

**EXPLANATORY NOTE**

**NEW CLAUSE 1: Fuel duties: rates of duty and rebates from 1 August 2012 to 31 December 2012**

**SUMMARY**

1. New clause 1 provides that the fuel duty changes made by section 20 of Finance Act 2011 will now come into effect on 1 January 2013.

**DETAILS OF THE CLAUSE**

2. The amendment introduces a new clause to defer to 1 January 2013 the fuel duty increases which were legislated for in section 20 of Finance Act 2011.

**BACKGROUND NOTE**

3. Section 20 of the Finance Act 2011 sets out the rates of fuel duty and rebates with effect from 1 January 2012. At last year's Autumn Statement the Chancellor announced that these increases in duty would be deferred to 1 August 2012. Secondary legislation was introduced in the form of the Excise Duties (Surcharges or Rebates) (Hydrocarbon Oils etc) Order 2011 (S.I. 2011/ 2904) and the Excise Duties (Road Fuel Gas) (Reliefs) (No.2) Regulations 2011 (S.I. 2011/3064) (made under vires in section 20AA of the Hydrocarbon Oils Duties Act 1979), the effect of which has been to delay any increase to 1 August 2012.
4. To support motorists with the cost of fuel, the Government will defer the 3.02ppl fuel duty increase that would have taken effect on 1 August 2012 to 1 January 2013. This new clause provides for this.