

SCHEDULES

SCHEDULE 59

CLIMATE CHANGE LEVY: REMOVAL OF REDUCED RATE

PART 1

NEW PROVISION FOR REMOVAL OF REDUCED RATE

1 In Schedule 6 to FA 2000 (climate change levy), after paragraph 45A insert—

“Removal of reduced rate where targets set by climate change agreement not met

45B (1) This paragraph applies where, by virtue of such a certificate as is mentioned in paragraph 44(1), a facility is to be taken as being covered by a climate change agreement for a period specified in that certificate (“the certification period”).

(2) If it appears to the Secretary of State that the progress made in the certification period towards meeting targets set for the facility by the agreement has been such as under the provisions of the agreement is unsatisfactory, the Secretary of State may issue a certificate under this paragraph.

(3) The certificate must (in addition to specifying the facility, agreement and certification period to which it applies) specify—

(a) T, that is, the value (expressed in terms of a reduction in tonnes of carbon dioxide equivalent) of achieving the targets set for the facility by the agreement, and

(b) P, that is, the value (expressed in the same terms) of the progress made by the facility, during the certification period, towards meeting those targets.

(4) Where a certificate has been issued under this paragraph—

(a) each taxable supply made to the facility at any time falling within the certification period is to be treated as not being a reduced-rate supply, and

(b) accordingly, an amount (determined in accordance with sub-paragraph (5)) is payable by way of levy on that taxable supply.

(5) The amount payable under this paragraph on a taxable supply is—

$$\frac{T-P}{T} \times 0.8R$$

where—

T and P have the values mentioned in sub-paragraph (3), and

Status: This is the original version (as it was originally enacted).

R is the amount which would have been payable by way of levy on the supply (had it not been a reduced-rate supply) at the time that it was made, in accordance with paragraph 42(1)(a).

- (6) The Secretary of State must send the certificate to—
 - (a) the Commissioners, and
 - (b) the person who is the operator of the facility.
- (7) A certificate under this paragraph may be issued after the certification period ends.
- (8) A person liable to account for levy under this paragraph—
 - (a) is liable to account for it otherwise than by reference to an accounting period, and
 - (b) must not (by virtue of regulations under paragraph 41) become liable to pay it as from a date before the date on which the certificate under this paragraph is issued.
- (9) Levy due under this paragraph is payable in addition to any levy already payable on any supply made in the certification period.
- (10) In this paragraph—
 - “certification period”, in a case where the certificate referred to in sub-paragraph (1) has been varied under paragraph 45, means the period for which that certificate has effect as varied;
 - “tonne of carbon dioxide equivalent” has the meaning given in the Climate Change Act 2008.”