



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 13.12.1999
COM(1999) 671 final

Proposal for a

COUNCIL DECISION

authorising the Netherlands to apply a reduced rate of excise duty to certain mineral oils, when used for specific purposes, in accordance with the procedure provided for in Article 8(4) of Directive 92/81/EEC

(presented by the Commission)

EXPLANATORY MEMORANDUM

Under Article 8(4) of Council Directive 92/81/EEC on the harmonisation of the structures of excise duties on mineral oils¹, the Council, acting unanimously on a proposal from the Commission, may authorise any Member State to introduce exemptions from, or reductions in, excise duties on grounds of specific policy considerations.

The Dutch authorities have informed the Commission that they wish to apply a different (lower) rate of excise duty for LPG used by waste collection, drain suction and street cleaning vehicles. The duty will be NLG 125.56 per 1 000 kg. If the proposal is accepted the lower duty will apply from 1 May 2000.

It is the Dutch authorities' intention to reduce the use of diesel oil by certain types of vehicles operating in the urban environment by, inter alia, encouraging them to switch to gaseous fuels such as LPG. Waste collection, drain suction and street cleaning vehicles are one of these categories of vehicles. The aim is to reduce NOx emissions in the urban environment by ensuring that by 2010 between 40% and 60% of these vehicles use gaseous motor fuels.

These vehicles will, however, have to be adapted to run on LPG and this will involve extra expense. A lower excise duty for LPG would make LPG economically competitive with diesel oil.

The lower excise duty will apply solely to LPG for this category of vehicles. It will be applied by refunding the difference between the normal rate of excise duty and the lower rate. This is relatively easy to do and monitor as the vehicles in question are registered separately for motor vehicle tax purposes.

In accordance with Directive 92/81/EEC, the other Member States have been informed of this request.

The Directive provides for the Commission to review such exemptions and reductions periodically. If the Commission considers that they may no longer be applied because they distort competition or the operation of the internal market or are incompatible with Community policy on protection of the environment, it is to present appropriate proposals to the Council. In any event, this derogation must be reviewed no later than 31 December 2002, when the authorisation granted by the Decision expires. The Council will review the situation on the basis of a Commission proposal and decide whether the authorisation should be withdrawn, amended or extended.

¹ OJ L 316, 31.10.92, p. 12. Directive as last amended by Directive 94/74/EC (OJ L 365, 31.12.94, p. 46).

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council directive 92/81/EEC of 19 October 1992 on the harmonisation of the structures of excise duties on mineral oils², and in particular Article 8(4) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Pursuant to Article 8(4) of Directive 92/81/EEC, the Council, acting unanimously on a proposal from the Commission may authorise any Member State to introduce exemptions or reductions in the excise duty charged on mineral oils for special policy considerations.
- (2) The Dutch authorities have informed the Commission that they wish to apply a different (lower) rate of excise duty for LPG used by waste collection, drain suction and street cleaning vehicles as part of a plan to reduce NOx emissions in the urban environment by reducing the use of diesel fuel.
- (3) The other Member States have been informed thereof.
- (4) The Commission and all the Member States accept that the application of a different (lower) rate of excise duty for LPG used by waste collection, drain suction and street cleaning vehicles will not give rise to distortions of competition or hinder the operation of the internal market.
- (5) The Commission regularly reviews reductions and exemptions to check that they are compatible with the operation of the internal market or with Community policy on protection of the environment.
- (6) The Netherlands has requested authorisation to apply a different (lower) rate of excise duty for LPG used by waste collection, drain suction and street cleaning vehicles of NLG 125.56 per 1 000 kg from 1 May 2000; whereas the Council is to review its application on the basis of a report from the Commission no later than 31 December 2002 when the authorisation granted by this decision expires.

² OJ L 316, 31.10.92, p. 12. Directive as last amended by Directive 94/74/EC (OJ L 365, 31.12.94, p. 46).

HAS ADOPTED THIS DECISION:

Article 1

In accordance with Article 8(4) of Council Directive 92/81/EEC and notwithstanding the obligations imposed by Council Directive 92/82/EEC of 19 October 1992 on the approximation of the rates of excise duties on mineral oils³ and in particular the minimum rates laid down in Article 7 thereof, the Netherlands is hereby authorised to apply a different (lower) rate of excise duty for LPG used by waste collection drain suction and street cleaning vehicles from 1 May 2000 until 31 December 2002.

Article 2

This Decision is addressed to the Netherlands.

Done at Brussels,

For the Council
The President

³ OJ L 316, 31.10.92, p. 19. Directive as last amended by Directive 94/74/EC (OJ L 365, 31.12.94, p. 46).