

# FINANCE ACT 2013

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## EXPLANATORY NOTES

### INTRODUCTION

#### *Section 199: Climate change levy: MAIN RATES*

##### **Summary**

1. [Section 198](#) amends Schedule 6 to the Finance Act (FA) 2000 (Schedule 6) to increase the rates of climate change levy (CCL) broadly in line with current inflation, with effect from 1 April 2014.

##### **Details of the Section**

2. Subsections (1) and (2) replace the table of rates in Schedule 6 and give the commencement dates.

##### **Background**

3. CCL came into effect in April 2001. It is a tax on the non-domestic (i.e. business, service and public sector) use of energy (gas, electricity, liquefied petroleum gas and solid fuels), and is aimed at promoting energy efficiency and the use of renewable energy, in order to help meet the UK's international and domestic targets for cutting emissions of greenhouse gases.
4. Since they were first increased in 2007 the rates have kept pace with inflation so that the levy maintains its environmental effect. On each occasion the rates have increased the changes have been legislated for in the previous year's FA.