

# Revenue | Rulings

## Refunds for lost, stolen, damaged or destroyed tobacco

### Revenue Ruling BF.005

#### Preamble

The State Revenue Office is sometimes asked to refund licence fees relating to tobacco that has been lost, stolen, damaged or destroyed.

Licence fees are payable under the *Business Franchise (Tobacco) Act 1974* (the Act) by wholesalers or retailers based on sales and purchases (respectively) of tobacco products. The invoices in these transactions often display a separate figure itemising the *ad valorem* fees. This figure is passed on to the buyer as a component of the price. This practice sometimes leads buyers to assume that the amount can be separately recouped from the State Revenue Office in the event of product loss.

#### Ruling

The Act imposes a licence fee on tobacco wholesalers and retailers. The fee includes an amount which is calculated on the basis of sales or purchases of tobacco during a specified relevant period. The payment of a licence fee is made in exchange for the issue of a licence to operate as a wholesaler or retailer of tobacco in Victoria. The payment is not made to meet a tax liability arising directly from the sale or purchase of tobacco.

The State Revenue Office will not refund licence fees to wholesalers, retailers or consumers for tobacco they have bought or sold which was subsequently stolen, lost, damaged or destroyed.

Please note that rulings do not have the force of law. Each decision made by the State Revenue Office is made on the merits of each individual case having regard to any relevant ruling. All rulings must be read subject to Revenue Ruling GEN.01.

**Denzil Griffiths**

**Commissioner of State Revenue**

**30 April 1996**

