

Diesel Rebate Scheme (DRS) Compliance Procedures Manual

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A more recent version of this manual is available

Table of Contents

Section 1.	Introduction.....	3
1.1.	This Manual	3
1.2.	Diesel Rebate Scheme (DRS) Overview	3
1.3.	Legislation.....	4
1.3.1.	EU Law	4
1.3.2.	National Law.....	4
1.4.	I.T. System Development.....	5
Section 2.	Application Process	6
2.1.	Registration	6
2.1.1.	Operators in the State	6
2.1.2.	EU Operators	6
2.2.	Qualifying Criteria.....	6
2.2.1.	Qualifying Operators in the State.....	6
2.2.2.	Qualifying EU Operators.....	7
2.2.3.	Qualifying Vehicles	7
2.3.	Qualifying Auto-diesel	8
2.3.1.	Bulk Purchases.....	8
2.3.1.1.	Qualifying operators in the State	8
2.3.1.2.	Qualifying EU Operators	8
2.3.2.	Fuel Card Purchases	8
Section 3.	Repayment Procedures	9
3.1.	Repayment Claim Details.....	9
3.1.1.	Qualifying Operators in the State.....	9
3.1.2.	Qualifying EU Operators.....	10
Section 4.	Branch Compliance Procedures	11
4.3.	Interest Paid by Revenue.....	11
4.6.	Appeal Provisions	12
4.7.	Offences and Penalties	12
	Appendix I - Summary Table of Amount of Excise Duty Repayable	13
	Appendix II - DRS Claim Rejection Letter (Template).....	14
	Appendix III – Links to Internal Revenue Documents.....	15

Section 1. Introduction

1.1. This Manual

This is a Revenue Operational Manual which provides information and guidelines for staff on compliance procedures relating to qualifying road transport operators, including bus and coach operators, who submit repayment claims under the **Diesel Rebate Scheme (DRS)**.

Principal Officers and Assistant Principals are to ensure that all compliance functions set out in this manual, are assigned to and carried out efficiently and effectively, by Officers within the relevant Revenue Branch.

This is the third edition of the manual, published to support compliance activities in Phases 1, 2 and 3 of the scheme.

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

[...]

1.2. Diesel Rebate Scheme (DRS) Overview

This scheme provides for the repayment to qualifying road transport operators and bus and coach operators (qualifying operators), of part of the Mineral Oil Tax paid on auto-diesel purchased in the State on or after 1st July 2013, and used in qualifying motor vehicles (see [Appendix I](#) for summary of excise duty repayable).

The scheme is available to Irish and E.U. qualifying operators in respect of auto-diesel purchased in the State and used in qualifying vehicles for the purpose of business transport activities.

Applications for repayments by qualifying operators will be made in respect of a three-month repayment period. The amount of the repayment will be determined by the average price at which auto-diesel is available for purchase in the State during this repayment period. The average price for the repayment period will be determined by data provided by the Central Statistics Office (CSO).

The administration of the scheme is the responsibility of the Office of the Collector General (CGs), Sarsfield House, Francis Street, Limerick.

Officers should familiarise themselves with the [three short trade instruction videos](#) outlining procedures for fuel card notification, repayment claim application and registration application available on the Revenue website.

1.3. Legislation

1.3.1. EU Law

Article 7 of Energy Tax Directive ([Dir. 2003/96/EC](#)) allows a Member State to tax commercial use of auto-diesel (DERV) at a different rate than that applicable to other auto use in that Member State.

1.3.2. National Law

[Section 99A of the Finance Act 1999](#) (inserted by section 51 of the Finance Act 2013 and as amended by section 42 of the Finance Act 2019) provides for the repayment to qualifying operators of part of the mineral oil tax paid on the auto-diesel purchased by them in the State for use in qualifying vehicles for the purpose of business transport activities ([see also par. 4.7.](#) on Offences and Penalties).

Subject to a maximum repayment rate of €75.00 per 1,000 litres, the amount to be repaid per 1,000 litres of gas oil is determined—

(a) where gas oil has been purchased before 1 January 2020, by the formula---

$$A = (P - 1,000) \times 0.3$$

or

(b) where gas oil has been purchased on or after 1 January 2020---

(i) when P is less than or equal to €1,070, by the formula---

$$A = (P - 1,000) \times 0.3$$

or

(ii) when P is greater than €1,070, by the formula---

$$A = 21 + [(P - 1,070) \times 0.6],$$

where –

A is the amount to be repaid per 1,000 litres, and

P is an estimate of the average price (exclusive of VAT) per 1,000 litres of gas oil purchased by qualifying road transport operators during the repayment period. **P** is determined in accordance with data provided by the Central Statistics Office.

See **Appendix I** for calculations of rebate amounts for gas oil purchased on or after 1 January 2020.

This primary law is complemented by the [Consolidated Mineral Oil Tax Regulations 2012](#) (S.I. No. 231 of 2012) which in Part 8A sets down detailed requirements and procedures.

1.4. I.T. System Development

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

[...]

Section 2. Application Process

2.1. Registration

2.1.1. Operators in the State

Road transport operators in the State are required to register with Revenue via ROS before any claim for repayment can be submitted. ROS registered operators can register for inclusion in the Diesel Rebate Scheme using their existing ROS credentials.

ROS Agents can register on their client's behalf. ROS Agents will be required to link the DRS taxhead for their client using on-line e-Registration.

ROS Agents who hold an Administrative ROS digital certificate will automatically have the correct permissions to register their client for inclusion in the Diesel Rebate Scheme. ROS Agents who hold a sub-certificate of the Administrative ROS digital certificate must have Diesel Rebate Scheme permissions granted to them before they can register their client for inclusion in the Diesel Rebate Scheme.

2.1.2. EU Operators

Road transport operators established in other Member States are required to make an application to be included in the [Diesel Rebate Scheme](#) via the [Revenue website](#).

The required data provided by the EU operators on application, will be verified by the Office of the Collector General.

Applications that meet the qualifying criteria for inclusion in the scheme will be allocated a registration number for the Diesel Rebate Scheme. The CGs will complete this registration of EU operators for the DRS taxhead and will automatically issue a DRS taxhead registration number to the operator by post.

Using this registration number, the EU operator must complete the ROS registration process before any claim for repayment can be submitted.

EU applicants that are existing ROS customers, that meet the qualifying criteria for inclusion in the scheme, can use their existing ROS credentials to submit a claim for repayment. Their existing registration number will be updated by the CGs to include the DRS taxhead. An application for repayment can then be made via ROS.

2.2. Qualifying Criteria

2.2.1. Qualifying Operators in the State

All Qualifying Operators in the State must:

- hold a current tax clearance certificate,
- hold a Certificate of Professional Competence (CPC) in either road transport operations management or bus passenger transport operations management issued by the [Chartered Institute of Logistics and Transport](#),

- purchase auto-diesel in the State by bulk ([see par. 2.3.1.](#)) or by a fuel card of a type approved by Revenue. Fuel card details including, the name of the fuel card provider, the fuel card number, and the user name or identifier, must be supplied as part of the registration process ([see par. 2.3.2.](#)).

Road Transport Operators in the State must hold an International Road Haulage Operator's licence or a National Road Haulage Operator's licence, issued under the Road Traffic and Transport Act 2006 by the Department of Transport, Tourism and Sport (DTTAS).

Bus or Coach Operators in the State must hold an International Road Passenger Operator's licence or a National Road Passenger Operator's licence, issued under the Road Traffic and Transport Act 2006 by the Department of Transport, Tourism and Sport (DTTAS).

2.2.2. Qualifying EU Operators

Qualifying EU Operators established in other Member States are required to make an application to be included in the [Diesel Rebate Scheme](#) via the [Revenue website](#).

All Qualifying EU Operators must:

- upload a scanned copy of a statement from the competent authority of their Member State indicating that they have complied in full with their tax obligations in that Member State,
- upload a scanned copy of their transport operators licence recognised under EU law,
- upload a scanned copy of the vehicle registration documents for qualifying vehicles ([see par. 2.2.3.](#)),
- purchase auto-diesel in the State by using a fuel card of a type approved by Revenue ([see par. 2.3.2.](#)).

2.2.3. Qualifying Vehicles

Qualifying vehicles must be included on the Road Haulage Operator's licence or the EU equivalent **and** have a maximum permissible gross laden weight (GLW) of not less than 7.5 tonnes.

Qualifying vehicles must be included on the Road Passenger Operator's licence or the EU equivalent **and** classified as M2 or M3 under [EU Directive 2007/46/EC](#) to include buses and minibuses with seating for a minimum of nine passengers.

Officers should note that smaller vehicles, including trucks/lorries, white vans, pick-up vehicles, crew-cabs and other diesel-powered vehicles are not qualifying vehicles for the purposes of the DRS scheme.

2.3. Qualifying Auto-diesel

Repayments can only be claimed in respect of auto-diesel purchased in the State and used in qualifying vehicles for the purpose of business transport activities.

The auto-diesel must be purchased in the State in bulk and/or by using a fuel card of a type approved by Revenue.

For qualifying operators in other EU Member States, the auto-diesel must be purchased in the State by using a fuel card of a type approved by Revenue.

2.3.1. Bulk Purchases

2.3.1.1. Qualifying operators in the State

Only bulk purchases of auto-diesel of 2,000* litres or more **in any one delivery** will qualify for repayment. The bulk purchase must be made from a mineral oil trader in the State where that mineral oil trader holds a current Auto Fuel Trader's Licence (AFTL) issued by Revenue.

*** Any bulk delivery of less than 2,000 litres will not qualify for repayment.**

Aggregation of multiple bulk deliveries for the purposes of exceeding the 2000 litre delivery threshold is NOT permitted.

2.3.1.2. Qualifying EU Operators

The use of auto diesel purchased in bulk by Qualifying EU Operators does not qualify for repayment.

2.3.2. Fuel Card Purchases

Only auto-diesel purchased using a fuel card approved by Revenue will qualify for repayment under the scheme. An approved fuel card provider or entity acting for, or in cooperation with the fuel card provider, must undertake to provide, on a continuous basis, the information required by Revenue, including information on purchases and customers associated with their cards. A full list of [currently approved fuel card providers](#) is available on the Revenue website.

Section 3. Repayment Procedures

3.1. Repayment Claim Details

Qualifying operators who have registered for the scheme can submit claims for repayment on-line via the Revenue website (ROS) using their ROS login credentials.

3.1.1. Qualifying Operators in the State

The following information must be provided for each repayment claim:

- the claim period to which the claim refers. Claim periods will be quarterly in arrears and must in normal circumstances be submitted within four months of the end of the claim period. This time limit may only be extended in exceptional circumstances ([see par. 3.4.](#)),
- the relevant Road Transport Operator's licence number issued by the Department of Transport, Tourism and Sport (DTTAS),
- the transport manager's Certificate of Professional Competence (CPC) number ([see par. 2.2.1.](#)),
- for each qualifying vehicle, the odometer reading at the start of the claim period and the odometer reading at the end of the claim period,
- the total quantity (litres) of auto-diesel purchased for each fuel card,
- the total quantity (litres) of qualifying auto-diesel purchased for each fuel card,
- the quantity (litres) of fuel card purchased auto-diesel used in each qualifying vehicle,
- for bulk purchases of auto-diesel, the auto-diesel supplier's Auto Fuel Traders Licence (AFTL) number,
- for bulk purchases of auto-diesel, the invoice number and delivery date in respect of each bulk supply,
- the total quantity (litres) of auto-diesel purchased by bulk,
- the total quantity (litres) of bulk purchased auto-diesel for which relief is claimed,*
- the quantity (litres) of bulk purchased auto-diesel used in each qualifying vehicle.

*** Operators can claim for fuel purchased by bulk during the claim period provided it is used or to be used in qualifying vehicles. Where fuel for which relief is claimed in a period is not subsequently used in qualifying vehicles, the operator must make an adjustment for that fuel in the following claim period(s).**

3.1.2. Qualifying EU Operators

The following information must be provided for each repayment claim:

- the claim period to which the claim refers. Claim periods will be quarterly in arrears and must in normal circumstances be submitted within four months of the end of the claim period. This time limit may only be extended in exceptional circumstances ([see par. 3.4.](#)),
- the Road Transport Operator's licence number issued by the relevant authority in that Member State,
- for each qualifying vehicle, the odometer reading at the start of the claim period and the odometer reading at the end of the claim period,
- the total quantity (litres) of auto-diesel purchased for each fuel card,
- the total quantity (litres) of qualifying auto-diesel purchased for each fuel card,
- the quantity (litres) of fuel card purchased auto-diesel used in each qualifying vehicle.

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[...]

Section 4. Branch Compliance Procedures

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[...]

4.3. Interest Paid by Revenue

Section 105D (3) Finance Act 2001 (as inserted by section 98 Finance Act 2003 and subsequently amended) provides that repayments in respect of claims be made within 93 days of the initial receipt by Revenue. Simple interest will accrue on repayments not processed within this time frame.

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4.6. Appeal Provisions

Operators have the right of appeal against, a repayment or a refusal of a repayment of excise duty, under [Section 146 of the Finance Act 2001](#).

Staff instructions on appeals relating to excise matters are contained in Revenue's [Tax and Duty Appeals Manual](#).

4.7. Offences and Penalties

It is an offence under [Section 122 of the Finance Act 2001](#) 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.

It is also an offence under [Section 102 of the Finance Act 1999](#) for a person to contravene or fail to comply with Mineral Oil Tax law or regulations, or any conditions imposed thereunder.

[Section 99B of the Finance Act 2001](#) 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.

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Appendix I - Summary Table of Amount of Excise Duty Repayable

Note: the rates below are those applicable to **gas oil purchased on or after 1 January 2020** following changes to the formula for the Diesel Rebate Scheme provided for in section 99A Finance Act 1999, as amended by section 42 of the Finance Act 2019.

Amount Repayable (per litre)		
Price (VAT Incl.)	Price (VAT Excl.)	Repayment (cent per litre)
1.54	1.25	7.5
1.50	1.22	7.5
1.45	1.18	7.5
1.40	1.14	6.3
1.35	1.10	3.9
1.30	1.06	1.8
1.27	1.03	0.9
1.23	1.00	0

Appendix II - DRS Claim Rejection Letter (Template)

Address

Line 2

Line 3

Customer Number:

Dear Xxx,

I refer to your repayment claim under the Diesel Rebate Scheme (Sec. 99A Finance Act 1999 as amended) in respect of the period (date starting – date ending)

This repayment claim has been rejected for the following reason(s)

(Detail the reasons for rejecting the claim)

You are now advised to amend and resubmit your repayment claim for this period as follows

(Detail the amendments required for the amended claim)

Yours faithfully,

Date:

Appendix III – Links to Internal Revenue Documents

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