Excise duty: reduced rate on biofuels and on mineral oils containing biofuels

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The committee adopted the report by Miquel MAYOL i RAYNAL (Greens/EFA, E) amending the proposal under the consultation procedure. It said that the exemption applying to intermediate consumption in the oil sector should also apply to the biofuels sector. Another amendment sought to ensure that a total tax exemption could be applied for unblended biofuels, to ensure that biofuels, which have higher production costs, can compete with mineral oils. As regards the differentiated tax rates which Member States may apply to products made up of or containing biofuels, the committee said that particularly low rates should be set for those fuels which meet particularly stringent environmental criteria. It also deleted the provision in the Commission proposal which stipulated that the level of taxation of such products, if intended for use as motor fuel, should not be lower than 50% of the normal rate of duty applied by the Member State on corresponding fuels. The committee argued that a rate of duty of under 50% could in some cases act as a powerful incentive.