

Taxation of energy products and electricity

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The Council held a detailed exchange of views on draft guidelines for the taxation of energy drawn up by the Presidency which are designed to give political impetus to work on a proposed Directive on the taxation of energy. The draft guidelines deal in particular with: - the scope of compulsory exemption; - differentiation between business and non-business use; - tax reductions for particular areas of production; - application of differential tax rates by Member States; - minimum levels of taxation of energy products subject to harmonised excise duties; - minimum levels of taxation of energy products not yet subject to harmonised excise duties. The Council broadly welcomed the Presidency's approach and objectives and asked the Permanent Representatives Committee to mandate a High Level Group to further prepare the work of the Council with a view to reaching consensus on the guidelines at the ECOFIN Council meeting on 4 June.