

Council Decision of 20 December 2007 authorising France to apply a reduced rate of taxation to unleaded petrol used as motor fuel and consumed in the Corsican departments in accordance with Article 19 of Directive 2003/96/EC (Only the French text is authentic) (2007/880/EC)

COUNCIL DECISION

of 20 December 2007

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(Only the French text is authentic)

(2007/880/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity⁽¹⁾, and in particular Article 19(1) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Pursuant to Article 18(1) of Directive 2003/96/EC, read in conjunction with Annex II to that Directive, France was authorised to apply a reduced rate of taxation in respect of consumption in Corsica. The authorisation was granted until 31 December 2006.
- (2) By letter dated 16 October 2006, the French authorities requested authorisation to apply a reduced rate of energy tax to unleaded petrol used as motor fuel by way of extension of a practice followed under the above-mentioned derogation, and this before the derogation expired. The reduction amounts to EUR 1 per hectolitre. The authorisation is being requested for the period from 1 January 2007 to 31 December 2012. In Corsica the cost of supplying unleaded petrol to the forecourt is appreciably higher than in mainland France, final prices being EUR 4-7/hl higher than on the mainland.
- (3) By reducing the tax on unleaded petrol borne by consumers in Corsica, the consumers in question will be placed on a more equal footing with those on the mainland. The measure therefore meets regional and cohesion policy objectives.
- (4) The tax reduction is no larger than what is necessary to allow for the additional transport and distribution costs borne by consumers in Corsica.
- (5) The final level of taxation complies with the minimum rates laid down in Directive 2003/96/EC - currently EUR 359/1 000 l (or EUR 35,90/hl). This holds true even

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allowing for the authorisation conferred by Council Decision 2005/767/EC⁽²⁾, the effects of which may be combined with those of the present Decision.

- (6) In view of the remote and insular nature of the departments to which it applies and the moderateness of the reduction in the rate – which is, moreover, very high compared with the Community minimum – the measure requested will not give rise to any movement specifically linked to the supplying of fuel.
- (7) Consequently, the measure is acceptable from the point of view of the proper functioning of the internal market and of the need to ensure fair competition and it is not incompatible with the Community's health, environment, energy and transport policies.
- (8) France should therefore be authorised, pursuant to Article 19(2) of Directive 2003/96/EC, to apply a reduced rate of taxation to unleaded petrol used as motor fuel and consumed in Corsica, and this until 31 December 2012.
- (9) It should be ensured that, in the context of the derogation provided for in Article 18 of Directive 2003/96/EC, read in conjunction with Annex II to that Directive, France can apply the specific reduction to which this Decision relates seamlessly following on from the situation obtaining under the law applicable before 1 January 2007. The authorisation requested should therefore be granted with effect from 1 January 2007,

HAS ADOPTED THIS DECISION:

Article 1

France is hereby authorised to apply a reduced rate of taxation to unleaded petrol used as motor fuel and consumed in the Corsican departments.

In order to avoid any over-compensation, the reduction must not go beyond the additional costs of transport, storage and distribution compared with mainland France.

The reduced rate must comply with the obligations in Directive 2003/96/EC, in particular the minimum rates referred to in Article 7.

Article 2

This Decision shall be applicable from 1 January 2007 and shall expire on 31 December 2012.

Article 3

This Decision is addressed to the French Republic.

Done at Brussels, 20 December 2007.

For the Council

The President

F. NUNES CORREIA

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- (1) [OJ L 283, 31.10.2003, p. 51](#). Directive as last amended by Directive 2004/75/EC ([OJ L 157, 30.4.2004, p. 100](#)). Corrected version ([OJ L 195, 2.6.2004, p. 31](#)).
- (2) [OJ L 290, 4.11.2005, p. 25](#).

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