

Part 12
Excise duties, reliefs, drawbacks and allowances

EXCISE DUTY

12.1 Introduction

This part concentrates on goods liable to excise duty. It lists the rates of excise duty chargeable for the following:

- Wine and made-wine - Section 12.5
- Beer - Section 12.6
- Cider and Perry - Section 12.7
- Spirits - Section 12.8
- Low alcohol beverages - Section 12.9
- Imported composite goods containing alcohol - Section 12.10
- Tobacco Products - Section 12.11
- Hydrocarbon Oil - Section 12.12. This section includes details about rebates for such products.
- Climate Change Levy - Section 12.14
- Biofuels - Section 12.15

The lists are to be used in conjunction with Volume 2 Chapters where the Commodity Code numbers (e.g. 2204 10 11 for certain wines) have a reference "EXCISE" in column 3.

This Part also contains some information and reference about excise drawback and excise duty reliefs.

12.2 Important Note on Definitions

The definitions used in this Part are those **prescribed for excise duty purposes only**.

12.3 Background

Excise duty is chargeable, in addition to any customs duty which may be due, on the goods described in this Part. These goods may be either of UK origin, received following an intra EU movement or imported from outside the EU.

The duty falls due at the time when the goods leave any duty suspension arrangements - that is when

- they are released for consumption or otherwise made available for consumption (generally via the warehouse system)
- a registered trader (REDS) or occasional importer receives them in the UK
- a vendor makes a delivery under distance selling arrangements
- missing consignments and other dutiable shortages are discovered
- goods imported for personal use are then sold or put to commercial use.

12.4 Tax Type Code

Different rates can apply to different sub categories of goods. In addition to the commodity description and code number each exciseable item has allocated a tax type code number (e.g. 451 for spirits). These identify the type and rate of excise duty payable. They are included in the tables listed in Section 12.5 to 12.15. Volume 3 (Appendix C6) also lists tax codes which are declared on the SAD import document.

12.5 Excise Duty – Wine and Made-wine

Wine – produced in the UK by a licensed producer of wine or imported (in strengths measured by reference to the following percentages of alcohol at a temperature of 20°C)

Class or description	Tax type code	Rate of Excise Duty
Sparkling exceeding 5.5% but less than 8.5%	412	► £288.10 per hectolitre ◀
Sparkling 8.5% and above but not exceeding 15%	411	► £381.15 per hectolitre ◀
Still exceeding 5.5% but not exceeding 15%	413	► £297.57 per hectolitre ◀
Still or sparkling exceeding 15% but not exceeding 22%	415	► £396.72 per hectolitre ◀
Still or sparkling exceeding 22%	419	£28.74 per litre of alcohol in the wine

Made-wine produced in the UK by a licensed producer of made-wine or imported (in strengths measured by reference to the following percentages of alcohol at a temperature of 20°C)

Class or description	Tax type code	Rate of Excise Duty
Sparkling exceeding 5.5% but less than 8.5%	422	► £288.10 per hectolitre ◀
Sparkling 8.5% and above but not exceeding 15%	421	► £381.15 per hectolitre ◀
Still exceeding 5.5% but not exceeding 15%	423	► £297.57 per hectolitre ◀
Still or sparkling exceeding 15% but not exceeding 22%	425	► £396.72 per hectolitre ◀
Still or sparkling exceeding 22%	429	£28.74 per litre of alcohol in the wine

See Section 12.9 for strengths not exceeding 5.5%.

Definitions and notes

“Wine” means any liquor obtained from the alcoholic fermentation of fresh grapes or the must of fresh grapes, whether or not the liquor is fortified with spirits or flavoured with aromatic extracts.

“Made-wine” means any liquor obtained from the alcoholic fermentation of any substance but does not include wine (as defined above), beer, spirits or cider.

Wine or made-wine is chargeable at the **sparkling** rate

- a) if the pressure in the container measured at 20°C is not less than 3 bars in excess of atmospheric pressure

or

- b) if the container has a mushroom stopper held in place by a tie or fastening – regardless of the pressure

“Mushroom stopper” means a mushroom shaped stopper made of cork, artificial or plastic material (solid or hollow).

12.6 Excise Duty - Beer

Beer - which is brewed in the UK or imported

Class/Description	Tax type code	Rate of Excise Duty
Made in UK (Standard rate i.e.-Annual production more than 60,000 hectolitres)	407	£19.08 for each hectolitre per 1% abv charged to the nearest 0.1% (and the respective proportionate charge for parts of hectolitres)
Imported Beer (Standard rate i.e.-Annual production more than 60,000 hectolitres)	473	£19.08 for each hectolitre per 1% abv charged to the nearest 0.1% (and the respective proportionate charge for parts of hectolitres)
Made in UK* Small brewery beer eligible to reduced rates. (Variable rate i.e.-Annual production more than 5,000 hectolitres but not exceeding 60,000 hectolitres)	440	£9.54-£19.08 for each hectolitre per 1% abv charged to the nearest 0.1% (and the respective proportionate charge for parts of hectolitres)
Imported Beer* Small brewery beer eligible to reduced rates. (Variable rate i.e.-Annual production more than 5,000 hectolitres but not exceeding 60,000 hectolitres)	441	£9.54-£19.08 for each hectolitre per 1% abv charged to the nearest 0.1% (and the respective proportionate charge for parts of hectolitres)
Made in UK* Small brewery beer eligible to reduced rates. (Reduced rate i.e.-Annual production no more than 5,000 hectolitres)	442	£9.54 for each hectolitre per 1% abv charged to the nearest 0.1% (and the respective proportionate charge for parts of hectolitres)
Imported Beer* Small brewery beer eligible to reduced rates. (Reduced rate i.e.-Annual production no more than 5,000 hectolitres)	443	£9.54 for each hectolitre per 1% abv charged to the nearest 0.1% (and the respective proportionate charge for parts of hectolitres)
If total alcohol by volume does not exceed 1.2%	431	NIL
Made in UK High Strength Beer Duty (applies to beer exceeding 7.5% abv) N.B. General Beer duty is also due on all UK produced High Strength Beer.	445	£5.69 for each hectolitre per 1% abv charged to the nearest 0.1% (and the respective proportionate charge for parts of hectolitres)
Imported Beer High Strength Beer Duty (applies to beer exceeding 7.5% abv) N.B. General Beer duty is also due on all imported High Strength Beer.	447	£5.69 for each hectolitre per 1% abv charged to the nearest 0.1% (and the respective proportionate charge for parts of hectolitres)
Made in UK Reduced rate of general beer duty (applies to beer exceeding 1.2% abv but not exceeding 2.8% abv)	444	£8.42 for each hectolitre per 1% abv charged to the nearest 0.1% (and the respective proportionate charge for parts of hectolitres)
Imported Beer Reduced rate of general beer duty (applies to beer exceeding 1.2% abv but not exceeding 2.8% abv)	446	£8.42 for each hectolitre per 1% abv charged to the nearest 0.1% (and the respective proportionate charge for parts of hectolitres)
<p>* Reduced rates of duty were introduced from 1.6.02 for beer produced by independent breweries producing no more than 30,000 hectolitres. For breweries producing between 5-30,000 hectolitres, the following arithmetical formula is used to calculate the rate of duty.</p> $\frac{GP - 2500 \text{ (hectolitres)} \times \text{standard rate}}{GP}$ <p>Reduced rates of duty were also introduced from 1.6.04 for beer produced by independent breweries producing between 30,000 and 60,000 hectolitres. The following arithmetical formula is used to calculate the rate of duty for these breweries:</p> $\frac{GP - (2,500 - 8.33\% \text{ of } GP \text{ in excess of } 30,000 \text{ hectolitres}) \times \text{standard rate}}{GP}$ <p>This must be rounded up to the nearest penny.</p>		

Definitions and notes

"Beer" includes ale, porter, stout and any other description of beer and any liquor which is sold as beer or as a substitute for beer and on analysis a sample is found to be of an alcoholic strength exceeding 0.5%.

Alcohol by volume is the proportion of alcohol as a percentage of the fermented beer.

The duty is charged on alcoholic strength to one decimal place e.g. 4.19% abv becomes 4.1% abv (ignore figures after the first decimal place).

Low alcohol beverages made from malt exceeding 0.5% but not exceeding 1.2% are not liable to excise duty.

Examples of beer based beverages are set out in Section 12.9 which also shows the rate of excise duty for these products up to 5.5%.

Beer and spirits mixtures exceeding 1.2% are liable to duty at the spirits rate. Beer mixtures containing dutiable liquors other than spirits and exceeding 5.5% are liable at the appropriate made-wine rate.

Small Brewery Beer relief will still be available on the General Beer Duty element of beer above 7.5% abv. However, it will not apply to High Strength Beer Duty and no further relief will be applied to the reduced rate of General Beer Duty for lower strength beers.

12.7 Excise Duty – Cider and Perry

Cider (or Perry) – manufactured in the UK by a registered maker of cider or perry or imported.

Class or description	Tax type code	Rate of Excise Duty
Sparkling, made in UK or imported exceeding 5.5% but less than 8.5%	485	£279.46 per hectolitre
Sparkling, made in UK or imported, exceeding 1.2% but not exceeding 5.5%	481	£40.38 per hectolitre
Still, made in UK or imported exceeding 1.2% but ► less than 6.9% ◀	481	£40.38 per hectolitre
Still, made in UK or imported exceeding 7.5% but less than 8.5%	483	£61.04 per hectolitre
► Still, made in UK or imported exceeding 6.9% but not exceeding 7.5%	487	£50.71 per hectolitre ◀
If total alcohol by volume does not exceed 1.2%	431	NIL

Definitions and notes

“Cider” means cider (or perry) of a strength of less than 8.5% of alcohol by volume (at 20°C) obtained from the fermentation of apple or pear juice without the addition at any time of any alcoholic liquor or of any liquor or substance which communicates colour or flavour other than such as the Commissioners may allow as appearing to them to be necessary to produce cider (or perry).

Cider or perry is chargeable at the **sparkling** rate

- a) if the container has an excess pressure due to carbon dioxide in solution of 3 bar or more

or

- b) if the container has a mushroom stopper held in place by a tie or fastening - regardless of the pressure

See section 12.5 for definition of “mushroom stopper.”

12.8 Excise Duty – Spirits

Class or description	Tax type code	Rate of Excise Duty
UK produced whisky Wholly Malt Wholly Grain Blended	461 462 463	£28.74 per litre of alcohol in the spirits at a temperature of 20°C
Spirits other than UK produced whisky	451	
Spirits-based beverages exceeding 1.2% vol but not exceeding 8% vol	438	

Notes

If spirits are imported in bottles which the importer does not wish to be opened for test, HM Revenue and Customs will normally be prepared to accept excise duty on the basis of a declared strength of 77% vol. for drinkable spirits. HM Revenue and Customs reserve the right to test any consignment.

12.9 Excise Duty – Low Alcohol Beverages

- Wine
 - Made-wine
 - Mixed drinks made from cider/perry base
- } where the
alcohol strength
does not exceed
5.5%

The rates are the same for both still and sparkling products with the exception of beer based beverages.

Class or description	Tax type code	Rate of Excise Duty
Not exceeding 1.2% volume	431	Nil
Exc. 1.2% vol. but not exc. 4.0% vol.	433	► £91.67 per hectolitre ◀
Exc. 4.0% vol. but not exc. 5.5% vol.	435	► £126.08 per hectolitre ◀
Beer based beverage exc. 1.2% vol.	473	£19.08 per hl for every 1% abv Part percentage charged to the nearest 0.1%

Definitions and notes

This does not include cider, perry and beer as defined in Sections 12.6 to 12.7.

The following are classified as beer based beverages

- Shandy made with lemonade, or any mixture of beer with lemonade, lemon juice, lemon cordial, lemon squash or lemon flavouring.
- Lager-and-lime and any mixture of beer with limeade, lime juice, lime cordial, lime squash or lime flavouring.
- Shandygaff, ginger beer shandy, and any mixture of beer with unfermented ginger beer, ginger cordial, ginger squash, ginger or ginger flavouring.
- Any mixture of beer with:
 - any other alcoholic liquor; or
 - any fruit cordial, fruit flavourings, fruit flavoured carbonated water, fruit juice or fruit squash.

12.10 Excise Duty – Imported Composite Goods Containing Alcohol

Goods containing ingredients liable to excise duty are chargeable with

- customs duty where appropriate on the goods as a whole
- excise duty on the ingredient. **The tax type codes and excise duty rates are the same as for the type of alcohol used as the ingredient: e.g. spirits (451) £28.74 per litre of alcohol.**

Exceptions

Class or description	Excise Duty
Medical preparations: spirits in mixture, compounds or other preparations which are recognised by the Commissioners as being used for medical purposes and which are in fact used for those purposes. See notice 47.	Nil
Goods unfit for human consumption containing spirits - this includes perfumed goods, paints, dye stuffs, inks, etc - see notice 64.	Nil

Notes

The tax type codes are listed in Volume 3 Appendix C7.

12.11 Excise Duty - Tobacco Products

Imported or manufactured in the United Kingdom

Class or description	Tax type code	Rate of Excise Duty	Minimum Excise Tax
Cigarettes	611	An amount equal to the higher of the following alternatives either ▶ £228.29 ◀ per 1000 cigarettes plus 16.5% of the retail price	or ▶ £293.95 ◀ per 1000 cigarettes
Cigars	615	▶ £284.76 ◀ per kg The weight for duty is the total weight of the cigar, which may however, exclude any detachable filter or mouthpiece	N/A
Handrolling tobacco	619	▶ £234.65 ◀ per kg	N/A
Other smoking tobacco	623	▶ £125.20 ◀ per kg	N/A
Chewing tobacco	627	▶ £125.20 ◀ per kg	N/A

Definitions and Notes

For the purposes of tobacco products duty, tobacco products are defined in the Tobacco Products (Descriptions of Products) Order 2003 SI 2003/1471. The following is a summary of those definitions

"Tobacco products" means any of the products listed above which are manufactured wholly or partly from tobacco or any substance used as a substitute for tobacco but does not include herbal smoking products.

- "Cigarettes" means any roll of tobacco capable of being smoked as they are and not falling within any of the descriptions of a cigar, or rolls of tobacco that, by simple non-industrial handling, are-
 - inserted into cigarette-paper tubes, or
 - wrapped in cigarette paper.

Any cigarette more than 9cm long (excluding any filter or mouthpiece) will be treated as if each 9cm or part thereof were a separate cigarette.

- "Cigars" include products of the following descriptions:
 - (1) rolls of tobacco made entirely of natural tobacco
 - (2) rolls of tobacco, even if mixed with substances other than tobacco, with an outer wrapper of natural tobacco
 - (3) rolls of tobacco with a threshed blend filler of tobacco or tobacco mixed with substances other than tobacco, with a binder and outer wrapper of reconstituted tobacco.
The outer wrapper must have the normal colour of a cigar and be fitted in spiral form with an acute angle of at least 30 degrees to the longitudinal axis of the cigar. The outer wrapper must cover the cigar in full including any filter but not (in the case of cigars with a mouthpiece) the mouthpiece.
Cigars falling within this description must have a unit weight (excluding filter or mouthpiece) of not less than 1.2 grams.
 - (4) rolls of tobacco with a threshed blend filler of tobacco or tobacco mixed with substances other than tobacco and with an outer wrapper of reconstituted tobacco that has the normal colour of a cigar.
 - the outer wrapper must cover the cigar in full including any filter but not (in the case of cigars with a mouthpiece) the mouthpiece.
 - any binder may be made of a material other than tobacco or reconstituted tobacco.

Cigars falling within this definition must have a unit weight (excluding any filter or mouthpiece) of not less than 2.3 grams and a circumference over at least one third of its length of at least 34mm.

A cigarillo that falls within one of the above descriptions is a cigar.

- "Hand-rolling tobacco" means tobacco -
 - of which more than 25% by weight of the tobacco particles have a width of less than 1mm.
 - which is sold or intended to be sold for making into cigarettes by hand; or
 - which is of a kind used for making into cigarettes by hand;
- "Chewing tobacco" includes any product prepared for chewing that consists in whole or in part of tobacco, or substitute for tobacco, and does not fall within the definition of one of the other tobacco products. It does not include products that are intended solely as an aid for persons to give up smoking.
- "Other smoking tobacco" means tobacco that has been cut, split, twisted or pressed into blocks, and is capable of being smoked without further industrial processing, or tobacco refuse put up for retail sale that can be smoked, and which does not fall within the definition of one of the other tobacco products.
- "Herbal smoking products" means products commonly known as herbal cigarettes or herbal smoking mixtures. They do not include plant material which is specially grown and/or processed for use as a tobacco substitute.
Herbal material is usually readily identifiable as such by its texture and aromatic and pungent odour.

12.12 Hydrocarbon oil

Note. The Hydrocarbon Oil Duties Act 1979 (HODA) specifies FULL rates of excise duty on mineral oils and REBATES of DUTY. The effect of applying a REBATE of DUTY to a FULL rate is to create a lower rate of duty. These lower rates are known as REBATED RATES. This mechanism increases the number of effective rates of mineral oils excise duty.

Description of goods (see Section 12.2)	Full/unrebated rate of excise duty	Rebate	Type of Tax Code	Effective rate of excise duty (See Supplementary information)
	£ per litre	£ per litre		£ per litre
Light oil				
<i>Unrebated</i> (unmarked)-				
Aviation gasoline (including light oil aviation turbine fuel)	0.3770	Nil	511	0.3770
Other unrebated light oil	0.6767	Nil	520	0.6767
<i>Rebated</i> -				
Furnace fuel (marked/unmarked under marking waiver)	0.6767	0.5697	521	0.1070
Unleaded petrol	0.5795	Nil	522	0.5795
Heavy oil				
<i>Unrebated</i> (unmarked; including DERV or road fuel extender and unmarked kerosene or unmarked gas oil for which no marking waiver has been granted).	0.5795	Nil	541	0.5795
<i>Rebated</i> -				
Other (unmarked) heavy oil (other than kerosene) intended for use as heating fuel, or as fuel for an engine; which would otherwise be eligible for a full rebate.	0.5795	0.4725	540	0.1070
Kerosene to be used as motor fuel off road or in an excepted vehicle	0.5795	0.4681	542	0.1114
Kerosene (marked/unmarked under marking waiver, including heavy oil aviation turbine fuel) to be used <u>other than</u> as motor fuel off-road or in an excepted vehicle	0.5795	0.5795	551	Nil
Gas oil (marked/unmarked under marking waiver).	0.5795	0.4681	556	0.1114
Fuel oil (unmarked)	0.5795	0.4725	561	0.1070
Other (unmarked)	0.5795	0.5795	570	Nil

For the purpose of these duties:

"Hydrocarbon oil" means petroleum oils, coal tar, and oils produced from coal, shale, peat or any other bituminous substance, and all liquid hydrocarbons, but does not include such hydrocarbons or bituminous or asphaltic substances as are:

- solid or semi-solid at a temperature of 15°C; or
- gaseous at a temperature of 15°C and under a pressure of 1013.25 millibars.

"Light oil" means hydrocarbon oil of which not less than 90% by volume distils at a temperature not exceeding 210°C or which gives off an inflammable vapour at a temperature of less than 23°C when tested in the manner prescribed by the Acts relating to petroleum.

"Aviation gasoline" means light oil which is specially produced as fuel for aircraft, is not normally used in road vehicles and is delivered for use solely as fuel for aircraft.

"Light oil furnace fuel" means light oil delivered to approved furnace operators in accordance with the provisions of Notice 184A, Section V.

"Unleaded petrol" means petrol containing not more than 0.013 grammes of lead per litre of petrol

"Ultra low sulphur petrol" means unleaded petrol

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

"Sulphur free petrol" means unleaded petrol the sulphur content of which does not exceed 0.001 per cent by weight (or is nil).

"Heavy oil" means hydrocarbon oil other than light oil as defined above.

"DERV" means heavy oil intended for use as fuel for a mechanically propelled vehicle which is constructed or adapted for use on roads (with certain exceptions, details of which are given in Notice 75).

"Ultra low sulphur diesel" means gas oil-

- (a) the sulphur content of which does not exceed 0.005 per cent by weight or is nil;
- (b) the density of which does not exceed 835 kilograms per cubic metre at a temperature of 15°C; and
- (c) of which not less than 95 per cent by volume distils at a temperature not exceeding 345°C.

"Sulphur free diesel" means gas oil the sulphur content of which does not exceed 0.001 per cent by weight (or is nil).

"Kerosene" means heavy oil of which more than 50% by volume distils at a temperature not exceeding 240°C.

"Heavy oil aviation turbine fuel" means kerosene which is intended to be used as fuel for aircraft engines and which is allowed to be delivered for that purpose without being marked.

"Gas oil" means heavy oil of which not more than 50% by volume distils at a temperature not exceeding 240°C and of which more than 50% by volume distils at a temperature not exceeding 340°C.

"Fuel oil" means heavy oil which either:

- contains in solution an amount of hard asphalt of not less than 0.5%; or
- contains in solution an amount of hard asphalt of not less than 0.1% and has a closed flashpoint which does not exceed 150°C.

"*Rebated oil*" means oil which has been delivered for home use on allowance of a rebate of excise duty under the Hydrocarbon Oil Duties Act 1979, Sections 11 and 14.

Supplementary information about the duty on hydrocarbon oil.

Eligibility for *rebate*, as set out above, is restricted as follows:

Light oil furnace fuel—must be delivered marked and dyed (Notice 179, paragraph 8.4), or unmarked under individual 'supplier/user' marking waiver.

Unleaded petrol—qualifies for rebate without marking or other restriction provided it meets the definition given in paragraph above.

Aviation turbine kerosene—may be delivered unmarked as aircraft fuel, etc, under marking waiver (Notice 179, paragraph 8.23).

Other kerosene—must be marked (Notice 179, paragraph 8.4) unless delivered under an individual 'user/dealer' marking waiver (Notice 179, paragraph 8.23), or imported in containers not exceeding 2.5 litres capacity and not for use as road fuel.

Gas oil—must be marked (Notice 179, paragraph 8.4), unless delivered under an individual 'user/dealer' marking waiver (Notice 179, paragraph 8.23), or imported in containers not exceeding 2.5 litres capacity and not for use as road fuel.

Fuel oil/other heavy oil—qualifies for rebate without marking or other restriction, provided it is not intended for use as road fuel or road fuel extender.

Markers must not be present in any oil (whether light or heavy) imported for delivery as road fuel or road fuel extender. The prohibitions relating to markers and obscuration of markers which must be observed are set out in Notice 179, paragraph 8.25.

The excise duty on *hydrocarbon oil removed to a refinery*, instead of being charged at the time of importation, is charged on the delivery of any goods from the refinery for home use, and is the same as that which would be payable on the importation of like goods, and therefore is allowed the same rebate as would be allowed on importation. Any customs duty chargeable is payable when the oil is taken into use at the refinery, whether as feedstock or otherwise.

* From 15 October 1993 the unit for calculation of duty on hydrocarbon oils is the standard litre i.e. litres at 15°C. If not already expressed in those terms quantities will need to be converted. Further information will be found in Notice 179 Appendix L.

It is *illegal for any person to mix* any oil on which no rebate of excise duty has been allowed with:

- fuel oil, gas oil, kerosene or light oil (including unleaded petrol) on which rebate of excise duty has been allowed; or
- oil delivered without payment of excise duty, *except* under and in accordance with either an approval granted by the Commissioners under the Mixing Regulations or a licence granted by the Commissioners. Further information will be found in Notice 193.

For excise duty purposes the *methods of test* whether any material is solid or semi-solid at a temperature of 15°C, and for the distillation characteristics of oil, are those laid down by the Institute of Petroleum and the Standardisation of Tar Products Test Committee. Further information will be found in Notice 179, Appendix C.

12.13 Excise Duty – Imported Composite Goods Containing Mineral Oils

Goods containing mineral oils as a part or ingredient of them are not liable to excise duty unless they are intended for use as substitutes for road fuels or as additives to road fuels or road fuel substitutes. Any articles imported for these purposes are chargeable with UK excise duty on **100%** of their volume. (not only on the percentage of mineral oil, if any, contained within them). **The tax type codes and excise duty rates to be applied are the same as for the type of mineral oil which the product is intended to substitute for or is to be added to.**

Lubricating oils will not be charged with UK excise duty unless they are to be added to an additives package, in which case excise duty will be charged on the whole package.

Miscellaneous road fuels

Class or description of goods (see Section 12.2)	Type of Tax Code	Rate of excise duty
Road Fuel Gases		
Natural gas (methane content = >80%)	591	£0.2470 per Kg
Road Fuel Gas (other than natural gas, which is gaseous at 15°C and 1013.25 millibars)	592	£0.3161 per Kg

12.14 Climate Change Levy

Taxable commodities imported or produced in the United Kingdom

Taxable commodity description	Tax type code	Rate of climate change levy
Electricity	990	▶ £0.00583 ◀ 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 Great Britain	990	▶ £0.00203 ◀ per kilowatt hour
Any petroleum gas, or other gaseous hydrocarbon supplied in a liquid state	990	▶ £0.01304 ◀ per kilogram
Solid fuels i.e. coal and lignite, coke and semi-coke of coal or lignite, and petroleum coke	990	▶ £0.01591 ◀ per kilogram

Definitions and Notes

For levy purposes:

- Road fuel gases e.g. liquefied petroleum gas (LPG) and compressed natural gas (CNG) used as fuel in road vehicles are not liable to the levy. Such products are subject to mineral oils excise duty.
- LPG when used for *heating purposes* is not subject to mineral oils excise duty so is liable to levy.
- The conversion rate of 2,000 litres per tonne is to be used when converting litres of liquid propane and butane to kilograms.
- Waste coal e.g. slurry and tailings is not liable to levy. "Waste coal" means any supply of coal with an open market value not exceeding £15 per tonne.

12.15 Biofuels

Description of goods (see Section 12.2)	Full/unrebated rate of excise duty	Rebate	Type of Tax Code	Effective rate of excise duty (See Supplementary information)
	£ per litre	£ per litre		£ per litre
Biodiesel	0.5795	Nil	589	0.5795
Biodiesel to be used as motor fuel off road or in an excepted vehicle	0.5795	0.4681	571	0.1114
Bioethanol	0.5795	Nil	595	0.5795
Biodiesel blended with kerosene for use as heating fuel	0.5795	0.5795	572	Nil
Bioblend—Biodiesel blended with heavy oil	0.5795	-	* see note	-

* Note: Bioblend does not have its own tax code as it will be accounted for under the tax codes of biodiesel and heavy oil depending on the ratios of each.

For the purpose of these duties

"Biodiesel" is a diesel quality liquid fuel produced from biomass or waste cooking oil:

- the total ester content of which is not less than 96.5% by weight; and
- the sulphur content of which does not exceed 0.005% by weight.

"Bioblend" is a fuel which is a mix of heavy oil and biodiesel in varying ratios.

"Bioethanol" is a liquid fuel:

- consisting of ethanol produced from biomass; and
- capable of being used for the same purpose as light oil.

Section 13: Reliefs from excise duty

General

The following reliefs relate only to excise duties and do not extend to any customs duties to which imported goods may be liable. For a list of the reliefs from customs duties allowable in respect of imported goods (which in some circumstances may extend to excise as well as import duty), see Part 10 of this Volume.

Scope of Relief and Statutory Provision	Nature and Conditions of Relief	Scope of Relief and Statutory Provision	Nature and Conditions of Relief
Alcoholic liquors			
Any dutiable alcoholic liquor which has been converted into vinegar or used in the manufacture of:	Duty paid on alcohol which has been used for these purposes can be claimed back. (See notice 41). Finance Act 1995; section 4.	(Alcoholic Liquor Duties Act, 1979, Section 8). Delivered from excise warehouse for use in the manufacture of denatured alcohol.	Free of spirits duty subject to such conditions as the Commissioners see fit to impose (see Notice 473).
(a) any beverage of an alcoholic strength not exceeding 1.2 per cent; chocolates for human consumption which contain alcohol such that 100 kilograms of the chocolates would not contain more than 8.5 litres of alcohol; or any other food for human consumption which contains alcohol such that 100 kilograms of the food would not contain more than 5 litres of alcohol.		(Alcoholic Liquor Duties Act, 1979, Section 75). Delivered from excise warehouse to authorised persons for use in any art or manufacture where the Commissioners of Revenue and Customs are satisfied that the use of denatured alcohol is unsuitable or detrimental (Alcoholic Liquor Duties Act, 1979, Section 10).	Free of duty subject to such conditions as the Commissioners see fit to impose (see Notice 47).
		Contained in goods not for human consumption. (Alcoholic Liquor Duties Act 1979, Section 11).	Free of duty, subject to certain conditions (see Notice 64).
		Used in warehouse in specified proportions to fortify made-wine or wine. (Alcoholic Liquor Duties Act, 1979, Sections 57 and 68).	Free of spirits duty subject to such conditions as the Commissioners see fit to impose.
Beer: Having been removed from the registered premises of a brewer and returned to the brewer as spoiled or otherwise unfit for use (Alcoholic Liquor Duties Act 1979 Section 46(1))	Remission or repayment of duty (see The Beer Regulations 1993), Statutory Instrument 1993/1228—Part IX covers spoiled beer (Notice 226).	Tobacco products: Used solely for the purposes of research or experiment. (Tobacco Products Duty Act 1979, Section 2(2)).	Free of duty subject to such conditions as the Commissioners see fit to impose (see Notice 476).
Spirits: Contained in an article, imported or delivered from warehouse, recognised as being used for medical purposes. (Alcoholic Liquor Duties Act, 1979, Section 7).	Free of duty (see Notice 47).	Hydrocarbon Oil: Used on board vessels including hover craft but not pleasure craft engaged on marine voyages (Hydrocarbon Oil Duties Act (Marine Voyager Reliefs) Regulations 1996).	Light oil: repayment of duty paid; Heavy oil: shipment duty-free or repayment of duty paid (see Notice 263).
Proved to the satisfaction of the Commissioners of Revenue and Customs to have been used for scientific purposes or used solely in the manufacture or preparation of articles recognised by them as being used for medical purposes.	Spirits used for these purposes can be used for received duty free, from an excise warehouse, by traders properly authorised. (Notice 47).	Consumed in premises approved by the Commissioners of Revenue and Customs as a refinery in a process of chemical conversion into substances other than hydrocarbon oil. (Hydrocarbon Oil Duties Act, 1979, Section 6).	Free of duty (see Notice 179).

Scope of Relief and Statutory Provision	Nature and Conditions of Relief	Scope of Relief and Statutory Provision	Nature and Conditions of Relief
Heavy oil used in horticulture. (Hydrocarbon Oil Duties Act, 1979, Section 17).	Repayment of duty (see Notice 183).	(Hydrocarbon Oil Duties Act, 1979, Section 9).	
Delivered to a person approved by the Commissioners for use other than as motor fuel (including as extender or additive to motor fuel) or as heating fuel.	Delivery or importation free of duty or repayment of any excise duty paid (see Notice 184A).	Rebated oil used as fuel in power plants producing energy for the treatment or production of oil at refineries or producers' premises. (Hydrocarbon Oil Duties Act 1979, Sections 19A and 27(1)).	Free of excise duty if eligible for full relief; repayment of excise duty if eligible for partial relief (see Notice 179, Appendix K).

Section 14: Excise drawbacks and allowances

General

Under the Excise Goods (Drawback) Regulations 1995, regulation 7(6), duty on the goods must have been paid not more than 3 years before the event (eg exportation) giving rise to the claim for drawback.

The expression "stores" used in this Section means goods granted for use as stores in a ship or aircraft. To ship goods as stores means to load stores so granted into a ship or aircraft for use on board.

Conditions and rates-alcoholic liquors

Beer

Drawback equal to the excise duty shown to the satisfaction of the Commissioners of Revenue and Customs to have been paid under sub paragraph 12.6 may be claimed on beer imported or removed from the Isle of Man or produced in the United Kingdom on which it is shown that excise duty has been paid-upon being exported, or shipped as stores.

Conditions and rates-hydrocarbon oil

Drawback equal to the excise duty shown to the satisfaction of the Commissioners to have been paid under Section 12.12 may be claimed on hydrocarbon oil or any article containing hydrocarbon oil either as an ingredient of manufacture or preparation, or as a component of such an ingredient upon being exported, or shipped as stores, or warehoused for use as stores, or loaded into any aircraft for use on a flight to an eventual destination outside the United Kingdom (see Notice 172).