
STATUTORY INSTRUMENTS

2004 No. 2063

CUSTOMS AND EXCISE

**The Excise Duties (Surcharges or Rebates)
(Hydrocarbon Oils etc.) Order 2004**

Made - - - - *4th August 2004*
Laid before the House of
Commons - - - - *10th August 2004*
Coming into force - - *1st September 2004*

The Treasury, in exercise of the powers conferred upon them by sections 1(2) and 2(3) of the Excise Duties (Surcharges or Rebates) Act 1979(1) hereby make the following Order:

Citation and commencement

1.—(1) This Order may be cited as the Excise Duties (Surcharges or Rebates) (Hydrocarbon Oils etc.) Order 2004.

(2) It comes into force on 1st September 2004 and has effect in relation to products that are charged to duty under the Oil Act on or after that date.

Interpretation

2. In this Order—

- (a) “fuel oil” has the same meaning as in section 11(2) of the Oil Act(2);
- (b) “fuel substitutes duty” means the duty charged by section 6A(1) of the Oil Act(3);
- (c) “hydrocarbon oil duty” means the duty charged by section 6(1) of the Oil Act(4);

(1) 1979 c. 8; amended by section 10 of the Finance Act 1980 (c. 48), section 10 of the Finance Act 1982 (c. 39) and section 11(4) of the Finance Act 1993 (c. 34); section 2(2) provides that an Order made under section 1 shall cease to be in force at the expiration of a period of one year from the date on which it takes effect, unless continued in force by a further order.

(2) 1979 c. 5. Section 11(2) was substituted by section 2(3) of the Finance Act 1986 (c. 41) and amended by Part 1 of Schedule 18 to the Finance Act 1997 (c. 16).

(3) Section 6A was inserted by section 11(1) of the Finance Act 1993 (c. 34), and amended by section 11 of the Finance Act 2000 (c. 17), section 7(1) of, and paragraph 2 of Schedule 2 to, the Finance Act 2002 (c. 23) and sections 10(4) and 12(1) of the Finance Act 2004 (c. 12).

(4) Section 6(1) was amended by section 4(2) of the Finance Act 1982 (c. 39). Section 6(1) was amended, and section 6(1A) inserted, by section 7 of the Finance Act 1997 (c. 16). Section 6(1A) was amended by sections 4(1) and 5(3) of the Finance Act 2000 (c. 17), section 1(1) of the Finance Act 2001 (c. 9), section 4(1) of the Finance Act 2003 (c. 14) and sections 5(1) and 7(5) of the Finance Act 2004 (c. 12).

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- (d) “kerosene” has the same meaning as in section 13AA(5) of the Oil Act(5);
- (e) “Table A” means the table set out in article 3;
- (f) “Table B” means the table set out in article 4; and
- (g) expressions used in this Order and in section 27(1) (interpretation) of the Oil Act(6) have the same meaning as in the Oil Act.

Adjustments of liability to duty on hydrocarbon oil and biodiesel

3.—(1) The following are adjusted in accordance with Table A—

- (a) the liability to hydrocarbon oil duty in respect of the products listed in rows (a) to (h);
 - (b) the liability to the duty charged on biodiesel by section 6AA(1) of the Oil Act(7),
- by the deduction from the amount payable of the percentages specified in column (C).

Table A

	(A) <i>Product</i>	(B) <i>Amount payable before adjustment(pence per litre)</i>	(C) <i>Percentage deduction</i>	(D) <i>Amount payable after adjustment(pence per litre)</i>
(a)	Ultra low sulphur petrol	49.02	3.91	47.10
(b)	Sulphur-free petrol	48.52	2.92	47.10
(c)	Light oil that is leaded petrol	57.90	2.93	56.20
(d)	Light oil that is unleaded petrol (other than ultra low sulphur petrol and sulphur-free petrol)	51.70	2.92	50.19
(e)	Sulphur-free diesel	48.52	2.92	47.10
(f)	Ultra low sulphur diesel	49.02	3.91	47.10
(g)	Heavy oil (other than ultra low sulphur diesel)	54.87	2.94	53.27

(5) Section 13AA was inserted by section 5(4) of the Finance Act 1996 (c. 8).

(6) Relevant amendments were made by section 4(4) of the Finance Act 1982 (c. 39) (“aviation gasoline”), section 5 of, and paragraph 6 of Schedule 2 to, the Finance Act 2000 (c. 23) (“biodiesel”), section 7 of the Finance Act 1997 (c. 16) (“gas oil” and “ultra low sulphur diesel”), paragraph 9 of Schedule 3 to the Finance Act 2002 (c. 23), section 1 of the Finance Act 1987 (c. 16) and section 3 of the Finance Act 2001 (c. 9) (“rebate”), section 7 of the Finance Act 2004 (c. 12) (“sulphur-free petrol” and “sulphur-free diesel”) and section 5 of the Finance Act 2000 (“ultra low sulphur petrol”, “unleaded petrol” and “leaded petrol”).

(7) Section 6AA was inserted by section 5(4) of the Finance Act 2002 (c. 23) and amended by section 4(2) of the Finance Act 2003 (c. 14) and sections 5(2) and 11 of the Finance Act 2004 (c. 12).

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	(A) Product	(B) Amount payable before adjustment (pence per litre)	(C) Percentage deduction	(D) Amount payable after adjustment (pence per litre)
	and sulphur-free diesel)			
(h)	Aviation gasoline	28.95	2.94	28.10
(j)	Biodiesel	28.52	4.98	27.10

(2) The figures in columns (B) and (D) are only for ease of reference and comprehension of effect.

Adjustments of rights to rebate of duty on hydrocarbon oil

4.—(1) The following are adjusted in accordance with Table B—

- (a) the right to rebate allowed by section 11(1) (heavy oils not for road fuel use) of the Oil Act(8) in respect of the products listed in rows (a) to (d);
- (b) the right to rebate allowed on kerosene by section 13AA(1) (kerosene not for road fuel use or heating) of the Oil Act(9);
- (c) the right to rebate allowed on light oil by section 14(1) (light oil for use as furnace fuel) of the Oil Act(10),

by the addition to the amount allowable of the percentage specified in column (C).

Table B

	(A) Product	(B) Rebate allowable before adjustment (pence per litre)	(C) Percentage addition	(D) Rebate allowable after adjustment (pence per litre)
(a)	Fuel oil	48.63	4.97	51.05
(b)	Gas oil (other than ultra low sulphur diesel and sulphur-free diesel)	48.23	5.01	50.65
(c)	Ultra low sulphur diesel	42.38	5.71	44.80
(d)	Sulphur-free diesel	41.88	5.77	44.30

(8) Relevant amendments were made to section 11 by section 2(2) and (3) of the Finance Act 1986 (c. 41), section 5 of the Finance Act 1996 (c. 8), section 7(5) of, and Part 1 of Schedule 18 to, the Finance Act 1997 (c. 16), section 10(2) of the Finance Act 2000 (c. 17), paragraph 3 of Schedule 2 to the Finance Act 2002 (c. 23), section 5(1) of the Finance Act 2003 (c. 14) and sections 5(3) and 10(5) of the Finance Act 2004 (c. 12)..

(9) Section 13AA was inserted by section 5(4) of the Finance Act 1996 (c. 8) and amended by section 7(6) of the Finance Act 1997 (c. 16) and section 7(6) of the Finance Act 2004 (c. 12).

(10) Relevant amendments were made by section 4(2) of the Finance Act 2003 (c. 14) and section 5(5) of the Finance Act 2004 (c. 12).

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	<i>(A)</i> <i>Product</i>	<i>(B)</i> <i>Rebate allowable before adjustment(pence per litre)</i>	<i>(C)</i> <i>Percentage addition</i>	<i>(D)</i> <i>Rebate allowable after adjustment(pence per litre)</i>
<i>(e)</i>	Kerosene	48.23	5.01	50.65
<i>(f)</i>	Light oil	51.66	4.68	54.08

(2) The figures in columns (B) and (D) are only for ease of reference and comprehension of effect.

Adjustments of liability to fuel substitutes duty

5.—(1) This article applies where the rate of fuel substitutes duty for a product is prescribed by the Other Fuel Substitutes (Rates of Excise Duty etc.) Order 1995(11) by reference to the rate of hydrocarbon oil duty specified in the Oil Act for—

- (a) light oil other than ultra low sulphur petrol and sulphur-free petrol,
- (b) sulphur-free petrol,
- (c) sulphur-free diesel, or
- (d) aviation gasoline.

(2) The liability to fuel substitutes duty in the case described by paragraph (1)(a) is decreased by making the like adjustment as that made by article 3 in the case of the product specified in row (c) (light oil that is leaded petrol) of Table A.

(3) The liability to fuel substitutes duty in the cases described by paragraph (1)(b) and (c) is decreased by making the like adjustment as that made by article 3 in the case of the product specified in row (b) (sulphur-free petrol) of Table A.

(4) The liability to fuel substitutes duty in the case described by paragraph (1)(d) is decreased by making the like adjustment as that made by article 3 in the case of the product specified in row (h) (aviation gasoline) of Table A.

John Heppell

Joan Ryan

Two of the Lords Commissioners of Her Majesty's Treasury

4th August 2004

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st September 2004, adjusts the liabilities to excise duty (and rights to rebate in respect of such duty) of the various products cited in the instrument. The duties affected are all chargeable by virtue of the Hydrocarbon Oil Duties Act 1979 (c. 5). The adjustments are all in the form of a deduction from the amount payable (or and addition to the amount of rebate allowable) of a specified percentage not exceeding 10 per cent.

Adjustments to rebates are dealt with by article 4. Adjustments of liabilities to duty are dealt with by articles 3 and 5.

The adjustments negate the effect of increases in the rates of duty on products listed in Tables A and B which are made by the Finance Act 2004 (c. 12) (“the Finance Act”) and which come into effect on 1st September 2004. The result of the adjustments made is that, while the rates of duty (and rebate) are as set by the amendments made by the Finance Act, a person will be entitled to adjust the amount he is actually liable to pay (or allowed by way of rebate) by the amounts specified in this Order: he will be liable to pay the same amount as if the Finance Act amendments had not come into effect (for ease of reference and comprehension of effect, the figures in columns (B) and (D) of the Tables in the Order indicate the amounts payable (duty liability) or allowable (rebate) both before and after the adjustment is made).

A full regulatory impact assessment has not been produced for this instrument, as it has no impact on the costs of business, charities or voluntary bodies.