

1 Climate change levy: carbon price support rates for 2014-15 and 2015-16

- (1) Paragraph 42A of Schedule 6 to FA 2000 (climate change levy: carbon price support rates) is amended as follows.
- (2) In the table in sub-paragraph (3), as substituted by paragraph 23 of Schedule 42 to FA 2013, for “£0.85489 per gigajoule” substitute “£0.81906 per gigajoule”.
- (3) The amendment made by subsection (2) has effect in relation to supplies treated as taking place on or after 1 April 2014.
- (4) In the table in sub-paragraph (3), as substituted by paragraph 24 of Schedule 42 to FA 2013, for “£1.62534 per gigajoule” substitute “£1.56860 per gigajoule”.
- (5) The amendment made by subsection (4) has effect in relation to supplies treated as taking place on or after 1 April 2015.

EXPLANATORY NOTE

CLIMATE CHANGE LEVY: CARBON PRICE SUPPORT RATES FOR 2014-15 AND 2015-16

SUMMARY

1. This measure amends the carbon price support (CPS) rates of climate change levy (CCL) for coal and other solid fossil fuels with effect from 1 April 2014 and 1 April 2015.

DETAILS OF THE CLAUSE

2. Subsection (1) provides for Paragraph 42A of Schedule 6 to FA 2000 which sets out the CPS rates of CCL to be amended.

3. Subsection (2) provides a revised CPS rate for coal, lignite, coke and semi-coke of coal and lignite, and petroleum coke and subsection (3) provides for this amendment to be effective from 1 April 2014.

4. Subsection (4) provides a revised CPS rate for the same types of coal and other solid fossil fuels referred to in paragraph 3 above and subsection (5) provides for this amendment to be effective from 1 April 2015.

BACKGROUND NOTE

5. The CPS rates of CCL are legislated two years in advance based on a rate per tonne of carbon set for that year by the Government. An error in published data resulted in the CPS rate for coal and other solid fossil fuels being set too high for 2014-15 and 2015-16 when the rates were legislated in Finance Act 2013. This measure corrects these rates, bringing them into line with the rate per tonne of carbon, and ensuring that they are proportionate with the CPS rates on other taxable commodities.

6. If you have any questions about this change, or comments on the legislation, please contact Tim Smith on 03000 585475 (email: timothy.smith@hmrc.gsi.gov.uk).