
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 1st January 2013, provide for a partial relief from the excise duty charged on road fuel gas. The relief is allowed only in respect of road fuel gas that is charged with duty on or after that date.

The result of the application of the relief (which is provided in the form of a remission of part of the duty that is chargeable) is that the amount a person would otherwise be liable to pay in respect of excise duty on road fuel gas is reduced by the amounts specified in these Regulations: a person will therefore be liable to pay £0.2470 per kilogram on natural road fuel gas and £0.3161 per kilogram on other road fuel gas.

The rates of duty charged on road fuel gas are prescribed by section 8(3) of the Hydrocarbon Oil Duties Act 1979 (“the Oil Act”). Section 20(3) of the Finance Act 2011 amended section 8(3) of the Oil Act so as to increase the rates of duty, with effect from 1st January 2012. The Excise Duties (Road Fuel Gas) (Reliefs) (No. 2) Regulations 2011 made the same adjustments as are made by this Order in respect of road fuel gas that was charged with duty on or after 1st January 2012 and before 1st August 2012. Section 188 of the Finance Act 2012 provides that on or after 1st August 2012 but before 1st January 2013 the Oil Act has effect as if the amendments made by section 20 of Finance Act 2011 had never been made.

The result of the application of the relief is that from 1st January 2013 a person will pay the same amount as if section 20(3) of the Finance Act 2012 had not come into effect.

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.