



COMMISSION OF THE EUROPEAN COMMUNITIES

**Brussels, 13.12.1996
COM(96) 680 final**

Proposal for a

COUNCIL DECISION

authorising Member States to continue to apply to certain mineral oils, when used for specific purposes, certain existing reduced rates of excise duty or exemptions from excise duty in accordance with the procedure provided for in Article 8 (4) of Directive 92/81/EEC.

(presented by the Commission)

EXPLANATORY MEMORANDUM

Under Article 8(4) of Council Directive 92/81/EEC¹ on the harmonisation of the structures of excise duties on mineral oils, the Council, acting unanimously on a proposal from the Commission, may authorise any Member State to introduce exemptions from, or reductions in, excise duties on grounds of specific policy considerations.

Article 8(6) of Directive 92/81 requires the Commission to report to the Council who will then review all existing derogations by 31 December 1996 and unanimously determine whether any or all of them shall be abolished, modified or extended after consultation of the European Parliament. The Commission report, together with a draft proposal, has been submitted to the Council which has started to consider the matter.

However, a number of existing derogations expire on 31 December 1996 and in view of the comprehensive nature of the Commission report, it is unlikely that the Council will be in a position to reach a final decision by that date. In consideration of this, the Commission has been asked by the Member States concerned to submit a proposal for an extension until 30 June 1997. This proposal does not amend any of the derogations in any way, it merely extends them to give the Council and Parliament time to consider and act on the Commission's comprehensive proposal without the risk of creating a legal vacuum at the end of this year when those derogations expire.

¹ OJ No L 316, 31.10.92.

Proposal for a

COUNCIL DECISION

authorising Member States to continue to apply to certain mineral oils, when used for specific purposes, existing reduced rates of excise duty or exemptions from excise duty in accordance with the procedure provided for in Article 8 (4) of Directive 92/81/EEC.

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community;

Having regard to Council Directive 92/81/EEC of 19 October 1992 on the harmonisation of the structures of excise duties on mineral oils² and in particular Article 8 (4) thereof;

Having regard to the proposal from the Commission;

Whereas, pursuant to Article 8 (4) of Directive 92/81/EEC, the Council, acting unanimously on a proposal from the Commission, may authorise any Member State to continue to apply exemptions or reductions in the excise duty charged on mineral oils for special policy considerations;

Whereas, a number of derogations expire on 31 December 1996 and the Member States have asked for them to be extended for a further limited period;

HAS ADOPTED THIS DECISION:

² OJ No L 316, 31.10.1992, p. 12 Directive as amended by Directive 94/74/EC (OJ No 365, 31.12.1994, p. 46).

Article 1

In accordance with the provisions of Article 8 (4) and Article 8 (6) of Directive 92/81/EEC and notwithstanding the obligations imposed by Directive 92/82/EEC of 19 October 1992 on the approximation of the rates of excise duties on mineral oils³, the following Member States are authorised to continue to apply the reductions in rates of excise duties or exemptions from excise duty herein specified for the period from 1 January 1997 until 30 June 1997:

1. in the Kingdom of Belgium:

- for a reduction in the rate of excise duty on heavy fuel oil to encourage the use of more environmentally friendly fuels. Such reduction shall be specifically linked to sulphur content and the weighted average rate of duty charged on heavy fuel oil shall respect the minimum rate of duty on heavy fuel oils as provided for in Community law. In no case can the reduced rate fall below ECU 6.5 per tonne.

2. in the Kingdom of Denmark:

-for the application of differential rates of excise duty between petrol distributed from petrol stations equipped with a return system for petrol fumes and petrol distributed from other petrol stations, provided that such rates at all times respect the minimum rates of excise duty on mineral oils as provided for under Community law.

3. in the French Republic

-for the consumption on the island of Corsica, provided that the reduced rates at all times respect the minimum rates of duty on mineral oils as provided for under Community law.

4. in the Italian Republic:

- for a reduction in the rate of excise duty on mineral oils used as fuel in the production of alumina in Sardinia, provided that the rate of duty respects the minimum rates of duty on mineral oils as provided for under Community law,
- for a reduction in the excise duty on fuel oil, for the production of steam, and for gas oil, used in ovens for drying and 'activating' molecular sieves in Reggio Calabria; provided that the rate of duty respects the minimum rates of duty on mineral oils as provided for under Community law,
- for a reduction in excise duty on petrol consumed on the territory of Friuli-Venezia Giulia, provided that the rates of duty respect the minimum rate provided for under Community law.

³ OJ No L 316, 31.10.1992, p. 12 Directive as amended by Directive 94/74/EC, OJ No 365, 31.12.1994, p. 46

5. in Ireland:
 - for differential rates of tax on unleaded petrol to reflect different environmental categories, provided that such rates at all times respect the minimum rates of duty on mineral oils as provided for in Community law.
6. in the Grand Duchy of Luxembourg:
 - for a reduction in the rate of excise duty on heavy fuel oil to encourage the use of more environmentally friendly fuels. Such reduction shall be specifically linked to sulphur content and the weighted average rate of duty charged on heavy fuel oil shall respect the minimum rate of duty on heavy fuel oils as provided for in Community law. In no case can the reduced rate fall below ECU 6.5 per tonne.
7. in the Republic of Austria:
 - for an exemption from excise duty on waste oils which are re-used as fuel, either directly after recovery, or following a recycling process for waste oils, and the re-use of which is subject to duty,
 - natural gas and methane.
8. in the Portuguese Republic:
 - for a reduction in excise duty on fuel oil consumed in the autonomous region of Madeira; this reduction may not be greater than the additional costs incurred in transporting the fuel oil to that region.
9. in the Republic of Finland:
 - for an exemption from excise duty on waste oils which are re-used as fuel, either directly after recovery, or following a recycling process for waste oils, and the re-use of which is subject to duty.
10. in the Kingdom of Sweden:
 - for an exemption from excise duty on aviation gasoline and aviation kerosene used for private pleasure flying,
 - for differential rates of tax on unleaded petrol to reflect different environmental categories, provided that such rates at all times respect the minimum rates of duty on mineral oils as provided for in Community law.
11. in the United Kingdom of Great Britain and Northern Ireland:
 - for differential rates of tax on unleaded petrol to reflect different environmental categories, provided that such rates at all times respect the minimum rates of duty on mineral oils as provided for in Community law.

Article 2

This Decision is addressed to: Belgium, Denmark, France, Italy, Ireland, Luxembourg, Austria, Portugal, Finland, Sweden and the United Kingdom.

Done at

ISSN 0254-1475

COM(96) 680 final

DOCUMENTS

EN

02 12

Catalogue number : CB-CO-96-691-EN-C

ISBN 92-78-13606-9

Office for Official Publications of the European Communities
L-2985 Luxembourg