

## SCHEDULES

### SCHEDULE 32

#### CLIMATE CHANGE LEVY: SUPPLIES SUBJECT TO THE CARBON PRICE SUPPORT RATES AND COMBINED HEAT AND POWER STATIONS

#### PART 1

#### MAIN PROVISION

#### *Amendments to Schedule 6 to FA 2000*

15 After paragraph 42A insert—

- “42B (1) Sub-paragraph (2) applies for the purposes of paragraph 42A(4) if—
- (a) the taxable supply is a supply of a taxable commodity to be used for producing electricity in a generating station, and
  - (b) in the calendar year in which the supply is made, carbon capture and storage technology is operated in relation to carbon dioxide generated by the generating station in producing electricity.
- (2) In relation to the supply, only C% of the relevant carbon price support rate is to be applied (instead of the full rate).
- (3) “C%” is 100% minus the generating station’s carbon capture percentage for the calendar year.
- (4) The generating station’s “carbon capture percentage” for the calendar year is the percentage of the station’s generated carbon dioxide for that year which, through the operation of the carbon capture and storage technology, is—
- (a) captured, and
  - (b) then disposed of by way of permanent storage.
- (5) The generating station’s “generated carbon dioxide” for the calendar year is the amount of carbon dioxide generated in the year by the station in producing electricity through the burning of taxable commodities mentioned in the Table in paragraph 42A(5).
- (6) In this paragraph “carbon capture and storage technology” and “carbon dioxide” have the meaning given by section 7(3) and (4) of the Energy Act 2010.
- (7) Sub-paragraph (8) applies for the purposes of sub-paragraph (4) in relation to any carbon dioxide if—
- (a) the carbon dioxide is captured but then leaks out and therefore is not disposed of by way of permanent storage, but

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*Status: This is the original version (as it was originally enacted).*

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- (b) the leak does not occur—
  - (i) on the land on which the generating station is situated,
  - (ii) on any other land under the control of the station’s operator or a person connected with the station’s operator, or
  - (iii) from any pipeline or other facility or installation which is operated by the station’s operator or a person connected with the station’s operator.

Section 1122 of the Corporation Tax Act 2010 (“connected” persons) applies for the purposes of paragraph (b).

- (8) The carbon dioxide is to be treated as if it had been disposed of by way of permanent storage.
  - (9) If the percentage mentioned in sub-paragraph (4) is not a whole number, it is to be rounded to the nearest whole number (taking 0.5% as nearest to the next whole number).
- 42C (1) This paragraph applies if—
- (a) a taxable supply (“the original supply”) subject to the carbon price support rates has been made to any person (“the recipient”),
  - (b) the original supply was made on the basis that paragraph 42B(2) applied in relation to the original supply, and
  - (c) it is later determined—
    - (i) that paragraph 42B(2) did not apply in relation to the original supply, or
    - (ii) that the reduction given, by virtue of paragraph 42B(2), in the amount payable by way of levy on the original supply was too much.
- (2) For the purposes of this Schedule—
- (a) the recipient is deemed to make a taxable supply to itself of the taxable commodity in question, and
  - (b) the amount payable by way of levy on that deemed supply is—
    - (i) the total amount payable on the original supply on the basis of the later determination mentioned in sub-paragraph (1)(c), less
    - (ii) the amount previously determined to be payable on the original supply.
- 42D (1) This paragraph applies if—
- (a) a taxable supply (“the original supply”) is made to a person (“the recipient”) on the basis that it is, or is to some extent, a taxable supply subject to the carbon price support rates, and
  - (b) it is later determined that that basis was incorrect and, in consequence, the amount previously determined to be payable by way of levy on the original supply was too low.
- (2) For the purposes of this Schedule—
- (a) the recipient is deemed to make a taxable supply to itself of the taxable commodity in question, and

- (b) the amount payable by way of levy on that deemed supply is—
  - (i) the total amount payable on the original supply on the basis of the later determination mentioned in subparagraph (1)(b), less
  - (ii) the amount previously determined to be payable on the original supply.”