



# Legislative changes to allow agricultural vehicles to use rebated fuel when gritting roads.

August 2013

## Background

Agricultural vehicles are often the only vehicles capable of both clearing and gritting roads in rural communities and their use could make a difference in maintaining road access for supply vehicles and the emergency services during extreme weather.

Recent severe winters in the UK led to increased calls for farmers to use their tractors to grit roads. However, the Hydrocarbon Oil Duties Act 1979 (“HODA”) provides that only vehicles that are constructed or adapted, and used, solely for gritting roads can use red diesel for that purpose.

In July 2012, HMRC launched a consultation to establish whether a permanent change to the legislation was desirable. The response was overwhelmingly positive, with the change expected to benefit rural communities, whilst the potential effect on gritting businesses and supplies of salt and grit was thought to be minimal.

Based on this response, HMRC announced its intention to amend Schedule 1 to the Hydrocarbon Oil Duties Act 1979 (“HODA”) to allow agricultural vehicles to use rebated fuel (“red diesel”) when gritting roads.

In July 2013, HMRC invited comments on the draft statutory instrument (SI) to extend the eligible activities for agricultural tractors and light agricultural vehicles to include gritting.

## Response to the consultation on the draft legislation

The draft SI was published for consultation on 1 July 2013. Two of the respondents – the Farmers Union of Wales (FUW) and the National Farmers Union (NFU) – which together represent more than 100,000 farming, growing and countryside members, considered that the amendment should also include agricultural material handlers.

Agricultural material handlers are used solely for agricultural, horticultural and forestry activities and therefore routinely use rebated fuel. They differ from tractors only in that they have built-in equipment designed to lift goods or burden. There are a wide variety of material handlers on the market, many of which are technically suitable to be used for gritting.

HMRC accepts that due to their versatility, these vehicles are suitable for snow clearance and gritting and that there will be some situations where agricultural material handlers will be the most appropriate vehicle for the task.

HMRC agrees that permitting them to grit public roads using red diesel would improve farmers' ability to make use of the most suitable, readily available equipment when the need arises. Therefore, the draft SI has been amended to add gritting as a permitted activity in the agricultural material handlers category.

## Next steps and implementation timetable

HMRC will lay the draft SI in September, with the changes coming into effect in time for the forthcoming winter.

HMRC will publicise when the changes will come into effect.