

Mineral Oil Tax Carbon Charge

Relief from Mineral Oil Tax Carbon Charge for mineral oil used in installations that are covered by Greenhouse Gas Emissions Permits.

Section 64 of the Finance Act 2010 amends Mineral Oil Tax law (Chapter 1 of Part 2 of the Finance Act 1999) to provide for a Carbon Charge on mineral oil, and for a relief from that charge for mineral oil that is used in installations covered by greenhouse gas emissions permits.

Persons who receive, either from a tax warehouse or directly by importation, mineral oil that is exclusively for a use that is covered by their greenhouse gas emissions permit may make written application to their local Revenue office to obtain the oil free of the carbon charge. There is no specific form for this application, but permit holders have been notified by letter that they are required to provide a copy of their greenhouse gas emissions permit, as well as details of:

- their annual usage of mineral oil,
- the categories involved (e.g. heavy fuel oil, gas oil, kerosene, etc.),
- the purpose for which the oil is used,
- the tax warehouse or tax warehouses involved, or, in the case of importation, the route applicable.

Where satisfied with the bona fides of an application, the local district should issue a written authorisation which will enable the applicant to receive the mineral oil free of the carbon charge, subject to compliance with certain conditions. On receipt of this authorisation, the applicant may then lodge a copy of it with the warehouse from which they receive their oil, or produce it as necessary to the Revenue officer dealing with excise duty entries in relation to their oil importations.

Warehouse control officers and officers dealing with oil importations may allow relief from the carbon charge element of the Mineral Oil Tax on production of the authorisation. They should send a quarterly advice of the quantity and type of oil released to greenhouse gas emissions permit holders, without payment of the carbon charge during the previous 3 months, to the permit holders' local districts.

A specimen authorisation letter and set of conditions, which may be modified by the local district as considered appropriate to the circumstances of individual cases, is set out below. The authorisation letter should be accompanied by a schedule setting out the quantities of mineral oil approved under the authorisation.

Application Date: ___ / ___ / 2010

From: _____

Subject: Authority to receive mineral oil, without payment of carbon charge, for use in an installation covered by a greenhouse gas emissions permit.

Dear Sir/Madam,

The Revenue Commissioners hereby authorise you to receive annually quantities of mineral oil as set out in the attached Schedule without payment of Mineral Oil Tax Carbon Charge, in accordance with section 100(1B) of the Finance Act 1999 (as inserted by section 64(1)(i) of the Finance Act 2010), subject to the following conditions:

1. A bond in a suitable amount will be entered into for the proper use of the oil in accordance with the terms of the authorisation if the Revenue Commissioners should so require;
2. The oil is obtained from a tax warehouse or directly by importation;
3. The oil is delivered directly to the installation for immediate use or is stored there separate from all other mineral oils in a designated and secure tank;
4. The oil is used exclusively for a use that is covered by your greenhouse gas emissions permit;
5. A stock account is kept on which must be entered daily particulars of all oil received without payment of Mineral Oil Tax Carbon Charge, the quantities used and the purpose for which used, and this account is produced for inspection to any officer of the Revenue Commissioners, if and when required;
6. An officer of the Revenue Commissioners will have permission, at all reasonable times, to inspect and take copies of, or extracts from, any books, accounts or other documents or records;
7. You will be responsible for the duty liability in respect of oil which is not accounted for by you to the satisfaction of Revenue;
8. Officers of the Revenue Commissioners are allowed access, at all reasonable times, to the area where the oil is stored and to sample and take account of the oil, if and when required;
9. All books, accounts and other documents or records relating to oil received free of Mineral Oil Tax Carbon Charge by you under this authorisation must be retained by you for inspection for at least 6 years from the date of the last transaction therein;
10. Revenue reserve the right to vary or add to these conditions at any time or to withdraw the authorisation where they deem fit;
11. The authorisation will be reviewed on 31/12/2012.

Yours faithfully,

Principal Officer