



Finance Act 1998

1998 CHAPTER 36

PART I

EXCISE DUTIES

Hydrocarbon oil duties

6 Charge on production without delivery.

(1) In section 6 of the ^{M1}Hydrocarbon Oil Duties Act 1979 (excise duty on imported hydrocarbon oil and on oil produced and delivered for home use), in subsection (1)—

^{F1}(a)

(b) the words from “and delivered” to “above” shall be omitted.

(2) For subsection (2) of that section there shall be substituted the following subsections—

“(2) Where—

(a) imported hydrocarbon oil is removed to relevant premises,

(b) the oil undergoes a production process at those premises or any other relevant premises, and

(c) any duty charged on the importation of the oil has not become payable at any time before the production time,

the duty charged on importation shall not become payable at any time after the production time.

(2AA) In subsection (2) above—

“the production time” means the time at which the oil undergoes the production process; and

“relevant premises” means—

(a) a refinery;

(b) other premises used for the production of hydrocarbon oil; or

(c) premises of such other description as may be specified in regulations made by the Commissioners.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, Cross Heading: Hydrocarbon oil duties. (See end of Document for details)

(2AB) For the purposes of subsection (2) above, oil undergoes a production process if—

- (a) hydrocarbon oil of another description is obtained from it, or
- (b) it is subjected to any process of purification or blending.”

(3) The preceding provisions of this section shall come into force on such day as the Commissioners of Customs and Excise may by order made by statutory instrument appoint.

Textual Amendments

F1 S. 6(1)(a) omitted (1.11.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 6 paras. 8\(c\)](#), 21

Marginal Citations

M1 1979 c. 5.

7 Rates of duties and rebates.

(1) In section 6(1A) of the ^{M2}Hydrocarbon Oil Duties Act 1979 (rates of duty on hydrocarbon oil)—

- (a) in paragraph (a) (light oil), for “£0.4510” there shall be substituted “ £0.4926 ”;
- (b) in paragraph (b) (ultra low sulphur diesel), for “£0.3928” there shall be substituted “ £0.4299 ”; and
- (c) in paragraph (c) (heavy oil that is not ultra low sulphur diesel), for “£0.4028” there shall be substituted “ £0.4499 ”.

(2) In section 11(1) of that Act (rebate on heavy oil)—

- (a) in paragraph (a) (fuel oil), for “£0.0200” there shall be substituted “ £0.0218 ”; and
- (b) in each of paragraphs (b) and (ba) (gas oil which is not ultra low sulphur diesel and ultra low sulphur diesel), for “£0.0258” there shall be substituted “ £0.0282 ”.

(3) In section 13A(1A) of that Act (rebate on unleaded petrol)—

- (a) in paragraph (a) (higher octane unleaded petrol), for “£0.0150” there shall be substituted “ £0.0050 ”; and
- (b) in paragraph (b) (other unleaded petrol), for “£0.0482” there shall be substituted “ £0.0527 ”.

(4) In section 14(1) of that Act (rebate on light oil for use as furnace fuel), for “£0.0200” there shall be substituted “ £0.0218 ”.

(5) This section shall be deemed to have come into force at 6 o’clock in the evening of 17th March 1998.

Marginal Citations

M2 1979 c. 5.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, Cross Heading: Hydrocarbon oil duties. (See end of Document for details)

8 Ultra low sulphur diesel.

(1) In section 1 of the ^{M3}Hydrocarbon Oil Duties Act 1979, for subsection (6) (meaning of “ultra low sulphur diesel”) there shall be substituted the following subsection—

“(6) “Ultra low sulphur diesel” means gas oil—

- (a) the sulphur content of which does not exceed 0.005 per cent. by weight or is nil;
- (b) the density of which does not exceed 835 kilograms per cubic metre at a temperature of 15° C; and
- (c) of which not less than 95 per cent. by volume distils at a temperature not exceeding 345° C.”

(2) This section shall be deemed to have come into force at 6 o’clock in the evening of 17th March 1998.

Marginal Citations

M3 1979 c. 5.

9 Mixtures of heavy oils.

(1) In section 20AAA of the ^{M4}Hydrocarbon Oil Duties Act 1979 (charge to duty on mixtures of oils), after subsection (2) there shall be inserted the following subsection—

“(2A) Where—

- (a) a mixture of heavy oils is produced in contravention of Part IIA of Schedule 2A to this Act, and
 - (b) the mixture is not produced as a result of approved mixing,
- a duty of excise shall be charged on the mixture.”

[^{F2}(2) In subsection (3) of that section, after “subsection (1)” there shall be inserted “ or (2A) ”.]

[^{F2}(3) In section 20AAB of that Act (supplementary provisions about mixing of oils), in subsection (1), after “section 20AAA(1)” there shall be inserted “ or (2A) ”.]

(4) In Schedule 2A to that Act (mixtures of oils to which duty applies), after paragraph 7 there shall be inserted the following—

“PART IIA

UNREBATED HEAVY OIL

7A A mixture of heavy oils is produced in contravention of this paragraph if such a mixture is produced by mixing—

- (a) ultra low sulphur diesel in respect of which, on its delivery for home use, a declaration was made that it was intended for use as fuel for a road vehicle; and
- (b) heavy oil of any other description in respect of which, on its delivery for home use, such a declaration was made.”

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, Cross Heading: Hydrocarbon oil duties. (See end of Document for details)

(5) In paragraph 9 of that Schedule (rate of duty for mixtures of heavy oil), after sub-paragraph (1) there shall be inserted the following sub-paragraph—

“(1A) Subject to paragraph 10 below, duty charged under subsection (2A) of section 20AAA of this Act shall be charged at the rate for heavy oil in force at the time when the mixture is produced.”

(6) This section shall be deemed to have come into force at 6 o’clock in the evening of 17th March 1998.

Textual Amendments

F2 S. 9(2)(3) repealed (24.7.2002) by 2002 c. 23, s. 141, Sch. 40 Pt. 1(2). Note 2 to Sch. 40 Pt. 1(2) provides that “The repeals in the Finance Act 1988 have effect in accordance with section 5(8)(b) of this Act.”

Marginal Citations

M4 1979 c. 5.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1998, Cross Heading:
Hydrocarbon oil duties.