

1 Climate change levy: carbon price support rates

Schedule 1 removes certain exemptions from the climate change levy and introduces carbon price support rates.

SCHEDULES

SCHEDULE 1

Section 1

CLIMATE CHANGE LEVY: CARBON PRICE SUPPORT RATES

- 1 Schedule 6 to FA 2000 (climate change levy) is amended as follows.
- 2 (1) Amend paragraph 14 as follows.
 - (2) In sub-paragraph (1) for “a taxable commodity” substitute “electricity”.
 - (3) In sub-paragraphs (1)(a), (2)(b) and (3)(b) for “commodity” substitute “electricity”.
- 3 (1) Amend paragraph 15 as follows.
 - (2) In sub-paragraph (1) –
 - (a) for “a taxable commodity” substitute “electricity”, and
 - (b) in paragraph (a) for “commodity” substitute “electricity”.
 - (3) In sub-paragraphs (2)(a) and (3) for “a taxable commodity” substitute “electricity”.
- 4 After paragraph 21(2) insert –
 - “(2A) In sub-paragraph (2)(b) “taxable supply” does not include a taxable supply subject to the carbon price support rates (see paragraph 42A).”
- 5 Before paragraph 42(2) insert –
 - “(1B) Sub-paragraph (1) does not apply to a taxable supply subject to the carbon price support rates (see paragraph 42A).”
- 6 After paragraph 42 insert –
 - “42A(1) This paragraph applies if a taxable supply is subject to the carbon price support rates.
 - (2) A taxable supply is subject to the carbon price support rates if it is a taxable supply of a taxable commodity, apart from electricity, to a person to be used by that person in producing electricity.
 - (3) A taxable supply not covered by sub-paragraph (2) is subject to the carbon price support rates if it is a taxable supply of a taxable commodity, apart from electricity, to a person who intends to cause the commodity to be used in –
 - (a) a fully exempt combined heat and power station, or
 - (b) a partly exempt combined heat and power station, in producing any outputs of the station.

For this purpose “outputs” has the meaning given by paragraph 148(9).

- (4) The amount payable by way of levy on the taxable supply is the amount ascertained by applying the relevant carbon price support rate; and the levy payable on a fraction of a quantity of a commodity is that fraction of the levy payable on that quantity of the commodity.
- (5) The carbon price support rates are as follows.

<i>Taxable commodity supplied</i>	<i>Carbon price support rate</i>
Gas supplied by a gas utility or any gas supplied in a gaseous state that is of a kind supplied by a gas utility	£[] per kilowatt hour
Any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state	£[] per kilogram
Any other taxable commodity (apart from electricity)	£[] per kilogram

- (6) The Commissioners may by regulations make provision for giving effect to this paragraph.
- (7) Regulations under sub-paragraph (6) may, in particular, include provision for determining whether or not a taxable supply is subject to the carbon price support rates.”

7 In paragraph 101(2)(a) –

- (a) omit the “or” after sub-paragraph (ii), and
- (b) for the “and” after sub-paragraph (iv) substitute “or
 - (v) a taxable supply (or taxable supplies) subject to the carbon price support rates, and”.

8 The amendments made by this Schedule have effect in relation to supplies treated as taking place on or after 1 April 2013.