

Basic information	
<b>2007/0023(CNS)</b> CNS - Consultation procedure Directive	Procedure lapsed or withdrawn
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  <b>Subject</b>  2.70.02 Indirect taxation, VAT, excise duties 3.20.05 Road transport: passengers and freight	

Key players		
Council of the European Union		
European Commission	Commission DG	Commissioner
	Taxation and Customs Union	ŠEMETA Algirdas

Key events			
Date	Event	Reference	Summary
13/03/2007	Legislative proposal published	COM(2007)0052 	Summary
26/04/2007	Committee referral announced in Parliament		
29/01/2008	Vote in committee		Summary
05/02/2008	Committee report tabled for plenary, 1st reading/single reading	A6-0030/2008	
12/03/2008	Debate in Parliament		
13/03/2008	Decision by Parliament	T6-0099/2008	Summary
13/03/2008	Results of vote in Parliament		
26/04/2012	Proposal withdrawn by Commission		Summary

Technical information	
Procedure reference	2007/0023(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	Treaty on the Functioning of the European Union TFEU 113
Stage reached in procedure	Procedure lapsed or withdrawn

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE394.151</a>	04/10/2007	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A6-0030/2008</a>	05/02/2008	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T6-0099/2008</a>	13/03/2008	<a href="#">Summary</a>
<b>European Commission</b>				
Document type	Reference	Date	Summary	
Legislative proposal	<a href="#">COM(2007)0052</a> 	13/03/2007	<a href="#">Summary</a>	
Document attached to the procedure	<a href="#">SEC(2007)0170</a> 	13/03/2007		
Document attached to the procedure	<a href="#">SEC(2007)0171</a> 	13/03/2007		
Commission response to text adopted in plenary	<a href="#">SP(2008)2060</a>	09/04/2008		
<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	<a href="#">CES1466/2007</a>	24/10/2007	

Additional information		
Source	Document	Date
National parliaments	<a href="#">IPEX</a>	
European Commission	<a href="#">EUR-Lex</a>	

## 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<sub>2</sub> emissions.

## **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) - 13/03/2007 - Legislative proposal

PURPOSE: to reduce the distortions of competition related to excise differentials affecting haulage markets by amending the Energy Tax Directive (ETD) 2003/96/EC.

PROPOSED ACT: Council Directive.

BACKGROUND: fuel, including taxes, accounts for between 20 and 30% of the running costs of a road haulage business, with VAT alone accounting for between 6 and 18% of the running costs. Differences in operating costs resulting from national taxes and levies have a great impact on the competitiveness of road haulage companies. Trucks can now carry tanks that cover between 1 500 and 3 000 kilometres in a single tank. This makes it financially interesting for hauliers, located near the border of a low taxing country, to tank cross-border. The practice is known as "fuel tourism". Fuel tourism has three negative side effects. Firstly, it distorts competition. Operators from Luxembourg and Austria have increased their market shares over most of their competitors whereas the United Kingdom has registered a loss on all markets. Tax differences for gas oil appear to be the main factor accounting for 40% of the market share variations observed. Secondly, detours have a negative impact on the environment. A 1990 study concerning the Netherlands established that 10 million extra kilometres were driven to refuel across the border. Thirdly, it leads to losses in budgetary resources for those Member States applying a relatively high excises duty in gas oil. Germany estimates that tax losses resulting from fuel tourism in 2004 cost it € 1 915 000 000.

CONTENT: the purpose of this Regulation, therefore, is to reduce the distortion of competition related to excise differentials which affect haulage markets. The proposal meets common transport policy objectives and will provide better protection for the environment. In summary, the proposed amendments will modify the Energy Tax Directive by:

- increasing the minimum levels of taxation for gas oil set out at Community level. From 2012 onwards the minimum level of taxation would be identical to the minimum level that will already be applicable to unleaded petrol (€ 359/1000 l)
- increasing the minimum level, from 2014 onwards, to € 380/1000 l;
- making the decoupling of the duty on commercial and non-commercial gas oil optional and not obligatory;
- enabling all Member States to reduce their taxation levels below their 1 January 2003 level, provided they respect the minimum level of taxation and provided they apply or introduce a system of road user charges, so that the overall tax burden remains broad equivalent;
- maintaining and supplementing the transition periods granted upon the accession of the Republic of Bulgaria and Romania to the European Union. For every Member State benefiting from transitional periods, increases should take place every two years; and
- applying the commercial gas oil tax rate at Member State level by means of a refund mechanism, the practicalities of which will be defined at Community level.

On a final point, the proposal has no implications on the Community budget.