



# Finance Act 2007

## 2007 CHAPTER 11

### PART 1

#### CHARGES, RATES, THRESHOLDS ETC

##### *Environment*

#### **10 Fuel duty rates and rebates**

- (1) The Hydrocarbon Oil Duties Act 1979 (c. 5) is amended as follows.
- (2) In section 6(1A) (hydrocarbon oil: rates of duty)—
  - (a) in paragraph (a) (ultra low sulphur petrol), for “£0.4835” substitute “£0.5035”,
  - (b) in paragraph (aa) (sulphur-free petrol), for “£0.4835” substitute “£0.5035”,
  - (c) in paragraph (b) (light oil other than ultra low sulphur petrol and sulphur-free petrol), for “£0.5768” substitute “£0.6007”,
  - (d) in paragraph (c) (ultra low sulphur diesel), for “£0.4835” substitute “£0.5035”,
  - (e) in paragraph (ca) (sulphur-free diesel), for “£0.4835” substitute “£0.5035”, and
  - (f) in paragraph (d) (heavy oil other than ultra low sulphur diesel and sulphur-free diesel), for “£0.5468” substitute “£0.5694”.
- (3) In section 6AA(3) (biodiesel), for “£0.2835” substitute “£0.3035”.
- (4) In section 6AD(3) (bioethanol), for “£0.2835” substitute “£0.3035”.
- (5) In section 8(3) (road fuel gas)—
  - (a) in paragraph (a) (natural road fuel gas), for “£0.1081” substitute “£0.1370”, and
  - (b) in paragraph (b) (other road fuel gas), for “£0.1221” substitute “£0.1649”.
- (6) In section 11(1) (rebate on heavy oil)—
  - (a) in paragraph (a) (fuel oil), for “£0.0729” substitute “£0.0929”,

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- (b) in paragraph (b) (gas oil which is not ultra low sulphur diesel), for “£0.0769” substitute “£0.0969”, and
- (c) in paragraph (ba) (ultra low sulphur diesel), for “£0.0769” substitute “£0.0969”.

- (7) In section 13A(1) (rebate on unleaded petrol), for “£0.0617” substitute “£0.0642”.
- (8) In section 14(1) (rebate on light oil for use as furnace oil), for “£0.0729” substitute “£0.0929”.
- (9) The amendments made by this section come into force on 1st October 2007.

## 11 Rates of vehicle excise duty

- (1) Schedule 1 to VERA 1994 (annual rates of duty) is amended as follows.
- (2) In paragraph 1 (general)—
  - (a) in sub-paragraph (2) (vehicle not covered elsewhere in Schedule otherwise than with engine cylinder capacity not exceeding 1,549cc), for “£175” substitute “£180”, and
  - (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£110” substitute “£115”.
- (3) Paragraph 1B (graduated rates for light passenger vehicles) is amended as follows.
- (4) For the words from “Table A” to “date,” substitute “the following table”.
- (5) For “, or is liable to the standard rate or the premium” substitute “or is liable to the standard”.
- (6) For Tables A and B substitute—

“TABLE

<i>CO<sub>2</sub> emissions figure</i>		<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>
100	120	15	35
120	150	95	115
150	165	120	140
165	185	145	165
185	225	190	205
225	—	285	300”

The table has effect in relation to vehicles first registered before 23rd March 2006 as if—

- (a) in column (3), in the last row, “190” were substituted for “285”, and
- (b) in column (4), in the last row, “205” were substituted for “300”.

- (7) For paragraphs 1D and 1E substitute—

*“The standard rate*

- 1D A vehicle is liable to the standard rate of duty if it does not qualify for the reduced rate of duty.”
- (8) In paragraph 1J (light goods vehicles)—
- (a) in sub-paragraph (a) (vehicle which is not lower-emission van), for “£170” substitute “£175”, and
  - (b) in sub-paragraph (b) (lower-emission van), for “£110” substitute “£115”.
- (9) In paragraph 2(1) (motorcycles)—
- (a) in paragraph (b) (motorbicycle and engine’s cylinder capacity more than 150cc but not more than 400cc), for “£31” substitute “£32”,
  - (b) in paragraph (c) (motorbicycle and engine’s cylinder capacity more than 400cc but not more than 600cc), for “£46” substitute “£47”, and
  - (c) in paragraph (d) (any other case), for “£62” substitute “£64”.
- (10) The amendments made by this section have effect in relation to licences taken out on or after 22nd March 2007.

## **12 Rates of air passenger duty**

- (1) Section 30 of FA 1994 (rates of air passenger duty) is amended as follows.
- (2) In subsection (3A) (destinations in EEA States and qualifying territories etc)—
- (a) in paragraph (a) (standard class travel), for “£5” substitute “£10”, and
  - (b) in paragraph (b) (any other case), for “£10” substitute “£20”.
- (3) In subsection (4) (other destinations)—
- (a) in paragraph (a) (standard class travel), for “£20” substitute “£40”, and
  - (b) in paragraph (b) (any other case), for “£40” substitute “£80”.
- (4) The amendments made by this section have effect in relation to any carriage of a passenger on an aircraft which begins on or after 1st February 2007.
- (5) But if the amount of duty due from any operator in the accounting period ending before 21st March 2007 increased as a result of those amendments, the operator is to pay the amount of that increase as if it became due in the first accounting period ending after that day.
- (6) Expressions which are used in subsection (5) and in the Air Passenger Duty Regulations 1994 ([S.I. 1994/1738](#)) have the same meaning in that subsection as in those regulations.

## **13 Rates of climate change levy**

- (1) For the Table in paragraph 42(1) of Schedule 6 to FA 2000 substitute—

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“TABLE

<i>Taxable commodity supplied</i>	<i>Rate at which levy payable if supply is not a reduced-rate supply</i>
Electricity	£0.00456 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	£0.00159 per kilowatt hour
Any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state	£0.01018 per kilogram
Any other taxable commodity	£0.01242 per kilogram”.

(2) The amendment made by subsection (1) has effect in relation to supplies treated as taking place on or after 1st April 2008.

#### **14 Rate of aggregates levy**

- (1) In section 16(4) of FA 2001 (rate of aggregates levy), for “£1.60” substitute “£1.95”.
- (2) The amendment made by subsection (1) has effect in relation to aggregate subjected to commercial exploitation on or after 1st April 2008.

#### **15 Rates of landfill tax**

- (1) Section 42 of FA 1996 (amount of landfill tax) is amended as follows.
- (2) In—
- (a) subsection (1)(a) (the standard rate), and
  - (b) subsection (2) (reference to the standard rate taken to be £2 in cases of disposals of qualifying material),
- for “£21” substitute “£24”.
- (3) The amendments made by subsection (2) have effect in relation to disposals made (or treated as made) on or after 1st April 2007 (but before 1st April 2008).
- (4) In subsection (1)(a), for “£24” substitute “£32” and, in subsection (2), for “£24 were to £2” substitute “£32 were to £2.50”.
- (5) The amendments made by subsection (4) come into force on 1st April 2008 and have effect in relation to disposals made (or treated as made) on or after that date.

#### **16 Emissions trading: charges for allocations**

- (1) The Treasury may impose charges by providing for Community tradeable emissions allowances to be allocated in return for payment.
- (2) The Treasury must by regulations make provision for and in connection with allocations of allowances in return for payment.
- (3) The regulations must provide for allocations to be overseen by an independent person appointed by the Treasury.

- (4) The regulations may make any other provision about allocations which the Treasury consider appropriate, including (in particular)—
- (a) provision as to the imposition of fees, and as to the making and forfeiting of deposits, in connection with participation in allocations,
  - (b) provision as to the persons by whom allocations are to be conducted,
  - (c) provision for the imposition and recovery of penalties for failure to comply with the terms of a scheme made under subsection (5),
  - (d) provision for and in connection with the recovery of payments due in respect of allowances allocated (including provision as to the imposition and recovery of interest and penalties), and
  - (e) provision conferring rights of appeal against decisions made in allocations, the forfeiting of deposits and the imposition of penalties (including provision specifying the person, court or tribunal to hear and determine appeals).
- (5) The Treasury may make schemes about the conduct and terms of allocations (to have effect subject to any regulations under this section); and schemes may in particular include provision about—
- (a) who may participate in allocations,
  - (b) the allowances to be allocated, and
  - (c) where and when allocations are to take place.
- (6) “Community tradeable emissions allowances” are transferable allowances which—
- (a) relate to the making of emissions of greenhouse gases, and
  - (b) are allocated as part of a system made for the purpose of implementing any Community obligation of the United Kingdom relating to such emissions;
- and “greenhouse gases” means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.
- (7) Regulations under this section are to be made by statutory instrument.
- (8) A 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 regulations has been laid before, and approved by a resolution of, that House.