

Solid Fuel Carbon Tax (SFCT) Compliance Procedures Manual

Document last updated June 2024

Note: This manual is currently subject to review and may not reflect up-to-date position.

Most recent version.

Table of Contents

1.	Introduction.....	4
1.1.	This Manual	4
1.2.	Solid Fuel Carbon Tax (SFCT) Overview	4
1.3.	Definitions	4
1.4.	Legislation.....	5
1.4.1.	National Law	5
1.4.2.	EU Law	5
1.5.	Website Material.....	5
2.	Rates for Solid Fuel Carbon Tax (SFCT).....	6
3.	Liability to Solid Fuel Carbon Tax.....	7
3.1.	Solid Fuel Carbon Tax (SFCT) Suppliers.....	7
3.2.	Accountable Persons	7
3.3.	Liability for first supply of peat and peat products	8
3.4.	Private Use	8
4.	Registration	9
4.1.	Introduction.....	9
4.2.	Who Must Register?	9
4.2.1.	Importers	10
4.2.2.	Manufacturers	10
4.2.3.	Wholesale/Retail Outlets.....	10
4.2.4.	First Supply to Outside the State	10
5.	Solid Fuel Carbon Tax (SFCT) Returns and Payments	11
5.1.	Solid Fuel Carbon Tax (SFCT) Returns.....	11
5.1.1.	Filing a return.....	11
5.2.	The Accounting Period	11
5.3.	Payment of Solid Fuel Carbon Tax (SFCT).....	12
5.3.1.	Payment via ROS.....	12
5.3.2.	Payment via MyAccount.....	12
5.3.3.	Interest of Late Payments.....	12

6.	Reliefs and Tax-Free Supply.....	13
6.1.	Biomass products	13
6.1.1.	Rates of relief for Biomass Products.....	14
6.2.	Relief for Electricity Generation	14
6.3.	Reliefs for Greenhouse Gas Emissions Permit Holders	15
6.4.	Relief for High Efficiency Combined Heat and Power Cogeneration (HE CHP).....	16
6.5.	Manufacturers of Solid Fuel and Tax-Free Supply	16
6.6.	Other Solid Fuel Carbon Tax (SFCT) Reliefs	16
6.7.	Relief Applied at Source	17
6.8.	Relief by Repayment	18
6.9.	Records	19
7.	Solid Fuel Carbon Tax (SFCT) Compliance	20
7.1.	Introduction.....	20
7.2.	Whole Case Management.....	20
7.3.	Risks.....	20
7.4.	Role of Branch	20
7.5.	Referral of Cases to Branch by the Collector-General's Division.....	21
7.6.	Offences and Penalties.....	22
7.7.	Appeal Provisions	22
7.8.	Role and Responsibilities of Other Government Agencies.....	22
	Appendix I - Historic Solid Fuel Carbon Tax (SFCT) Rates.....	24
	Appendix II – Historic Rates of Relief for Biomass Products	25

1. Introduction

1.1. This Manual

This is a Revenue operational manual which provides information and guidelines for staff on compliance procedures relating to Solid Fuel Carbon Tax (SFCT).

1.2. Solid Fuel Carbon Tax (SFCT) Overview

Solid Fuel Carbon Tax (SFCT) is an Excise Duty which applies to solid fuel supplied in the State on or after 1st May 2013. SFCT applies to solid fuel as defined in Section 77 of the [Finance Act 2010](#) and is chargeable per tonne of product. Solid fuel includes coal, peat briquettes, milled peat (mainly used in the generation of electricity) and other peat (sod turf, etc.).

Wood is not liable to SFCT and wood products that have no solid fuel component are not liable to SFCT.

SFCT is a self-assessed tax, payable by suppliers who are VAT registered or who are taxable persons. The taxable event arises at the time the fuel is **first supplied** in the State by such persons.

'First supplied' means the quantity of solid fuel supplied in the State that has not been previously supplied in the State.

A supplier making a first supply of solid fuel in the State on or after 1st May 2013 is accountable for SFCT and must register with Revenue and pay the tax ([Section 3](#)).

Relief from SFCT is available, provided it can be shown to the satisfaction of Revenue, that the solid fuel was supplied for use that qualifies for the relief ([Section 6](#)).

The register and returns/payment compliance for SFCT is the responsibility of The Office of the Revenue Commissioners, Collector-General's Division, Services and Transactions Taxes Unit, Mill Lane, Listowel, Co Kerry.

1.3. Definitions

Section 77 of the Finance Act 2010 defines coal and peat as follows:

"Coal" means-

- (a) except where paragraph (b) applies, any fuel in solid form manufactured from coal falling within CN Code 2701 or from lignite falling within CN Code 2702,
- (b) any energy product within the meaning of Article 2.1 of the Directive, in solid form, for use as a fuel.

“Peat” means -

peat falling within CN Code 2703 and includes any fuel in solid form manufactured from peat or manufactured from a combination of peat and any other product other than coal falling within CN Code 2701 or lignite falling within CN Code 2702.

1.4. Legislation

1.4.1. National Law

- Solid Fuel Carbon Tax (SFCT) is provided for in Chapter 3 of Part 3 of the [Finance Act 2010](#) (as amended). For reference purposes only, Revenue maintains a Non-Statutory version of this legislation, available on www.revenue.ie.
- The applicable Regulations are contained in the Solid Fuel Carbon Tax Regulations 2013 ([S.I. No. 191 of 2013](#)).

1.4.2. EU Law

- [Council Directive 2003/96/EC](#) of 27 October 2003, restructuring the Community framework for the taxation of energy products and electricity (The Energy Tax Directive).

1.5. Website Material

Information on Solid Fuel Carbon Tax (SFCT) is also available on the [Revenue website](#).

2. Rates for Solid Fuel Carbon Tax (SFCT)

Solid Fuel Carbon Tax (SFCT) is chargeable per tonne of product. The current SFCT rates for the various solid fuel products are set out below. The SFCT rates are based upon a carbon charge per tonne of carbon dioxide (CO₂) emitted from the fuel concerned when it is combusted. From 1 May 2024 the carbon charge is €56 per tonne of CO₂. This rate is subject to budgetary or other legislative changes.

The current SFCT rates applicable on or after **1 May 2024** are as follows:

<u>Solid Fuel</u>	<u>SFCT rate per tonne</u>
Coal	€147.49
Peat:	
Peat Briquettes	€102.68
Milled Peat	€50.88
Other Peat	€76.32

The same rate of SFCT applies to “smokeless”, “low smoke” and “smoky” solid fuels, i.e. there are no differentiated SFCT rates within solid fuel categories based on fuel quality or standards.

Officers should always refer to the current [SFCT rates](#) available on the Revenue website. Historical rates of SFCT that applied from 1 May 2013 to 30 April 2024 are available in [Appendix I](#).

Since 1 November 2016 a partial relief from SFCT applies to biomass products. More information on this can be found in [Section 6.1](#).

3. Liability to Solid Fuel Carbon Tax

3.1. Solid Fuel Carbon Tax (SFCT) Suppliers

A liability to Solid Fuel Carbon Tax (SFCT) arises at the time a quantity of solid fuel is first supplied in the State by a supplier.

For SFCT purposes, supply in the State means a supply from one supplier established in the State to:

- another supplier established in the State
- or
- a consumer in the State.

When suppliers supply solid fuel to themselves, for their own use, this is also regarded as a first supply.

3.2. Accountable Persons

A supplier is an accountable person under:

- the Value Added Tax (VAT) Acts (that is, registered for VAT in the State)
- or
- a taxable person carrying on a business in the State below the threshold for VAT registration.

Any person who is VAT registered or a taxable person in the State and, who makes a first supply of solid fuel in the State:

- is an accountable person for SFCT
- and
- must register with Revenue for the purposes of SFCT.

Suppliers bringing solid fuel into the State, or producing it within the State, for onward supply in the State should register. Fuel traders receiving all their solid fuel from main suppliers based in the State do not need to register for SFCT. This is because they are receiving their fuel tax paid from their main suppliers.

For fuel traders receiving supplies from a supplier outside the State, a liability arises when they supply that fuel onward. They must register with Revenue to account for and pay SFCT.

3.3. Liability for first supply of peat and peat products

SFCT applies to the first supply in the State of peat and peat products for use as fuel. SFCT is chargeable on the tonnage weight at first supply. Anyone involved in extracting peat for supply and who makes first supplies of the peat is liable for SFCT.

Anyone extracting peat for their own use is not liable to SFCT tax and does not need to register with Revenue. SFCT does not apply to peat or peat products used for non-fuel purposes, for example compost.

3.4. Private Use

No liability arises where an individual purchases and brings solid fuel into the State from a supplier outside the State provided:

- the fuel is for their own private use
and
- they accompany the fuel into the State.

If that individual, instead of using it themselves, supplies the fuel to another person in the State:

- they will have made a first supply of solid fuel in the State as a supplier,
- they will be liable to pay SFCT on that supply
and
- they must register with Revenue accordingly.

4. Registration

4.1. Introduction

A supplier who has made, or who intends to make, a first supply of solid fuel in the State after 1st May 2013 must register for Solid Fuel Carbon Tax (SFCT).

[Form SFCT-reg](#) should be completed to register for SFCT. Suppliers should send this form to Revenue using [MyEnquiries](#).

MyEnquiries is a structured online contact facility that allows customers to securely send and receive correspondence to and from Revenue instead of using email. For PAYE customers access to MyEnquiries is through [myAccount](#). For business customers access to MyEnquiries is through [ROS](#).

Alternatively, a completed paper form can be posted to:

Office of the Revenue Commissioners
Services and Transaction Taxes Unit
Collector General's Division
Mill Lane
Listowel
Co. Kerry
V31 VF20

Please note that Revenue cannot guarantee that any personal and sensitive data, sent in plain text via standard email, is fully secure, customers who choose to use this channel are deemed to have accepted any risk involved.

4.2. Who Must Register?

Any person who is VAT registered or is a taxable person and who has made a first supply of solid fuel in the State, on or after 1st May 2013, is an accountable person for the tax and must register with the Revenue Commissioners for the purpose of SFCT.

Any person trading in solid fuel, who receives all their fuel from main suppliers based in the State, will normally receive their fuel tax paid by that main supplier and **will not** need to register for SFCT. However, if that person sources **some, or all** of their solid fuel supplies from a source based in another Member State, for example Northern Ireland, or a third country, they will be accountable for the tax when they supply that fuel onward to their customers and **must register** for SFCT.

4.2.1. Importers

Suppliers in the State that are importers of solid fuel, will in most cases be the source of first supply in the State, and be required to register for SFCT.

Importers of solid fuel that is exclusively for their own use (self-supply) for the purposes of manufacturing are also required to be registered for SFCT.

A supplier based outside of the State who brings solid fuel into the State for sale direct to the public, must register with the Revenue Commissioners for SFCT.

4.2.2. Manufacturers

A manufacturer may use solid fuel as a raw material in the manufacture of a solid fuel product, provided that product has characteristics that are distinct from solid fuel from which it was produced, for example compressed nuggets or briquettes.

Manufacturers of solid fuel who make first supplies of their solid fuel products in the State must register for SFCT. SFCT shall be charged at the time the manufactured solid fuel product is first supplied in the State by the manufacturer.

4.2.3. Wholesale/Retail Outlets

It can be expected that wholesale/retail outlets will purchase solid fuel from importers or manufacturers and will therefore not generally be the source of first supply of solid fuel in the State and would not be required to be registered for SFCT.

It may be economical for wholesale/retail outlets to source solid fuel in another Member State, for example Northern Ireland, or third country, for supply to customers. That wholesale/retail outlet would then be a source of first supply of solid fuel in the State and **must register** for SFCT.

4.2.4. First Supply to Outside the State

Where a first supply of solid fuel is made to a person or business located outside the State, that supply is not liable to SFCT. However, supplies on which SFCT has been paid, and that are subsequently exported out of the State, **do not** qualify for repayment of SFCT.

5. Solid Fuel Carbon Tax (SFCT) Returns and Payments

5.1. Solid Fuel Carbon Tax (SFCT) Returns

Solid Fuel Carbon Tax (SFCT) is a self-assessed tax and therefore registered suppliers must make a Return of SFCT and pay the relevant amount of tax by the due date.

The person liable to pay SFCT must assess their liability and make a return and payment to Revenue on that basis. The return may be subject to audit and compliance checks by Revenue.

Liable fuel suppliers must file a return and pay for each bi-monthly period by the last day of the following month. For example, the due date for the period January - February is 31st March.

5.1.1. Filing a return

Suppliers registered for ROS should file returns and make payments on [ROS](#).

Suppliers not registered for ROS can make a return using the [Form SFCT1 Return and Declaration](#). The completed return should be submitted to Revenue using [MyEnquiries](#), which is available via [myAccount](#). Alternatively, completed returns may be sent by post to the [Collector General's Division](#).

The [Form SFCT1 Return and Declaration](#) must include the quantity and categories of solid fuel which qualified for relief at source. The SFCT return must include details of:

- the quantity of taxable solid fuel supplied,
- the category of taxable solid fuel supplied,
- the amount of tax payable in respect of each category of solid fuel supplied,
- details of solid fuel supplied tax-free and fully relieved.

If there are no supplies of solid fuel during a period, a **Nil Return** must be submitted.

Where an SFCT return is not submitted by the due date, an estimate of the SFCT for that period will be generated and the amount estimated collectable pending the receipt of the SFCT return.

5.2. The Accounting Period

For SFCT, the accounting period is a two-month period. The return and payment are due by the end of the month following the accounting period. For example, an accounting period for May/June would have a return and payment due date of 31 July. The accountable person must have assessed the amount of SFCT due for that period and must have furnished a return and payment to the Revenue

Commissioners on or before 31 July of that year. The next accounting period would be July/August with the return and payment due by 30 September of that year.

The CGs, Services and Transactions Taxes Unit, have responsibility for compliance in relation to timely submission of returns and payments by registered suppliers.

5.3. Payment of Solid Fuel Carbon Tax (SFCT)

5.3.1. Payment via ROS

If registered for ROS, using a standard Revenue Online Service (ROS) Digital Certificate, payment can be made by,

- **Single Debit Instruction (SDI),**
- **Debit/Credit card¹.**

ROS registered suppliers can make online SFCT1 Returns & Payments on ROS. When selecting a payment type on ROS, suppliers should click Tax Payments/Declaration and select SFCT from the drop-down menu.

Further information on how to make a ROS online payment is available on the Payment Services Guide [section](#) on the Revenue website.

5.3.2. Payment via MyAccount

If not registered for ROS, payment can be made through MyAccount. Further information on how to make an online payment is available in the [myAccount Guide](#) on www.revenue.ie.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

5.3.3. Interest of Late Payments

Interest on late payment applies to any payment made after the due date. Section 103(2)(a)(ii) of the Finance Act 2001, as amended, provides for the payment of interest on Excise Duty, including Solid Fuel Carbon Tax, which has not been paid on or before the due date. Interest is calculated from the date on which the amount became payable at a rate of **0.0274 per cent per day or part of a day**.

Failure to pay the SFCT, or failure to pay it on time, can result in enforced collection through the Sheriff, Court proceedings or a Notice of Attachment under section 1002 of the Taxes Consolidation Act, 1997.

6. Reliefs and Tax-Free Supply

Section 82 of the Finance Act 2010 (as amended), legislates for a full relief from SFCT for solid fuel that has been delivered for use:

- (a) solely for the generation of electricity,
- (b) for chemical reduction or in electrolytic or metallurgical processes,
- (c) under diplomatic arrangements in the State, or
- (d) under certain heat and power cogeneration projects.

In addition, section 82A of the Finance Act 2010 (as amended) allows for a partial relief for certain biomass products.

Reliefs are available at source, or by means of repayment for solid fuel which is shown to the satisfaction of the Revenue Commissioners to have been supplied for use that qualifies for relief.

6.1. Biomass products

Biomass is defined in section 77 of the Finance 2010, inserted by [section 51 of the Finance \(No. 2\) Act 2013](#), as “**the biodegradable fraction of products, waste and residues from agriculture (including vegetal and animal substances), forestry and related industries, as well as the biodegradable fraction of industrial and municipal waste**”.

Since 1 November 2016 a partial relief from SFCT applies to biomass products.

Biomass products are defined as “**any solid fuel product with a biomass content of 30 per cent or more**”. The rate of relief that applies to a biomass product depends on the proportion of that product that is biomass. See [Rates of relief for Biomass Products](#) for current rates of relief applicable to solid fuel products containing biomass.

The [Air Pollution Act 1987 \(Solid Fuels\) Regulations 2022](#) (S.I. No. 529 of 2022) issued by the Minister for the Environment, Climate and Communications, set out the requirements for the identification and marking of biomass products.

The partial relief applies to first supplies of solid fuel that meet the statutory requirements for biomass products. The relief may be applied at source by the supplier provided the biomass products supplied comply with the regulations. All

¹ This payment method does not apply to certain Revenue customers for online C&E and VRT payments. See the Import Payment Methods Manual for more information.

records including certification of biomass content must be kept by the supplier for inspection by Revenue as required.

When the relief is applied at source the supplier must declare the amount and category of biomass product supplied on the [Form SFCT1 Return and Declaration](#), either electronically or on the paper form as detailed in [section 5](#). The supplier accounts for and pays SFCT on the biomass product concerned at the reduced rate specified based on the biomass content.

6.1.1. Rates of relief for Biomass Products

Current rates of relief applicable to solid fuel products containing biomass, with effect from 1 May 2024, are as follows:

Product	Biomass Content	Biomass Relief	Rate of SFCT relief per tonne	Effective rate of SFCT per tonne
Coal	< 30%	None; full rate applies	€0.00	€147.49
	≥ 30 < 50%	30% of tax chargeable	€44.25	€103.24
	≥ 50%	50% of tax chargeable	€73.75	€73.74
Peat Briquettes	< 30%	None; full rate applies	€0.00	€102.68
	≥ 30 < 50%	30% of tax chargeable	€30.80	€71.88
	≥ 50%	50% of tax chargeable	€51.34	€51.34
Milled Peat	N/A	N/A	€0.00	€50.88
Other Peat	N/A	N/A	€0.00	€76.32

Historical rates for biomass products that applied from 1 November 2016 to 30 April 2024 are available in [Appendix II](#).

6.2. Relief for Electricity Generation

A full relief from Solid Fuel Carbon Tax (SFCT) applies to solid fuel supplied for use solely in the generation of electricity, excluding combined heat and power cogeneration (CHP). The relief may be applied at source by the supplier.

The [Declaration of usage of Solid Fuel for Electricity Generation \(SFCT Elec. 1\) Form](#) is completed by persons who are entitled to receive solid fuel tax-relieved for use solely in electricity generation, excluding CHP cogeneration. The supplier must receive the declaration of usage of solid fuel for electricity generation from the person or business operating the installation before granting the relief. The

declaration of usage must state that the solid fuel supplied is for use solely for the generation of electricity.

The supplier must declare the amount and category of solid fuel on Form SFCT1 Return and Declaration to account for applying the relief at source.

Where the declaration of usage has not been provided in advance of each supply, the supplier must apply SFCT. Where a tax-paid supply qualifies for relief the tax may be repaid to the person or business operating the installation.

The supplier and the person or business operating the installation must retain declarations and supporting documentation for inspection by Revenue.

If the person or business operating the installation provides false or misleading information to a supplier, that operator is liable for any underpaid tax.

6.3. Reliefs for Greenhouse Gas Emissions Permit Holders

A full relief applies to peat delivered for use in an installation covered by a greenhouse gas emissions permit. This permit must be issued by the Environmental Protection Agency.

A partial relief applies for coal delivered for use in an installation covered by a greenhouse gas emissions permit. The coal concerned is taxed at the minimum permitted by the European Union (EU) Energy Tax Directive - €4.18 per tonne. The reliefs may be applied at source by the supplier.

The [Declaration of usage of solid fuel by a Greenhouse Gas Emissions Permit Holder \(SFCT GHG 1\) Form](#) is completed by a Greenhouse Gas Emissions Permit Holder to enable acquisition of tax-relieved solid fuel for use in an installation as authorised by the permit concerned.

The supplier must have received the declaration of usage from the permit holder before granting the relief. The declaration of usage must state that the solid fuel supplied is for use in an installation covered by the EPA permit. The relevant Greenhouse Gas Emissions permit is issued by the Environmental Protection Agency (EPA).

The supplier must declare the amount and category of solid fuel on Form SFCT1 Return and Declaration to account for applying the relief at source.

Where the declaration of usage has not been provided in advance of each supply the supplier must apply SFCT. Where a tax-paid supply qualifies for relief the tax may be repaid to the permit holder by Revenue.

The supplier and the permit holder must retain declarations and supporting documentation for inspection by Revenue.

If the permit holder provides false or misleading information to a supplier, the permit holder is liable for any underpaid tax.

6.4. Relief for High Efficiency Combined Heat and Power Cogeneration (HE CHP)

Since 1 January 2017 a full relief applies from SFCT for solid fuel, including peat, used in environmentally friendly HE CHP. Up to the end of 2016 a partial relief existed. The relief from SFCT applies to the portion of fuel used in a CHP plant that generates high efficiency electricity. Additional information on this relief can be found on the [Revenue website](#).

The relief may be applied by repayment on completion of a valid claim by the consumer supported by the relevant certifications.

The Commission for Regulation of Utilities (CRU) is the designated authority for determining that a HE CHP unit meets the requirements for high efficiency cogeneration.

The CRU also certifies the actual portion of fuel used to generate high efficiency electricity. Claims for relief are based on actual fuel used as certified by the CRU.

6.5. Manufacturers of Solid Fuel and Tax-Free Supply

Manufacturers may receive tax free supplies of solid fuel for use as a raw material in the manufacturing of solid fuel products.

“Manufacture” in relation to a solid fuel product means the reconstituting or processing of a solid fuel to produce a solid fuel that has characteristics that are distinct from the solid fuel from which it is produced, and includes the production of compressed nuggets and briquettes, and similar products of a regular shape and size, but does not include extraction, washing, drying, breaking or grinding.

In advance of each supply of solid fuel, the supplier of the solid fuel must obtain a properly completed [Declaration of Usage of Solid Fuel as a Raw Material \(SFCT-DecRM\)](#) from the manufacturer confirming that the fuel will be used in manufacturing solid fuel products before they make any tax-free supply to that manufacturer.

SFCT shall be charged at the time when the manufactured solid fuel product is first supplied in the State by the manufacturer.

6.6. Other Solid Fuel Carbon Tax (SFCT) Reliefs

A full relief applies to solid fuel delivered for use:

- in chemical reduction

- in electrolytic or metallurgical processes
- under diplomatic arrangements in the State.

The above reliefs are applied by way of repayment to the consumer. The consumer must make a claim within six months of the end of an accounting period. A paper SFCT CR Form is available from the Central Repayments Office for such repayment claims. See [section 6.8](#) for more details.

For all first supplies of solid fuels which qualify for the above reliefs, the supplier is liable to pay SFCT.

6.7. Relief Applied at Source

The following reliefs from SFCT may be applied at source by the supplier making a first supply of solid fuel, provided certain Revenue requirements are met.

- full relief from SFCT in respect of solid fuel supplied for use solely in the generation of electricity (this does not include Combined Heat and Power (CHP) cogeneration),
- full relief from SFCT in respect of peat supplied for use in an installation that is covered by a Greenhouse Gas Emission (GHG) permit issued by the Environmental Protection Agency,
- partial relief from SFCT in respect of coal supplied for use in an installation that is covered by a Greenhouse Gas Emission (GHG) permit issued by the Environmental Protection Agency*.

***The coal concerned will be taxed at the minimum permitted by the EU Energy Tax Directive, which is €4.18 per tonne.**

The above reliefs may be applied at source by the supplier making the first supply, provided that the consumer gives the supplier, in advance of such supply, a properly completed declaration on the proposed use of the solid fuel. The supplier and consumer must also retain a copy of the completed declaration for production to the Revenue Commissioners as required.

Where the supplier does not receive the declaration in sufficient time before a supply is made, the relief should not be applied at source. Instead, the supplier must apply the SFCT and the consumer must claim the relief subsequently from Revenue. Adequate records must be maintained to support such claims.

Where, as a result of false or misleading information given by a consumer to a supplier, a liability for SFCT arises, it is the consumer and not the supplier that is liable for the tax.

If after a first supply of solid fuel on which relief has been obtained, a consumer does not use the solid fuel for the qualifying purpose, then SFCT must be paid by the consumer.

6.8. Relief by Repayment

Relief or partial relief from SFCT, by means of repayment to the consumer, is provided for in respect of solid fuel which is shown to have been delivered to that consumer for use by them for qualifying purposes.

The following reliefs from SFCT may be applied by means of repayment for solid fuel used for the following purposes, provided certain Revenue requirements are met:

- full relief from SFCT in respect of solid fuel used in chemical reduction,
- full relief from SFCT in respect of solid fuel used in electrolytic or metallurgical processes,
- full relief from SFCT in respect of solid fuel used under diplomatic arrangements in the State,
- for claims up until 31st Dec 2016, partial relief from SFCT in respect of coal used in environmentally friendly heat and power cogeneration as certified by the Commission for Regulation of Utilities*.
- for claims from 1st January 2017, full relief from SFCT in respect of solid fuel used in environmentally friendly High-Efficiency Combined Heat and Power cogeneration.

***The coal concerned will be taxed at the minimum permitted by the EU Energy Tax Directive, which is €4.18 per tonne.**

Repayment claims on a paper SFCT CR Form must be submitted to the local Revenue District by the claimant to cover a period of not less than one and not more than six months following the end of the accounting period to which the claim relates.

Appropriate supporting documentation must be retained by the supplier, see [paragraph 6.9](#).

It should be noted that, in the case of solid fuel subject to relief by repayment, the person who makes the first supply of the solid fuel in question is liable to account for SFCT on that supply.

On receipt of a repayment claim form (SFCT CR), the local Revenue branch, when satisfied that the claim is in order, will forward the certified claim for repayment to the Central Repayments Office.

6.9. Records

Solid fuel suppliers who are accountable for SFCT must keep all accounts and records relevant to the tax for a period of six years from the date of last entry.

Records to be maintained by all registered suppliers include any books, accounts and documents including invoices, delivery and purchase orders, stock records, declarations relating to tax-free and tax relieved supplies and any other related information, including information stored by electronic means in any form.

In addition, any manufacturer of solid fuel products who receives a tax-free solid fuel supply for use as a raw material in the manufacturing of solid fuel must also maintain adequate records relevant to that supply, including [a copy of the declaration](#) provided to the supplier of that supply.

For solid fuel manufacturers, a description of the manufacturing process for each solid fuel product manufactured and its effect on the characteristics of the solid fuel (raw material) from which it is produced must also be maintained.

Note: This manual is currently subject to review and may not reflect up-to-date position. Most recent version.

7. Solid Fuel Carbon Tax (SFCT) Compliance

7.1. Introduction

Those who are liable to Solid Fuel Carbon Tax (SFCT) must comply with their legal obligations, including early registration and timely submission of accurate returns and payment.

7.2. Whole Case Management

Branches should, when considering interventions focused on SFCT compliance, incorporate a Whole Case Management (WCM) approach where possible, as SFCT and particularly VAT are correlated.

7.3. Risks

SFCT is a self-assessed tax and persons who have a liability must submit bi-monthly returns (see [Section 5](#)). Therefore, like other similar taxes such as VAT, the main risks relate to:

- non-registration by persons who make the first supply of solid fuel in the State,
- non-filing of returns by registered persons,
- submission of inaccurate or false returns by registered persons,
- tax-free supplies made for manufacturing purposes without a valid declaration,
- use of solid fuel relieved from SFCT for a purpose that does not qualify for relief.

Officers should be aware that the greater risks relate to the larger traders, particularly manufacturers or importers of large quantities of solid fuel. Persons involved in this type of business who have a record of non-compliance with other tax obligations are more likely to be non-compliant with regard to their SFCT obligations.

Officers should also be aware that while wholesalers and retailers would not normally be the source of first supply of solid fuel in the State, some wholesalers or retailers may source some supplies outside the State, e.g. Northern Ireland. Such persons must register for SFCT and make the necessary SFCT returns and payments.

7.4. Role of Branch

Branch Managers and Case Select Officers should ensure that all compliance staff are familiar with both SFCT and the associated risks.

Branch staff should be particularly vigilant in relation to the non-registration of any persons involved in either manufacturing or importing of solid fuel. There is also the

risk of some wholesalers/retailers of solid fuel sourcing some or all of their supplies outside the State. As such, managers should ensure that staff involved in general compliance activities, especially streetscape and similar projects, are aware of the risks associated with SFCT.

If during the course of normal compliance work, an officer becomes aware of a person who is the source of first supply of solid fuel in the State and who is not on the Register, the officer should ensure that the person immediately registers for SFCT. The completed form SFCT-reg should be forwarded to The Office of the Revenue Commissioners, Collector-General's Division, Services and Transactions Taxes Unit, Mill Lane, Listowel, Co Kerry. The officer should also ensure that such person completes a SFCT return for all relevant periods and makes payment to include interest and penalties, in respect of all solid fuel supplied in the State on or after 1st May 2013.

As part of their normal compliance work, Branches also have a role in ensuring the accuracy of returns submitted by traders. All interventions should be based on risk and where possible carried out in context of WCM. Persons liable for SFCT will in most circumstances also be registered for VAT, IT/CT and / or PREM, and as such may be subject to Revenue interventions depending on their compliance levels and REAP scoring.

For the purposes of determining the accuracy of a SFCT Return, officers should examine the sales and other relevant records relating to solid fuel for the period in question. The amount of SFCT payable will be based on the number of tonnes of solid fuel first supplied, calculated by reference to the rate of tax applicable to that product. An examination of the VAT records for the period may be of assistance in calculating the liability for the period.

Arrears in respect of SFCT, including interest and penalties, should be calculated and paid.

All interventions in relation to SFCT are to be recorded in RCM.

7.5. Referral of Cases to Branch by the Collector-General's Division

In general, SFCT Returns and Payment compliance is the responsibility of the Collector-General's Division (CGs). However, branches should be aware that they may be requested by the CGs to carry out an occasional verification of the accuracy of a return. Such circumstances will only arise where an anomaly or major deviation from the normal Return or payment pattern is identified.

7.6. Offences and Penalties

It is an offence under [section 122 of the Finance Act 2001](#) and [section 1078 of the Taxes Consolidated Act 1997](#) for a person to furnish incorrect information for any purpose in relation to excise duty or in connection with a claim for repayment under excise law.

Failure to comply with any provision of SFCT law or any SFCT regulations is an offence under [section 84 of the Finance Act 2010](#).

Section 99B of the Finance Act 2001² provides for tax geared penalties for carelessly or deliberately making incorrect returns. Disputes arising from any tax geared penalties imposed by Revenue may be subject to civil proceedings. Officers should refer to the [Code of Practice for Revenue Audit and other Compliance Interventions](#) for further information on the application of interest and tax geared penalties for interventions in relation to compliance interventions notified on or after 1 May 2022.

Section 99A of the Finance Act 2001³ makes provision for the raising of an assessment in respect of excise duty payment, which includes SFCT.

7.7. Appeal Provisions

Information for the public on [Appeals](#) is available on the Revenue website.

Staff instructions on appeals is available in the [Tax and Duty Appeals Manual](#).

7.8. Role and Responsibilities of Other Government Agencies

Revenue is responsible for collecting Solid Fuel Carbon Tax on first supplies of solid fuel in the State.

The Department of the Environment, Climate and Communications (DECC), in conjunction with local authorities, is responsible for enforcing environmental standards for solid fuels. A regulatory regime covering the marketing, sale, distribution and burning of solid fuels, restricting the retail, online and commercial sale of smoky fuels, including smoky coal, turf and wet wood is operated by DECC and enforced by local authorities. Further details are available on the [DECC website](#).

² Section inserted by section 45 of [Finance Act 2011](#).

³ Section inserted by section 46(a) of [Finance \(No. 2\) Act 2008](#) and subsequently amended.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

Note: This manual is currently subject to review and may not reflect up-to-date position.

Most recent version.

Appendix I - Historic Solid Fuel Carbon Tax (SFCT) Rates

Historical rates of Solid Fuel Carbon Tax (per tonne) from 1 May 2013 to 30 April 2024:

Effective From:	Description of Solid Fuel			
	Coal	Peat Briquettes	Milled Peat	Other Peat
01/05/2013	€26.33	€18.33	€8.99	€13.62
01/05/2014	€52.67	€36.67	€17.99	€27.25
01/05/2020	€68.48	€47.67	€23.62	€35.43
01/05/2021	€88.23	€61.42	€30.44	€45.65
01/05/2022	€107.98	€75.17	€37.25	€55.87
01/05/2023	€127.74	€88.93	€44.07	€66.10

Appendix II – Historic Rates of Relief for Biomass Products

Historic rates for biomass products from 1 May 2023 to 30 April 2024:

Product	Biomass Content	Biomass Relief	Rate of SFCT relief per tonne	Effective rate of SFCT per tonne
Coal	< 30%	None; full rate applies	€0.00	€127.74
	≥ 30 < 50%	30% of tax chargeable	€38.32	€89.42
	≥ 50%	50% of tax chargeable	€63.87	€63.87
Peat Briquettes	< 30%	None; full rate applies	€0.00	€88.93
	≥ 30 < 50%	30% of tax chargeable	€26.68	€62.25
	≥ 50%	50% of tax chargeable	€44.47	€44.46
Milled Peat	N/A	N/A	N/A	€44.07
Other Peat	N/A	N/A	N/A	€66.10

Historic rates for biomass products from 1 May 2022 to 30 April 2023:

Product	Biomass Content	Biomass Relief	Rate of SFCT relief per tonne	Effective rate of SFCT per tonne
Coal	< 30%	None; full rate applies	€0.00	€107.98
	≥ 30 < 50%	30% of tax chargeable	€32.39	€75.59
	≥ 50%	50% of tax chargeable	€53.99	€53.99
Peat Briquettes	< 30%	None; full rate applies	€0.00	€75.17
	≥ 30 < 50%	30% of tax chargeable	€22.55	€52.62
	≥ 50%	50% of tax chargeable	€37.58	€37.59
Milled Peat	N/A	N/A	N/A	€37.25
Other Peat	N/A	N/A	N/A	€55.87

Historic rates for biomass products from 1 May 2021 to 30 April 2022:

Product	Biomass Content	Biomass Relief	Rate of SFCT relief per tonne	Effective rate of SFCT per tonne
Coal	< 30%	None; full rate applies	€0.00	€88.23
	≥ 30 < 50%	30% of tax chargeable	€26.47	€61.76
	≥ 50%	50% of tax chargeable	€44.11	€44.12
Peat Briquettes	< 30%	None; full rate applies	€0.00	€61.42
	≥ 30 < 50%	30% of tax chargeable	€18.43	€42.99
	≥ 50%	50% of tax chargeable	€30.71	€30.71
Milled Peat	N/A	N/A	N/A	€30.44
Other Peat	N/A	N/A	N/A	€45.65

Note: This manual is currently subject to review and may not reflect up-to-date position. Most recent version.

Historic rates for biomass products from 1 May 2020 to 30 April 2021:

Product	Biomass Content	Biomass Relief	Rate of SFCT relief per tonne	Effective rate of SFCT per tonne
Coal	< 30%	None; full rate applies	€0.00	€68.48
	≥ 30 < 50%	30% of tax chargeable	€20.54	€47.94
	≥ 50%	50% of tax chargeable	€34.24	€34.24
Peat Briquettes	< 30%	None; full rate applies	€0.00	€47.67
	≥ 30 < 50%	30% of tax chargeable	€14.30	€33.37
	≥ 50%	50% of tax chargeable	€23.83	€23.84
Milled Peat	N/A	N/A	N/A	€23.62
Other Peat	N/A	N/A	N/A	€35.43

Historic rates for biomass products from 1 November 2016 to 30 April 2020:

Product	Biomass Content	Biomass Relief	Rate of SFCT relief per tonne	Effective rate of SFCT per tonne
Coal	< 30%	None; full rate applies	€0.00	€52.67
	≥ 30 < 50%	30% of tax chargeable	€15.80	€36.87
	≥ 50%	50% of tax chargeable	€26.34	€26.33
Peat Briquettes	< 30%	None; full rate applies	€0.00	€36.67
	≥ 30 < 50%	30% of tax chargeable	€11.00	€25.67
	≥ 50%	50% of tax chargeable	€18.34	€18.33
Milled Peat	N/A	N/A	N/A	€17.99
Other Peat	N/A	N/A	N/A	€27.25