levy is made under the Climate Change Response Act 2002 and the Climate Change (Synthetic Greenhouse Gas Levies) Regulations 2013.

## HOW MUCH IS THE LEVY?

The levy will be linked to the price of carbon and will vary. Rates will be based on tariff descriptions and statistical key codes and will be charged on a dollar (\$) per item basis. However, some goods will be charged based on the amount of gas contained in the good.

The charge will vary between items to reflect the amount of gas, the specified gas and its global warming potential. The rates of the levy will be reviewed annually by the Ministry for the Environment. The scope of the levy may also be reviewed.

The current rates are listed in schedule 2 of the Climate Change (Synthetic Greenhouse Gas Levies) Regulations 2013.

## WHAT GOODS WILL BE SUBJECT TO THE LEVY?

The levy will apply mostly to imported fridges, freezers, heat pumps, air-conditioners and refrigerated trailers. It will only apply to air-conditioners in vehicles that cool goods, rather than passengers. The parallel Synthetic Greenhouse Gas (Vehicle) Levy will be collected by the NZ Transport Agency (NZTA) when vehicles are first registered in New Zealand.

## HOW IS THE LEVY COLLECTED?

Under section 229 of the Climate Change Response Act 2002 any person who imports leviable goods on or after 1 July 2013 must pay the levy to Customs at the same time as any other duty.

Customs will collect the levy, as if it were a duty, using its powers under the Customs and Excise Act 1996.

Customs will collect the levy even when no duty is payable unless the amount payable is below the de minimus. The levy is also subject to GST.

## ARE THERE ANY EXEMPTIONS?

The following sections of the Customs and Excise Act 1996 do not apply to the collection of the levy.

- » Section 104 – Liability of owners of craft for duty on goods unlawfully landed
- » Section 108 – Goods from the Cook Islands and Niue
- » Section 112 – Refunds of duty on goods under Part 2 of the Tariff
- » Section 114 – Power to apply refunds towards payment of other duties
- » Section 117 – Drawbacks of duty on certain goods.

A passenger on a ship or aircraft who imports leviable goods that are part of their household or other effects are exempt from paying the levy as long as the goods are not intended for gift, sale or exchange (Regulation 12 of the Climate Change (Synthetic Greenhouse Gas Levies) Regulations 2013).

## CAN I GET A REFUND OR DRAWBACK?

The refund provisions under the Customs and Excise Act 1996 apply to the SGG (Goods) Levy, with the exception of sections 112 and 114.

Section 117 of the Customs and Excise Act 1996 does not apply so there is no provision for drawback.

Provisions within the Climate Change Response Act 2002 and the Climate Change (Other Removal Activities) Regulations 2009 enable exporters of goods containing SGG to receive entitlements of New Zealand Units (carbon units issued by the Environmental Protection Authority (EPA)) when they export a good containing SGG. These goods must have initially been imported and subject to the SGG (Goods) Levy or surrender obligations of the Emissions Trading Scheme.



**OFFENCES**

Offence provisions apply under both the Customs and Excise Act 1996 and the Climate Change Response Act 2002.

Where a breach of the Customs and Excise Act 1996, such as erroneous or false documentation or declaration occurs, or duty evasion Customs will determine whether to prosecute the importers or their agents, or take other action against them. This could include applying the Customs administrative penalties regime in respect to the levy.

If Customs decides not to take action, the EPA may choose to take action against the importer under the Climate Change Response Act 2002.

If both the levy and the Customs and Excise Act 1996 provisions are breached, both the EPA and Customs can recover the levy in Court. Determining who will handle any court actions will be decided by Customs and the EPA on a case-by-case basis.

**CAN I APPEAL THE CHARGING OF THIS LEVY?**

Yes. If you are dissatisfied with any decision regarding the charging of this levy you may apply to a Customs Appeal Authority.

An appeal should be made on Form 14, available from the Customs' website ([www.customs.govt.nz](http://www.customs.govt.nz)) or your nearest Customs office.

The appeal should be addressed directly to a Customs Appeal Authority and accompanied by the fee of \$410.00. The appeal must be lodged within 20 working days after the decision of the Comptroller was given.

The address to send the appeal is:

The Registrar  
 Customs Appeal Authority  
 Tribunals Unit  
 Private Bag 32001  
 Panama Street  
 WELLINGTON 6146  
 Tel: 04 462 6660  
 Fax: 04 462 6686  
 Email: [tribunals@justice.govt.nz](mailto:tribunals@justice.govt.nz)  
 Website: [www.justice.govt.nz/tribunals/customs-appeal-authority](http://www.justice.govt.nz/tribunals/customs-appeal-authority)

**FOR FURTHER INFORMATION**

Contact your nearest office of the New Zealand Customs Service, visit the Customs website [www.customs.govt.nz](http://www.customs.govt.nz) or call Customs on 0800 428 786 (0800 4 CUSTOMS).