

SCHEDULES

SCHEDULE 12

Section 95

CARBON EMISSIONS TAX

Introduction

- 1 Part 3 of FA 2019 (carbon emissions tax) is amended in accordance with paragraphs 2 to 8.

Power to set emissions allowance

- 2 (1) Section 73 (emissions allowance) is amended in accordance with this paragraph.
- (2) The existing text becomes subsection (1).
- (3) After that subsection insert—
- “(2) Regulations under this section—
- (a) may have effect in relation to the reporting period during which they are made, and
- (b) may make provision by reference to data relating to times before they are made.”

Power to make further provision by regulations

- 3 In section 70 (charge to carbon emission tax), at the end insert—
- “(4) The Treasury may by regulations provide that carbon emissions tax is not charged in relation to regulated installations of a specified description.”
- 4 (1) Section 75 (power to make further provision about carbon emissions tax) is amended in accordance with this paragraph.
- (2) In subsection (1)(d) (enforcement) after “tax” insert “(including provision for the imposition of civil penalties for failure to comply with a requirement of regulations under this Part)”.
- (3) In subsection (2)(d) (review and appeal), omit “of a regulator”.
- (4) In subsection (3) (regulations), for paragraph (b) substitute—
- “(b) modify—
- (i) the Monitoring and Reporting Regulation;
- (ii) the Verification Regulation;
- (iii) subordinate legislation relating to the monitoring or regulation of emissions.”
- 5 In section 76 (consequential provision), in subsection (5), for the words from “amend” to the end substitute “modify—

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- (a) any enactment (whenever passed or made);
 - (b) the Monitoring and Reporting Regulation;
 - (c) the Verification Regulation.”
- 6 (1) Section 78 (regulations) is amended in accordance with this paragraph.
- (2) In subsection (1)—
- (a) in paragraph (a) (conferral of functions etc), after “discretions on” insert “HMRC, the Secretary of State,”;
 - (b) in paragraph (b) (charges), after “regulations” insert “or in anticipation of the conferral of such a function”.
- (3) For subsection (3) (procedure) substitute—
- “(3) A statutory instrument containing regulations under section 76(4) that make provision amending or repealing any provision of an Act of Parliament must be laid before the House of Commons after being made and, unless approved by that House before the end of the period of 40 days beginning with the date on which the instrument is made, ceases to have effect at the end of that period.”
- (4) After subsection (5) insert—
- “(6) The fact that a statutory instrument ceases to have effect as a result of subsection (3) does not affect—
- (a) anything previously done under the instrument, or
 - (b) the making of a new instrument.
- (7) In calculating the period of 40 days mentioned in subsection (3), no account is to be taken of any time—
- (a) during which Parliament is dissolved or prorogued, or
 - (b) during which the House of Commons is adjourned for more than four days.”

Interpretation

- 7 (1) Section 77 (interpretation) is amended in accordance with this paragraph.
- (2) In subsection (1)—
- (a) after the definition of “installation” insert—
““modify” includes amend, repeal or revoke;”;
 - (b) for the definition of “the Monitoring and Reporting Regulation” substitute—
““the Monitoring and Reporting Regulation” means Commission Implementing [Regulation \(EU\) 2018/2066](#) of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to [Directive 2003/87/EC](#) of the European Parliament and of the Council and amending [Commission Regulation \(EU\) No 601/2012](#) (as amended from time to time);”;
 - (c) in the definition of “reporting period” omit “(subject to section 79(4))”;
 - (d) for the definition of “the Verification Regulation” substitute—
““the Verification Regulation” means Commission Implementing [Regulation \(EU\) No 2018/2067](#) of 19 December 2018 on the verification of data and on the accreditation of verifiers pursuant to

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Directive 2003/87/EC of the European Parliament and of the Council
(as amended from time to time).”

(3) For subsection (4) substitute—

“(4) For the purposes of this Part, the Monitoring and Reporting Regulation is to be treated for the purposes of section 3 of the European Union (Withdrawal) Act 2018 as if it is fully in force immediately before IP completion day (even if it is not).”

Commencement and transitional provision

8 (1) Section 79 (commencement and transitional provision) is amended in accordance with this paragraph.

(2) For subsection (1) substitute—

“(1) This Part comes into force—

- (a) for the purposes of making regulations under section 70, 73, 75 or 76, on the day after the day on which paragraphs 1 to 8 of Schedule 12 to FA 2020 come into force, and
- (b) for all other purposes, on such day as the Commissioners may by regulations appoint.”

(3) Omit subsections (3) to (5).

Penalty for failure to make payments on time

9 In Schedule 56 to FA 2009 (penalty for failure to make payments on time), in the Table in paragraph 1, after item 10A insert—

“10B	Carbon emissions tax	Amount payable under section 70(3) of FA 2019	The date determined by or under regulations under section 75 of FA 2019 as the date by which the amount must be paid”
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Commencement

10 Paragraph 9 comes into force on such day as the Treasury may by regulations made by statutory instrument appoint.