Fuel taxes: adjustment of special tax arrangements for gas oil used as motor fuel for commercial purposes and coordination of taxation of unleaded petrol and gas oil used as motor fuel

2007/0023(CNS) - 13/03/2008 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted, by 447 in favour to 64 against with 39 abstentions, a legislative resolution amending the proposal to amend Directive 2003/96/EC on the adjustment of special tax arrangements for gas oil used as motor fuel for commercial purposes and the coordination of taxation of unleaded petrol and gas oil used as motor fuel.

The report had been tabled for consideration in plenary by Olle **SCHMIDT** (ALDE, SE), on behalf of the Committee on Economic and Monetary Affairs.

The main amendments – adopted under the consultation procedure – are as follows:

-from 2012 the minimum level of taxation for gas oil should equal the minimum level of taxation applicable to unleaded petrol. From **2015** (rather than 2014) the minimum level of taxation should be **EUR 359** (rather than EUR 380) per 1000 litres;

-Member States that are required under Community law to increase the excise duty rate on gas oil to EUR 340 per 1 000 litres by 1 January 2012 must impose a rate of at least EUR 359 per 1 000 litres by 1 January 2015;

-Member States in which the excise duty rate on gas oil exceeded **EUR 400 per 1 000** litres on 1 January 2008 must **increase that rate no further until 1 January 2015**;

-Member States in which the excise duty rate on unleaded petrol exceeded **EUR 500 per 1 000** litres on 1 January 2008 must **increase that rate no further until 1 January 2015;**

-Spain, Austria, Belgium, Luxembourg, Portugal and Greece will no longer have a transitional period. Parliament stated that Member States that avail themselves of the transitional periods tend, regrettably, not to take steps to catch up with the minimum excise duty standards, contrary to the commitments that they have made. Any automatic prolongation of the transitional period is, therefore, wholly unacceptable;

-Latvia and Lithuania may apply a transitional period until 1 January 2012 to adjust its national level of taxation on gas oil and kerosene used as propellant to the new minimum level of EUR 302 per 1000 l, until 1 January 2013 to reach EUR 330 and, for gas oil used as propellant, until 1 January 2016 to reach EUR 359;

-Poland may apply a transitional period until 1 January 2012 to adjust its national level of taxation on gas oil used as propellant to the new minimum level of EUR 302 per 1000 l, until 1 January 2013 to reach EUR 330 and until 1 January 2016 to reach EUR 359;

-Bulgaria and Romania may apply a further transitional period for gas oil used as propellant until 1 January 2016 to reach EUR 359;

-the Commission shall report on the fulfilment of the obligations of those Member States in which a transitional period expires in 2010;

-in order to ensure the coherence of Directive 2003/96/EC with the common transport policy and avoid potential distortions of competition within the haulage markets, the definition of gas oil used as propellant should be modified. The definition of commercial use concerns the transport of goods by road carried out by vehicles with a maximum permissible gross laden weight of no less than 3,5 tonnes;

-no later than six months after the adoption of the Directive, the Commission shall establish common rules applicable to the refund mechanism.

-lastly, a new recital states that, while regard should be had to the principle of subsidiarity, Member States that obtain additional revenue through the implementation of this Directive should be encouraged to reinvest them primarily in infrastructure, biofuel and new environmental measures aimed at reducing CO_2 emissions.