

2016 No. 975

EXCISE

The Aqua Methanol (Use as Additive or Extender) (Rates of Excise Duty) Order 2016

<i>Made</i>	- - - -	<i>21st October 2016</i>
<i>Laid before the House of Commons</i>		<i>21st October 2016</i>
<i>Coming into force</i>	- -	<i>14th November 2016</i>

The Treasury make the following Order in exercise of the powers conferred by section 6AG(3)(b), (4) and (6) of the Hydrocarbon Oil Duties Act 1979(a):

Citation and Commencement

1. This Order may be cited as the Aqua Methanol (Use as Additive or Extender) (Rates of Excise Duty) Order 2016 and comes into force on 14th November 2016.

Interpretation

2.—(1) In this Order—

“the Act” means the Hydrocarbon Oil Duties Act 1979;

“duty” means excise duty;

a reference to an “engine” includes a reference to a motor or other machinery as referred to in section 6AG of the Act;

“record” means the motor fuels record governed by regulation 13 of the Biofuels and Other Fuel Substitutes (Payment of Excise Duties etc.) Regulations 2004(b).

(2) In this Order, a rate of duty or a rebate of duty described as a rate specified in, or allowable under, a section of the Act is the rate so specified or allowable or having statutory effect at the time when the aqua methanol became the subject of the charge to duty by virtue of section 6AG of the Act.

Rates of Duty

3. The rate of duty charged by virtue of section 6AG of the Act on the setting aside for use or use of aqua methanol as an additive or extender in fuel for any engine is the rate prescribed by article 4.

4.—(1) Where aqua methanol is entered in the record upon being set aside for use or used as an additive or extender in fuel for an engine powered by—

(a) 1979 c.5; section 6AG was inserted by section 153 of, and Schedule 17 to, the Finance Act 2016 (c.24).

(b) S.I. 2004/2065; relevant amending instruments are 2007/1640, 2008/753, 2014/471, 2016/976.

- (a) diesel, the rate is the rate specified in section 6 of the Act for heavy oil;
- (b) unleaded petrol, the rate is the rate specified in section 6 of the Act for unleaded petrol;
- (c) light oil other than unleaded petrol, the rate is the rate specified in section 6 of the Act for light oil other than unleaded petrol.

(2) Where aqua methanol is entered in the record upon being set aside for use or used as an additive or extender in fuel for an engine powered by heavy oil in relation to which a rebate of duty is allowable under the Act, the rate of duty is the rate specified in section 6 of the Act for heavy oil as reduced by the rate of rebate allowable under section 11(a), 13ZA(b) or 13AA(1)(c) of the Act.

(3) Where aqua methanol is set aside for use or used, as an additive or extender in fuel for an engine but is not entered in the record under paragraph (1) or (2), the rate is the rate specified in section 6 of the Act for light oil other than unleaded petrol.

Guy Opperman
David Evennett

21st October 2016

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order prescribes the rates of excise duty charged under section 6AG of the Hydrocarbon Oil Duties Act 1979 (c.5) on aqua methanol that is set aside for use or used as an additive or extender in fuel for any engine, motor or other machinery.

This Order is related to the Biofuels and Other Fuel Substitutes (Payment of Excise Duties etc.) Regulations 2004 (S.I. 2004/2065) (“the 2004 Regulations”) which provides a framework for the payment of excise duty at the rates set by this Order and the Other Fuel Substitutes (Rates of Excise Duty etc.) Order 1995 (S.I. 1995/2716).

Where aqua methanol is set aside for use or used as an additive or extender in fuel for any engine, motor or other machinery, Article 4 prescribes the rate of duty that is due. This is generally determined by the applicable rate for the fuel in relation to which the aqua methanol has been set aside for use or used as an additive or extender to as evidenced by an entry in the motor fuels record which is governed by the 2004 Regulations. Where there is no entry in the motor fuels record, the rate is the rate applicable to light oil other than unleaded petrol.

A Tax Information and Impact Note (TIIN) covering this instrument was published in 16th March 2016 alongside draft clauses of the Finance Bill 2016 and this is available on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>. It remains an accurate summary of the impacts that apply to this instrument.

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- (a) Section 11(1) was amended by section 2(2) of the Finance Act 1986 (c.41), section 7(5)(c) of the Finance Act 1997 (c.16), section 10(1) and (2) of the Finance Act 2000 (c.17), section 5(5) of, and paragraphs 1 and 3 of Schedule 2 to, the Finance Act 2002 (c.23), section 10(5) of the Finance Act 2004 (c.12), section 16(3) of, and paragraphs 24 and 25 of Schedule 6 to, the Finance Act 2008 (c.9) and section 179(1) and (4) of the Finance Act 2013 (c.29).
 - (b) Section 13ZA was inserted by the Finance Act 2008 (c.9), Schedule 6, paragraph 28.
 - (c) 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), section 10(6) of the Finance Act 2004 (c.12), section 4(8) of the Finance Act 2005 (c.7) and section 13(6) of, and paragraph 10 of Schedule 5 to, the Finance Act 2008 (c.9).

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