


Procedure file

Basic information		
CNS - Consultation procedure Directive	1992/1004(CNS)	Procedure lapsed or withdrawn
Excise duties: motor fuels from agricultural sources		
Subject 2.70.02 Indirect taxation, VAT, excise duties 3.60.02 Oil industry, motor fuels		

Key players			
European Parliament			
Council of the European Union			
	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	1856	19/06/1995
	Economic and Financial Affairs ECOFIN	1781	27/07/1994

Key events			
21/02/1992	Legislative proposal published	COM(1992)0036	Summary
06/04/1992	Committee referral announced in Parliament		
27/01/1994	Vote in committee		Summary
27/01/1994	Committee report tabled for plenary, 1st reading/single reading	A3-0047/1994	
07/02/1994	Debate in Parliament		Summary
08/02/1994	Decision by Parliament	T3-0055/1994	Summary
01/07/1994	Modified legislative proposal published	COM(1994)0147	Summary
27/07/1994	Debate in Council	1781	
19/06/1995	Debate in Council	1856	Summary
17/12/1998	End of procedure in Parliament		
17/12/1998	Additional information		Summary

Technical information	
Procedure reference	1992/1004(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation

Legislative instrument	Directive
Legal basis	EC before Amsterdam E 099
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	ECON/3/03621

Documentation gateway

Legislative proposal	COM(1992)0036 OJ C 073 24.03.1992, p. 0006	21/02/1992	EC	Summary
Economic and Social Committee: opinion, report	CES0627/1992 OJ C 223 31.08.1992, p. 0001	26/05/1992	ESC	Summary
Committee report tabled for plenary, 1st reading/single reading	A3-0047/1994 OJ C 061 28.02.1994, p. 0005	27/01/1994	EP	
Text adopted by Parliament, 1st reading/single reading	T3-0055/1994 OJ C 061 28.02.1994, p. 0025-0037	08/02/1994	EP	Summary
Modified legislative proposal	COM(1994)0147 OJ C 209 29.07.1994, p. 0009	01/07/1994	EC	Summary

Additional information

European Commission	EUR-Lex
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Excise duties: motor fuels from agricultural sources

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The Committee adopted the report by Mr Herman (PPE, B) by 17 votes to 11. In a preliminary statement, the rapporteur stressed the importance of this text, particularly for agriculture. He also pointed out that the tax concessions granted to biofuels would constitute a neutral transaction for users - the pump price did not change - since the exemption represented only a loss of revenue for the treasuries of the States applying that tax remission. After rejecting two amendments calling for the total rejection of the directive, the Committee examined the other amendments. The rapporteur was opposed to the simultaneous adoption of two of them, one making the exemption optional - which Mr Herman was willing to accept - and the other increasing the excise rate. He therefore submitted a compromise in order to reduce the scope of these two texts. After that compromise was rejected, the Committee gave its approval for the regime to be made optional, but also for the excise rate to be no lower than 50% of the rate applied on unleaded petrol (the Committee's proposal previously envisaged a rate which could be no higher than 100%). At the end of the vote, Mr Herman emphasised that, by reducing the tax concessions, 'biofuels were not going to be allowed to be competitive and it would have been better to provide for an evolutionary system, providing for an increase in taxation in parallel with a possible reduction in the cost price of biofuels'. The other amendments adopted concerned the following points: . full tax remission for products obtained by pyrolysis; if research in this field was successful, any vegetable product could serve to produce biofuels, . increased transparency, since the Commission had to report on the biofuel situation not only to the Council, but also to Parliament, . tax concessions would be reserved for biofuels from fallow land, in accordance with the reform of the CAP, and from crops complying with an agricultural code of good practice, in particular in order to reduce the risk of pollution by nitrates, . the protection of polyalcohols (sorbitol, inter alia) obtained from sugar or cereals, ensuring that the glycerine obtained as a by-product of biofuels was not offered on the market since it would enter into competition with those products. ?

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Adopting the report by Mr HERMAN (PPE, B) by 147 votes to 125 with 2 abstentions, the European Parliament voted in favour of tax concessions on bio fuels by setting certain ceilings. Consequently, Parliament called for excise rates applicable to bioethanol, methanol and vegetable oils modified chemically or otherwise to be at least 10% of the excise rate applicable to unleaded petrol in the Member State in question (251/27/1). In ten years' time, the rates will rise to 20% and five years later they will rise to 30% and so on every five years until they reach 50%.?

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1) CONTENT 1. The bio fuels subject to the reduced rate are: ethyl alcohol (bioethanol) or methyl alcohol (methanol) and vegetable oils modified chemically or otherwise, as defined in the directive. 2. The rates of excise applicable are: * bioethanol and methanol: a maximum of 10% of the excise rate applicable to unleaded petrol in the Member State in question; * vegetable oils: a maximum of 10% of the rate of excise applicable to automotive gas oil in the Member State in question. 3. The Member States are responsible for controlling the manufacture, storage, mixing and distribution of these products. 4. The Commission will present the Council with a report every two years, so that the Council can evaluate the fiscal, economic, agricultural, energy, industrial and environmental aspects of the directive. The first report to the Council will be due on 31 December 1997 at the latest. 2) OBJECTIVE To reduce the rate of excise on bio fuels in order to promote the Community's agricultural, energy and environmental policies.

Excise duties: motor fuels from agricultural sources

The Council had a brief discussion on the difficulties arising in connection with the Commission's proposal concerning excise duties on biofuels. It then asked the Commission to continue looking for an appropriate solution to the problem.

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This proposal was withdrawn by the Commission because it was no longer considered to be of relevance.?