



# Finance Act 2020

## 2020 CHAPTER 14

### PART 3 U.K.

#### OTHER TAXES

##### *Environmental taxes*

#### 92 Rates of climate change levy until 1 April 2021 U.K.

- (1) Paragraph 42 of Schedule 6 to FA 2000 (climate change levy: amount payable by way of levy) is amended as follows.
- (2) In sub-paragraph (1), for the table substitute—

<i>“Taxable commodity supplied</i>	<i>Rate at which levy payable if supply is not a reduced-rate supply</i>
Electricity	£0.00811 per kilowatt hour
Gas supplied by a gas utility or any gas supplied in a gaseous state that is of a kind supplied by a gas utility	£0.00406 per kilowatt hour
Any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state	£0.02175 per kilogram
Any other taxable commodity	£0.03174 per kilogram”.

- (3) In sub-paragraph (1)—
- (a) in paragraph (ba) (reduced-rate supplies of electricity), for “7” substitute “ 8 ”,
- (b) after that paragraph insert—
- “(bb) if the supply is a reduced-rate of supply of any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state, 23 per cent of the amount that would be payable if the supply were a supply to which paragraph (a) applies;”, and

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: Environmental taxes. (See end of Document for details)*

- (c) in paragraph (c) (other reduced-rate supplies), for “22” substitute “ 19 ”.
- (4) In consequence of the amendment made by subsection (3), in the Notes to paragraph 2 of Schedule 1 to the Climate Change Levy (General) Regulations 2001, for the definition of “r” substitute—
- “r= 0.92 in the case of electricity; 0.77 in the case of any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state; and 0.81 in any other case.”
- (5) The amendments made by this section have effect in relation to supplies treated as taking place on or after 1 April 2020.

### 93 Rates of climate change levy from 1 April 2021 **U.K.**

- (1) Paragraph 42 of Schedule 6 to FA 2000 (climate change levy: amount payable by way of levy) is amended as follows.
- (2) In sub-paragraph (1), for the table substitute—

“TABLE

<i>Taxable commodity supplied</i>	<i>Rate at which levy payable if supply is not a reduced-rate supply</i>
Electricity	£0.00775 per kilowatt hour
Gas supplied by a gas utility or any gas supplied in a gaseous state that is of a kind supplied by a gas utility	£0.00465 per kilowatt hour
Any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state	£0.02175 per kilogram
Any other taxable commodity	£0.03640 per kilogram”.

- (3) In sub-paragraph (1)(c), as amended by section 92(3)(c), for “19” substitute “ 17 ”.
- (4) In consequence of the amendment made by subsection (3), in the definition of “r” in the Notes to paragraph 2 of Schedule 1 to the Climate Change Levy (General) Regulations 2001, as amended by section 92(4), for “0.81” substitute “ 0.83 ”.
- (5) The amendments made by this section have effect in relation to supplies treated as taking place on or after 1 April 2021.

### 94 Rates of landfill tax **U.K.**

- (1) Section 42 of FA 1996 (amount of landfill tax) is amended as follows.
- (2) In subsection (1)(a) (standard rate), for “£91.35” substitute “ £94.15 ”.
- (3) In subsection (2) (reduced rate for certain disposals), in the words after paragraph (b) —
- (a) for “£91.35” substitute “ £94.15 ”, and
- (b) for “£2.90” substitute “ £3 ”.

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- (4) The amendments made by this section have effect in relation to disposals made (or treated as made) on or after 1 April 2020.

**95 Carbon emissions tax** **U.K.**

Schedule 12 makes provision about carbon emissions tax.

**96 Charge for allocating allowances under emissions reduction trading scheme** **U.K.**

- (1) The Treasury may impose charges by providing in regulations for emissions allowances to be allocated in return for payment.
- (2) Regulations under subsection (1) may in particular include provision—
- (a) for persons other than persons to whom a trading scheme applies to be allocated emissions allowances in return for payment;
  - (b) as to the imposition of fees and the making and forfeiting of deposits;
  - (c) as to the person by whom allocations in return for payment are to be conducted;
  - (d) for allocations in return for payment to be overseen by an independent person appointed by the Treasury;
  - (e) for the imposition of penalties for failure to comply with the terms of the regulations or of a scheme under subsection (3);
  - (f) for the imposition of interest in respect of any charges, fees or penalties due under the regulations;
  - (g) for and in connection with the recovery of any charges, fees, penalties or interest due under the regulations;
  - (h) conferring rights of appeal against decisions made in allocations in return for payment, the forfeiting of deposits and the imposition of penalties (including specifying the person, court or tribunal to hear and determine appeals).
- (3) The Treasury may make schemes about the conduct and terms of allocations of emissions allowances in return for payment (the schemes having effect subject to any regulations under this section).
- (4) Schemes under subsection (3) may in particular include provision about—
- (a) who may participate in allocations in return for payment,
  - (b) the allowances to be allocated in return for payment, and
  - (c) where and when allocations in return for payment are to take place.
- (5) Regulations under this section are to be made by statutory instrument.
- (6) A statutory instrument containing the first regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the House of Commons.
- (7) Any other statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons (unless a draft of the instrument has been laid before, and approved by a resolution of, that House).
- (8) In this section—

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“emissions allowance” means an allowance under paragraph 5 of Schedule 2 to the Climate Change Act 2008 relating to a trading scheme;

“trading scheme” means a trading scheme dealt with under Part 1 of that Schedule (schemes limiting activities relating to emissions of greenhouse gas).

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