



## HYDROCARBON OIL DUTIES ACT 1986

### HYDROCARBON OIL DUTIES ACT 1986 (AMENDMENT) ORDER 2005

*Approved by Tynwald*

*22<sup>nd</sup> June 2005*

*Coming into operation*

*In accordance with article 1*

In exercise of the powers conferred on the Treasury by section 28(2) of the Hydrocarbon Oil Duties Act 1986<sup>(a)</sup>, section 180 of the Customs and Excise Management Act 1986<sup>(b)</sup> and of all other powers enabling it in that behalf, the following Order is hereby made:-

#### **Citation, commencement and interpretation**

1. (1) This Order may be cited as the Hydrocarbon Oil Duties Act 1986 (Amendment) Order 2005 and, subject to section 180(3) of the Customs and Excise Management Act 1986, shall come into operation as follows –

(a) articles 2 to 6 on 14<sup>th</sup> April 2005,

(b) article 7 on 1<sup>st</sup> September 2005.

(2) In this Order, “the Act” means the Hydrocarbon Oil Duties Act 1986.

#### **Road fuel gas**

2. (1) At the end of section 5 of the Act (road fuel gas) (which becomes subsection (1)) add –

“(2) In this Act “natural road fuel gas” is road fuel gas with a methane content of not less than 80%.”

(2) For section 8(3) of the Act (rate of duty on road fuel gas) substitute –

“(3) The rate of the duty under this section shall be –

(a) in the case of natural road fuel gas, £0.0900 a kilogram,  
and

(b) in any other case, £0.0900 a kilogram.”

(3) After section 24(2) of the Act (regulations) insert –

<sup>(a)</sup> 1986 c.38.

<sup>(b)</sup> 1986 c.34.

“(2A) In the case of regulations made for the purposes mentioned in subsection (1)(b), different regulations may be made for different classes of road fuel gas.”.

### **Sulphur-free fuel**

3. (1) For section 1(7) and (8) of the Act (descriptions of hydrocarbon oil: ultra low sulphur petrol and unleaded petrol) substitute –

“(7) “Ultra low sulphur petrol” means unleaded petrol –

- (a) the sulphur content of which does not exceed 0.005 per cent. by weight,
- (b) the aromatics content of which does not exceed 35 per cent. by volume, and
- (c) which is now sulphur-free petrol.

(7A) “Sulphur-free petrol” means unleaded petrol the sulphur content of which does not exceed 0.001 per cent. by weight (or is nil).

(8) “Unleaded petrol” means petrol that contains not more than 0.013 grams of lead per litre of petrol; and petrol is “leaded petrol” if it is not unleaded petrol.”.

(2) For section 1(6) of the Act (ultra low sulphur diesel) substitute –

“(6) “Ultra low sulphur diesel” means gas oil –

- (a) the sulphur content of which does not exceed 0.005 per cent. by weight,
- (b) the density of which does not exceed 835 kilograms per cubic metre at a temperature of 15°C,
- (c) of which not less than 95 per cent. by volume distils at a temperature not exceeding 345°C, and
- (d) which is not sulphur-free diesel.

(6A) “Sulphur-free diesel” means gas oil the sulphur content of which does not exceed 0.001 per cent. by weight (or is nil).”.

(3) In section 1(1) of the Act for “Subsections (2) to (6)” substitute “Subsections (2) to (8)”.

(4) For section 2A(1) of the Act (power to amend definitions) substitute –

“(1) The Treasury may by order amend the definition for the purposes of this Act of –

- (a) sulphur-free diesel;

- (b) sulphur-free petrol;
- (c) ultra low sulphur diesel;
- (d) ultra low sulphur petrol;
- (e) unleaded petrol and leaded petrol.”.

(5) In section 6(1A) of the Act (rates of duty) –

(a) after paragraph (a) insert –

“(aa) £0.4710 a litre in the case of sulphur-free petrol;”,

(b) in paragraph (b) after the words “other than ultra low sulphur petrol” insert “and sulphur-free petrol”,

(c) after paragraph (c) insert –

“(ca) £0.4710 a litre in the case of sulphur-free diesel;”, and

(d) in paragraph (d) after the words “other than ultra low sulphur diesel” insert “and sulphur-free diesel”.

(6) In section 13AA(6) of the Act (restrictions on use of rebated kerosene) after the words “which is not ultra low sulphur diesel” insert “or sulphur-free diesel”.

(7) In section 13A(1) of the Act (rebate on unleaded petrol) after the words “, other than ultra low sulphur petrol” insert “and sulphur-free petrol”.

(8) In section 30 of the Act (interpretation) –

(a) after the definition of “road vehicle” insert –

““sulphur-free diesel” has the meaning given by section 1(6A);

“sulphur-free petrol” has the meaning given by section 1(7A);”, and

(b) in the definition of “unleaded petrol” and “leaded petrol” for the words “section 1(3B)” substitute “section 1(8)”.

### **Rebate on heavy oil**

4. In section 11(1)(a) (fuel oil), for “£0.0382” substitute “£0.0482”.

### **Aviation gasoline**

5. In section 6(3) (aviation gasoline), for the words “subsection (1A) in relation to light oil” substitute “subsection (1A)(b)”.

## Restrictions on use of rebated kerosene

6. In section 13AA(1) (restrictions on use of rebated kerosene), for the words “for rebated gas oil with is then in force, instead of at the rate then in force under section 11(1)(c)” substitute “then in force under paragraph (b) of subsection (1) of section 11, instead of at the rate then in force under paragraph (c) of that subsection”.

## Rates of hydrocarbon oil duties etc. from 1<sup>st</sup> September 2005

7. (1) The Act is amended as follows.
- (2) In subsection (1A) of section 6 (hydrocarbon oil: rates of duty) –
- (a) in paragraph (a) (ultra low sulphur petrol), for “£0.4710” substitute “£0.4832”,
  - (b) in paragraph (aa) (sulphur-free petrol), for “£0.4710” substitute “£0.4832”,
  - (c) in paragraph (b) (light oil other than ultra low sulphur petrol and sulphur-free petrol), for “£0.5620” substitute “£0.5766”,
  - (d) in paragraph (c) (ultra low sulphur diesel), for “£0.4710” substitute “£0.4832”,
  - (e) in paragraph (ca) (sulphur-free diesel), for “£0.4710” substitute “£0.4832”, and
  - (f) in paragraph (d) (heavy oil other than ultra low sulphur diesel and sulphur-free diesel), for “£0.5327” substitute “£0.5465”.
- (3) In section 6AA(3) (biodiesel), for “£0.2710” substitute “£0.2832”.
- (4) In section 6AD(3) (bioethanol), for “£0.2710” substitute “£0.2832”.
- (5) In section 8(3) (road fuel gas) –
- (a) in paragraph (a) (natural road fuel gas), for “£0.0900” substitute “£0.1080”, and
  - (b) in paragraph (b) (other road fuel gas), for “£0.0900” substitute “£0.1270”.
- (6) In section 11(1) (rebate on heavy oil) –
- (a) in paragraph (a) (fuel oil), for “£0.0482” substitute “£0.0604”,
  - (b) in paragraph (b) (gas oil which is not ultra low sulphur diesel), for “£0.0522” substitute “£0.0644”, and
  - (c) in paragraph (ba) (ultra low sulphur diesel), for “£0.0522” substitute “£0.0644”.
- (7) In section 13A(1) (rebate on unleaded petrol), for “£0.0601” substitute “£0.0617”.

(8) In section 14(1) (rebate on light oil for use as furnace oil), for “£0.0482” substitute “£0.0604”.

Made this

13<sup>th</sup>

day of

April

2005

Minister for the Treasury

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### EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order makes various amendments to the Hydrocarbon Oil Duties Act 1986.

Article 2 amends the Act, allowing for a separate rate of excise duty on road fuel gas that is natural gas. This article comes into operation on 14<sup>th</sup> April 2005, and article 7(2) then goes on to set new rates of duty with effect from 1<sup>st</sup> September 2005.

Article 3 amends the Act to provide for sulphur-free petrol and sulphur-free diesel from 14<sup>th</sup> April 2005. Article 7(2) then sets new rates of duty for these products with effect from 1<sup>st</sup> September 2005.

Article 4 corrects a minor textual error in section 11 of the Act.

Article 5 makes a minor modification of section 6(3) of the Act in relation to aviation gasoline.

Article 6 amends section 13AA of the Act, correcting the wording of subsection (1).

Article 7 sets out the new rates of excise duty on oils, road-fuel gas, biodiesel and bioethanol that take effect from 1<sup>st</sup> September 2005.

