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Basic information	
CNS - Consultation procedure Directive	2021/0213(CNS)
Energy Taxation Directive	Awaiting committee decision
Subject 2.70.02 Indirect taxation, VAT, excise duties 3.60.01 Solid fuels, coal mining, mining industry 3.60.02 Oil industry, motor fuels 3.60.03 Gas, electricity, natural gas, biogas 3.60.05 Alternative and renewable energies 3.60.08 Energy efficiency 3.70.02 Atmospheric pollution, motor vehicle pollution 3.70.03 Climate policy, climate change, ozone layer 3.70.15 Environmental taxation	
Legislative priorities <a href="#">Joint Declaration 2021</a> <a href="#">Joint Declaration 2022</a> <a href="#">Joint Declaration 2023-24</a>	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 <a href="#">Economic and Monetary Affairs</a>	 <a href="#">VAN OVERTVELDT Johan</a> Shadow rapporteur	01/09/2021
		 <a href="#">MARTUSCIELLO Fulvio</a>	
		 <a href="#">SCHUSTER Joachim</a>	
		 <a href="#">KOVAŘÍK Ondřej</a>	
		 <a href="#">GRUFFAT Claude</a>	
		 <a href="#">BECK Gunnar</a>	
		 <a href="#">GUSMÃO José</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	 <a href="#">Fisheries</a>	 <a href="#">MATO Gabriel</a>	30/11/2021
	 <a href="#">Agriculture and Rural Development</a>	 <a href="#">HLAVÁČEK Martin</a>	15/02/2022
	 <a href="#">Environment, Public Health and Food Safety</a>	The committee decided not to give an opinion.	

Council of the European Union European Commission	TRAN <a href="#">Transport and Tourism</a>		29/10/2021
		 <a href="#">GRAPINI Maria</a>	
	ITRE <a href="#">Industry, Research and Energy</a> (Associated committee)		28/09/2021
	Committee for opinion on the recast technique	 <a href="#">HAJŠEL Robert</a> Rapporteur for opinion	Appointed
	JURI <a href="#">Legal Affairs</a>		01/07/2021
		 <a href="#">AUBRY Manon</a>	
	Commission DG <a href="#">Taxation and Customs Union</a>	Commissioner GENTILONI Paolo	

Key events			
14/07/2021	Legislative proposal published	<a href="#">COM(2021)0563</a>	Summary
07/10/2021	Committee referral announced in Parliament		
11/11/2021	Referral to associated committees announced in Parliament		

Technical information	
Procedure reference	2021/0213(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Recast
Legislative instrument	Directive
Legal basis	Treaty on the Functioning of the EU TFEU 192-p2-a2; Rules of Procedure EP 57; Rules of Procedure EP 110
Stage reached in procedure	Awaiting committee decision
Committee dossier	ECON/9/06932

Documentation gateway					
Legislative proposal		<a href="#">COM(2021)0563</a>	14/07/2021	EC	Summary
Document attached to the procedure		SEC(2021)0663	15/07/2021	EC	
Document attached to the procedure		SWD(2021)0640	15/07/2021	EC	
Document attached to the procedure		SWD(2021)0641	15/07/2021	EC	
Document attached to the procedure		SWD(2021)0642	15/07/2021	EC	
Committee draft report		<a href="#">PE719.624</a>	28/02/2022	EP	
Specific opinion	JURI	<a href="#">PE729.819</a>	02/03/2022	EP	
Committee opinion	PECH	<a href="#">PE700.684</a>	22/03/2022	EP	
Amendments tabled in committee		<a href="#">PE731.499</a>	07/04/2022	EP	
Amendments tabled in committee		<a href="#">PE729.998</a>	08/04/2022	EP	

Committee of the Regions: opinion		<a href="#">CDR4801/2021</a>	28/04/2022	CofR
Committee opinion	TRAN	<a href="#">PE704.637</a>	18/05/2022	EP
Committee opinion	AGRI	<a href="#">PE719.785</a>	18/05/2022	EP
Committee opinion	ITRE	<a href="#">PE719.575</a>	03/06/2022	EP

## Energy Taxation Directive

**PURPOSE:** to restructure the EU framework for the taxation of energy products and electricity (recast).

**PROPOSED ACT:** Council Directive.

**ROLE OF THE EUROPEAN PARLIAMENT:** the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

**BACKGROUND:** the taxation of energy products and electricity plays an important role in the area of climate and energy policy. The harmonised rules set under the Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity (Energy Taxation Directive or ETD) aim to ensure the proper functioning of the internal market. However, since the adoption of the ETD, the underlying climate and energy policy framework has changed radically and the Directive is no longer aligned with current EU policies.

The European Green Deal launched a new growth strategy for the EU that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. The [European Climate Law](#) has made the EU's climate neutrality target by 2050 legally binding.

The Commission has presented a complementary and interconnected set of proposals as part of the 2030 Climate and Energy Fit for 55 package to achieve the greenhouse gas emission reduction target of at least 55% compared to 1990. This Fit for 55 legislative package is the most comprehensive building block in the efforts to implement the ambitious new 2030 climate target, and all economic sectors and policies will need to make their contribution.

The proposal for recasting is part of this package as it focuses on environmental and climate issues to support the Commissions commitment to tackling environmental-related challenges and achieve the EUs domestic greenhouse gas emissions reductions objectives and air pollution reduction.

**CONTENT:** this proposal for a Council Directive aims to align the taxation of energy products with EU energy and climate policies, promote clean technologies and remove outdated exemptions and reduced rates that currently encourage the use of fossil fuels. The new rules aim at reducing the harmful effects of energy tax competition, helping secure revenues for Member States from green taxes, which are less detrimental to growth than taxes on labour.

It proposes with effect from first of January 2023:

- the introduction of a new structure of tax rates based on the energy content and environmental performance of the fuels and electricity: taxation based on energy content provides a better benchmark for comparing different energy products and electricity and removes the current disadvantageous tax treatment of certain products, such as biofuels. Minimum rates would be set on the basis of the energy content (calculated in EUR/gigajoule) of each product;
- the grouping of energy products and electricity into general categories by type, according to a classification that takes into account energy content and environmental performance so that the most polluting fuels are the most taxed. Member States should replicate this ranking at national level. Electricity should always be included among the least taxed energy sources in order to encourage its use, particularly in the transport sector;
- broadening the taxable base defined in the Directive by including more products in the scope and removing some of the existing exemptions and reductions. It would still be possible to apply certain reduced rates, such as those applicable to electricity or advanced energy products produced from renewable energy sources and to primary sector industries such as farming;
- different minimum levels of taxation for motor fuels, heating fuels and electricity. Over a ten-year period, the minimum rates for these fuels would gradually increase, while low-carbon fuels for these sectors would have a zero minimum rate to encourage their use;
- taxation of energy products and electricity used by aircraft and ships. Energy products and electricity supplied for intra-EU air navigation (with the exception of those supplied for cargo-only flights) and for intra-EU inland waterway navigation, including fishing, should be taxed;
- the possibility of tax exemptions for certain products or for electricity from certain sources such as renewable electricity, non-biological renewable fuels, etc.

Transparency				
GRUFFAT Claude	Shadow rapporteur	ECON	30/03/2023	Client Earth
KOVA?IK Ond?ej	Shadow rapporteur	ECON	14/06/2022	COGEN Europe
GUSMÃO José	Shadow rapporteur	ECON	30/03/2022	Indústria Cimenteira

VAN OVERTVELDT Johan	Rapporteur	ECON	18/03/2022	BUSINESSEUROPE
KOVA?ÍK Ond?ej	Shadow rapporteur	ECON	09/03/2022	Airlines for Europe
KOVA?ÍK Ond?ej	Shadow rapporteur	ECON	24/01/2022	Hydrogen Europe
KOVA?ÍK Ond?ej	Shadow rapporteur	ECON	13/01/2022	Eurogas
KOVA?ÍK Ond?ej	Shadow rapporteur	ECON	12/01/2022	Cruise Lines International Association Europe
VAN OVERTVELDT Johan	Rapporteur	ECON	11/01/2022	Koninklijke Belgische Redersvereniging
NAGTEGAAL Caroline	Shadow rapporteur	TRAN	07/12/2021	EUROGAS aisbl