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SCHEDULES

SCHEDULE 59

Section 118

CLIMATE CHANGE LEVY: REMOVAL OF REDUCED RATE

PART 1

NEW PROVISION FOR REMOVAL OF REDUCED RATE

1 In Schedule 6 to FA 2000 (climate change levy), after paragraph 45A insert—

“Removal of reduced rate where targets set by climate change agreement not met

45B (1) This paragraph applies where, by virtue of such a certificate as is mentioned in paragraph 44(1), a facility is to be taken as being covered by a climate change agreement for a period specified in that certificate (“the certification period”).

(2) If it appears to the Secretary of State that the progress made in the certification period towards meeting targets set for the facility by the agreement has been such as under the provisions of the agreement is unsatisfactory, the Secretary of State may issue a certificate under this paragraph.

(3) The certificate must (in addition to specifying the facility, agreement and certification period to which it applies) specify—

(a) T, that is, the value (expressed in terms of a reduction in tonnes of carbon dioxide equivalent) of achieving the targets set for the facility by the agreement, and

(b) P, that is, the value (expressed in the same terms) of the progress made by the facility, during the certification period, towards meeting those targets.

(4) Where a certificate has been issued under this paragraph—

(a) each taxable supply made to the facility at any time falling within the certification period is to be treated as not being a reduced-rate supply, and

(b) accordingly, an amount (determined in accordance with sub-paragraph (5)) is payable by way of levy on that taxable supply.

(5) The amount payable under this paragraph on a taxable supply is—

$$\frac{T-P}{T} \times 0.8R$$

where—

T and P have the values mentioned in sub-paragraph (3), and

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R is the amount which would have been payable by way of levy on the supply (had it not been a reduced-rate supply) at the time that it was made, in accordance with paragraph 42(1)(a).

- (6) The Secretary of State must send the certificate to—
 - (a) the Commissioners, and
 - (b) the person who is the operator of the facility.
- (7) A certificate under this paragraph may be issued after the certification period ends.
- (8) A person liable to account for levy under this paragraph—
 - (a) is liable to account for it otherwise than by reference to an accounting period, and
 - (b) must not (by virtue of regulations under paragraph 41) become liable to pay it as from a date before the date on which the certificate under this paragraph is issued.
- (9) Levy due under this paragraph is payable in addition to any levy already payable on any supply made in the certification period.
- (10) In this paragraph—
 - “certification period”, in a case where the certificate referred to in sub-paragraph (1) has been varied under paragraph 45, means the period for which that certificate has effect as varied;
 - “tonne of carbon dioxide equivalent” has the meaning given in the Climate Change Act 2008.”

PART 2

CONSEQUENTIAL AMENDMENTS

- 2 Schedule 6 to FA 2000 is amended as follows.
- 3 (1) Paragraph 40 (persons liable to account for levy) is amended as follows.
 - (2) In sub-paragraph (1), after “sub-paragraph (2)” insert “ or (3) ”.
 - (3) After sub-paragraph (2) insert—
 - “(3) In the case of levy charged on a taxable supply under paragraph 45B, the person liable to account for the levy is the operator of the facility to which the supply was made.”
- 4 In paragraph 41(2A) (application of Part 7 where person liable to account otherwise than by reference to accounting period), after “regulations under sub-paragraph (1) (a)(ii) above” insert “ or by virtue of paragraph 45B(8) ”.
- 5 In paragraph 42 (amount payable by way of levy), after sub-paragraph (1) insert—
 - “(1A) Sub-paragraph (1) is subject to paragraph 45B.”
- 6 In paragraph 44(2) (definition of “reduced-rate supply” to have effect subject to paragraph 45), for “paragraph 45” substitute “ paragraphs 45 and 45B ”.
- 7 In paragraph 45A (deemed supplies), after sub-paragraph (2) insert—

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“(3) This paragraph does not apply where a supply is treated as not being a reduced-rate supply by virtue of paragraph 45B.”

- 8 (1) Paragraph 91 (interpretation etc of Part 7 of the Schedule) is amended as follows.
- (2) In sub-paragraph (5) (modification of references to accounting periods in case of levy due otherwise than by reference to such periods), after “regulations under paragraph 41(1)(a)(ii)” insert “ or by virtue of paragraph 45B(8) ”.
- 9 In paragraph 147 (interpretation), in the definition of “reduced-rate supply”, for “paragraph 45” substitute “ paragraphs 45 and 45B ”.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 102(4)(za) inserted by [2010 c. 33 Sch. 9 para. 3\(3\)](#)
- Sch. 53 para. 2A-2D and cross-heading inserted by [2010 c. 33 Sch. 9 para. 7](#)
- Sch. 53 para. 6A and cross-heading inserted by [2010 c. 33 Sch. 9 para. 8](#)
- Sch. 53 para. 11A11B and cross-heading inserted by [2010 c. 33 Sch. 9 para. 17](#)
- Sch. 53 para. 14A and cross-heading inserted by [2010 c. 33 Sch. 9 para. 18](#)
- Sch. 54 para. 9B9C and cross-heading inserted by [2010 c. 33 Sch. 9 para. 11](#) (Sch. 54 para. 9B is amended before it comes into force by [2016 c. 24, Sch. 1 para. 66\(5\)](#))
- Sch. 54 para. 12A12B and cross-heading inserted by [2010 c. 33 Sch. 9 para. 19](#)
- Sch. 54 Pt. A1 inserted by [2010 c. 33 Sch. 9 para. 10](#) (Sch. 9 para. 10 is amended before it comes into force by [2017 c. 32, Sch. 4 para. 182](#))
- Sch. 55 para. 6(3A)(za) inserted by [2015 c. 11 Sch. 20 para. 15\(2\)\(a\)](#)
- Sch. 55 para. 6(4A)(za) inserted by [2015 c. 11 Sch. 20 para. 15\(3\)\(a\)](#)
- Sch. 55 para. 17(4)(ba) inserted by [2015 c. 11 Sch. 20 para. 19](#)
- Sch. 56 para. 3(1)(d) omitted by [2021 c. 26 Sch. 27 para. 40\(4\)\(c\)](#)