



Finance Act 2000

2000 CHAPTER 17

PART I

EXCISE DUTIES

Hydrocarbon oil duties

4 Rates of duty and rebate on hydrocarbon oil

- (1) In section 6(1A) of the Hydrocarbon Oil Duties Act 1979 (rates of duty on hydrocarbon oil)—
 - (a) in paragraph (a) (light oil), for “£0.5288” substitute “£0.5468”;
 - (b) in paragraph (b) (ultra low sulphur diesel), for “£0.4721” substitute “£0.4882”; and
 - (c) in paragraph (c) (heavy oil which is not ultra low sulphur diesel), for “£0.5021” substitute “£0.5182”.
- (2) In section 11(1) of that Act (rebate on heavy oil)—
 - (a) in paragraph (a) (fuel oil), for “£0.0265” substitute “£0.0274”; and
 - (b) in each of paragraphs (b) and (ba) (gas oil which is not ultra low sulphur diesel and ultra low sulphur diesel), for “£0.0303” substitute “£0.0313”.
- (3) In section 13A(1A) of that Act (rebate on unleaded petrol)—
 - (a) in paragraph (a) (higher octane unleaded petrol), for “£0.0367” substitute “£0.0379”; and
 - (b) in paragraph (b) (other unleaded petrol), for “£0.0567” substitute “£0.0586”.
- (4) In section 14(1) of that Act (rebate on light oil for use as furnace fuel), for “£0.0265” substitute “£0.0274”.
- (5) This section shall be deemed to have come into force at 6 o'clock in the evening of 21st March 2000.

5 Ultra low sulphur petrol

- (1) In section 1 of the Hydrocarbon Oil Duties Act 1979 (definitions of oil), after subsection (3) insert—

“(3A) “Ultra low sulphur petrol” means unleaded petrol (other than higher octane unleaded petrol)—

- (a) the sulphur content of which does not exceed 0.005 per cent. by weight or is nil, and
- (b) the aromatics content of which does not exceed 35 per cent. by volume.

(3B) “Unleaded petrol” means petrol that contains not more than 0.013 grams of lead per litre of petrol; and petrol is “leaded petrol” if it is not unleaded.

(3C) “Higher octane unleaded petrol” means unleaded petrol—

- (a) whose research octane number is not less than 96 and whose motor octane number is not less than 86; or
- (b) which is delivered for home use as petrol that satisfies the condition in paragraph (a) above; or
- (c) which is delivered for home use as petrol that is suitable to be used as fuel for engines for which leaded petrol is suitable by virtue of being leaded; or
- (d) which is delivered for home use under such a description, or in such a manner, as tends, in the circumstances, to suggest that it is—
 - (i) petrol satisfying the condition in paragraph (a) above, or
 - (ii) petrol that is suitable to be used as fuel for engines for which leaded petrol is suitable by virtue of being leaded.”.

- (2) In section 2 of that Act (provisions supplementary to section 1), after subsection (1) insert—

“(1A) Subsection (1) above applies, in particular, to the method of testing unleaded petrol for ascertaining its research octane number or motor octane number.”.

- (3) In section 6 of that Act (excise duty on hydrocarbon oil), for subsection (1A) (rates of duty) substitute—

“(1A) The rates at which the duty shall be charged are—

- (a) £0.4782 a litre in the case of ultra low sulphur petrol;
- (b) £0.5468 a litre in the case of light oil other than ultra low sulphur petrol;
- (c) £0.4882 a litre in the case of ultra low sulphur diesel; and
- (d) £0.5182 a litre in the case of heavy oil other than ultra low sulphur diesel.”.

- (4) In section 13A of that Act (rebate on unleaded petrol)—

- (a) in subsection (1) after “unleaded petrol” insert “, other than ultra low sulphur petrol,”; and
- (b) omit subsections (1B), (1C) and (2).

Any directions given under subsection (1C) and in force immediately before the commencement of this section shall have effect as if given under section 2(1) of that Act.

- (5) In section 27(1) of that Act (interpretation), at the appropriate places insert—
- ““ultra low sulphur petrol” has the meaning given by section 1(3A) above;”;
 - ““unleaded petrol” and “leaded petrol” have the meaning given by section 1(3B) above.”; and
 - ““higher octane unleaded petrol” has the meaning given by section 1(3C) above;”.
- (6) This section shall come into force on such day as the Commissioners of Customs and Excise may appoint by order made by statutory instrument.

6 Mixing of rebated light oils

- (1) Schedule 2A to the Hydrocarbon Oil Duties Act 1979 (mixing of rebated oils) is amended in accordance with Schedule 1 to this Act.
- (2) The amendments in that Schedule come into force on the day appointed under section 5(6).

7 Power to amend definitions of types of hydrocarbon oil

In the Hydrocarbon Oil Duties Act 1979, after section 2 insert—

“2A Power to amend definitions

- (1) The Treasury may by order made by statutory instrument amend the definitions for the purposes of this Act of—
- “ultra low sulphur petrol”;
 - “unleaded petrol” and “leaded petrol”;
 - “higher octane unleaded petrol”; and
 - “ultra low sulphur diesel”.
- (2) An order under this section may contain such incidental, supplementary and transitional provision as appears to the Treasury to be appropriate.
- (3) No order shall be made under this section unless a draft of it has been laid before and approved by a resolution of the House of Commons.”.

8 Penalties for misuse of rebated heavy oil

- (1) Section 13 of the Hydrocarbon Oil Duties Act 1979 (penalties for misuse of rebated heavy oil) is amended as follows.
- (2) In subsection (1)—
- (a) for “or, as the case may be, his becoming so liable” substitute “or his becoming so liable (or, where his conduct includes both, each of them)”, and
 - (b) omit the words from “; and the Commissioners” to the end.
- (3) After subsection (1) insert—

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

“(1A) Where oil is used, or is taken into a road vehicle, in contravention of section 12(2) above, the Commissioners may—

- (a) assess an amount equal to the rebate on like oil at the rate in force at the time of the contravention as being excise duty due from any person who used the oil or was liable for the oil being taken into the road vehicle, and
- (b) notify him or his representative accordingly.”.

(4) This section shall have effect in relation to liability arising on or after 1st May 2000.

9 Use of rebated heavy oil as fuel

(1) Schedule 1 to the Hydrocarbon Oil Duties Act 1979 (which sets out the categories of excepted vehicle which may use rebated heavy oil as fuel) is amended as follows.

(2) Omit the following provisions—

- (a) paragraph 2(1)(b) (which provides that off-road tractors are excepted vehicles) and the word “or” immediately preceding it, and
- (b) paragraph 2(4) (which defines off-road tractors).

(3) This section shall have effect in relation to the use of rebated heavy oil as fuel on or after 1st May 2000.

10 Rebates, marking and reliefs

(1) The Hydrocarbon Oil Duties Act 1979 is amended in accordance with subsections (2) to (4).

(2) In section 11 (rebate on heavy oil), after subsection (2) insert—

“(3) This subsection applies in any case where—

- (a) oil is delivered for home use,
- (b) regulations under section 24 below require, as a condition of allowing a rebate on the oil under subsection (1) above, that a marker prescribed by regulations under that section shall have been added to the oil, and
- (c) the marker is present at the time of delivery for home use but in such a proportion that its presence falls to be disregarded by virtue of provision made by regulations under that section.

(4) In any case where subsection (3) above applies, a rebate may be allowed on the oil at the time it is delivered for home use if it appears to the Commissioners to be appropriate to allow it.

(5) Where a rebate is allowed under subsection (4) above, the rate at which the rebate is allowed—

- (a) shall be such rate as appears to the Commissioners to be appropriate, but
- (b) shall not be less than 95 per cent. of, and shall not exceed, the rate of rebate specified in the relevant paragraph of subsection (1) above.”.

(3) In section 20AA(2) (provision in connection with allowing reliefs)—

- (a) in paragraph (a) (relief may take form of repayment or remission), after “repayment or remission” insert “or an allowance to be set off against duty payable to the Commissioners by the person claiming relief”; and
 - (b) after paragraph (g) insert—
 - “(ga) provide for oil on which relief is allowed to be treated for the purposes of this Act as oil on which a rebate has been allowed.”.
- (4) In section 24 (regulations controlling use of duty-free and rebated oil), after subsection (4B) insert—
- “(4C) In a case where subsection (4D) below applies, the power of the Commissioners under subsection (4A) above includes power, if it appears to them to be appropriate, to assess (and notify) an amount less than the amount of the rebate concerned.
- (4D) This subsection applies in any case where—
- (a) the Commissioners have power to assess (and notify) an amount under subsection (4A) above by virtue of a contravention of, or failure to comply with, a requirement such as is mentioned in paragraph 5 of Schedule 4 to this Act, and
 - (b) the marker whose addition is required by the requirement is present at the time of the contravention or failure but in such a proportion that its presence falls to be disregarded by virtue of provision made by regulations under this section for the purpose mentioned in paragraph 7 of that Schedule.”.
- (5) In paragraph 4 of Schedule 5 to the Finance Act 1994 (decisions under the Hydrocarbon Oil Duties Act 1979 of which a review may be required), after subparagraph (1) insert—
- “(1A) Any decision which is made under or for the purposes of any regulations made under section 20AA of the Hydrocarbon Oil Duties Act 1979 and is a decision as to whether or not relief is to be allowed.”.

11 Emulsions of water in gas oil

- (1) In section 6A of the Hydrocarbon Oil Duties Act 1979 (duty on fuel substitutes), after subsection (2) (definition of chargeable use) insert—
- “(2A) But the use of water is not a chargeable use if—
- (a) the water is comprised in an emulsion of water in gas oil, and
 - (b) the emulsion is stabilised by additives.”.
- (2) This section shall have effect in relation to duty charged on or after the day on which this Act is passed.