Excise duties: motor fuels from agricultural sources

1992/1004(CNS) - 27/01/1994

The Committee adopted the report by Mr Herman (PPE, B) by 17 votes to 11. In a preliminary statement, the rapporteur stressed the importance of this text, particularly for agriculture. He also pointed out that the tax concessions granted to biofuels would constitute a neutral transaction for users - the pump price did not change - since the exemption represented only a loss of revenue for the treasuries of the States applying that tax remission. After rejecting two amendments calling for the total rejection of the directive, the Committee examined the other amendments. The rapporteur was opposed to the simultaneous adoption of two of them, one making the exemption optional - which Mr Herman was willing to accept - and the other increasing the excise rate. He therefore submitted a compromise in order to reduce the scope of these two texts. After that compromise was rejected, the Committee gave its approval for the regime to be made optional, but also for the excise rate to be no lower than 50% of the rate applied on unleaded petrol (the Committee's proposal previously envisaged a rate which could be no higher than 100%). At the end of the vote, Mr Herman emphasised that, by reducing the tax concessions, 'biofuels were not going to be allowed to be competitive and it would have been better to provide for an evolutionary system, providing for an increase in taxation in parallel with a possible reduction in the cost price of biofuels'. The other amendments adopted concerned the following points: . full tax remission for products obtained by pyrolysis; if research in this field was successful, any vegetable product could serve to produce biofuels, . increased transparency, since the Commission had to report on the biofuel situation not only to the Council, but also to Parliament, . tax concessions would be reserved for biofuels from fallow land, in accordance with the reform of the CAP, and from crops complying with an agricultural code of good practice, in particular in order to reduce the risk of pollution by nitrates, . the protection of polyalcohols (sorbitol, inter alia) obtained from sugar or cereals, ensuring that the glycerine obtained as a by-product of biofuels was not offered on the market since it would enter into competition with those products.