

## **Natural Gas Carbon Tax**

### **Chapter 2 of Part 3 of Finance Act 2010 (as amended)**

Natural Gas Carbon Tax (NGCT) is provided for in Chapter 2 of Part 3 of Finance Act 2010. These provisions have been amended several times since 2010 by Finance Acts. The 2010 Act and subsequent amending Acts are published in the [Irish Statute Book](#).

This non-statutory consolidation of Chapter 2 of Part 3 of Finance Act 2010 has been prepared by Revenue for reference purposes. All amendments to date have been incorporated and these are annotated in the sidenotes. While every care has been taken in its preparation, Revenue can assume no responsibility for the accuracy, completeness or up to date nature of the information provided.

**Non-Statutory Consolidation effective from 1 January 2023**  
For Reference Purposes Only

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**Definitions  
(Chapter 2).**

66.—(1) In this Chapter—

“accounting period” means a period of 2 calendar months or such other period as the Commissioners may prescribe for the purposes of returns and payment under *section 70*;

Amended by S.81(a) of FA 2012.

“CN Code” means a Community subdivision to the combined nomenclature of the European Communities referred to in Article 1 of Council Regulation (EEC) No. 2658/87 of 23 July 1987<sup>1</sup> as amended by Commission Regulation (EC) No. 2031/2001 of 6 August 2001<sup>2</sup>;

“CO<sub>2</sub>” means carbon dioxide;

“Commissioners” means the Revenue Commissioners;

“consumer” means a person who receives a supply of natural gas for combustion;

“Directive” means Council Directive No. 2003/96/EC of 27 October 2003<sup>3</sup>;

“emissions” means the release, on combustion of natural gas, of CO<sub>2</sub>;

Inserted by S.46(1)(a) of FA 2022  
(subject to commencement  
order).

“glasshouse” means any building or structure made substantially of glass or other transparent or translucent material which is capable of being artificially heated and which is used for growing horticultural produce;

“greenhouse gas emissions permit” has the meaning assigned to it by Article 2(1) of the European Communities (Greenhouse Gas Emissions Trading) Regulations 2004 (S.I. No. 437 of 2004);

“natural gas” means natural gas falling within CN codes 2711 11 00 and 2711 21 00;

“officer” means an officer of the Commissioners;

“prescribed” means prescribed by regulations made by the Commissioners under *section 74*;

“supplier” means an entity which supplies natural gas to a consumer;

“supply” means a quantity of natural gas supplied to a consumer;

“tax” means natural gas carbon tax within the meaning of *subsection (1) of section 67*.

<sup>1</sup> OJ No. L256 of 7 September 1987, p. 1

<sup>2</sup> OJ No. L279 of 23 October 2001, p. 1

<sup>3</sup> OJ No. L260 of 11 October 2003, p. 8

**Charging and rates of natural gas carbon tax.**

Subsection (1) substituted by S.28(a) of FA 2020, with effect from 01.05.2021.

**67.**—(1) Subject to the provisions of this Chapter and any regulations made under it, a duty of excise, to be known as natural gas carbon tax, shall be charged, levied and paid at the rate specified in column (2) of the Table to this subsection with effect as on and from the date specified in column (1) of that Table on all natural gas, other than natural gas subject to mineral oil tax under section 95(1)(b) of the Finance Act 1999, supplied in the State by a supplier.

TABLE  
RATE OF NATURAL GAS CARBON TAX

With effect as on and from (1)	Rate of tax per megawatt hour at gross calorific value (2)
1 May 2021	€6.06
1 May 2022	€7.41
1 May 2023	€8.77
1 May 2024	€10.13
1 May 2025	€11.48
1 May 2026	€12.84
1 May 2027	€14.20
1 May 2028	€15.56
1 May 2029	€16.91
1 May 2030	€18.09

(2) *Subsection (1)* shall apply to all natural gas supplied by a supplier for combustion by such supplier.

Subsection (3) substituted by S.28(b) of FA 2020, with effect from 01.05.2021.

(3) The rate of tax per megawatt hour at gross calorific value for natural gas specified in the Table to subsection (1) is in proportion to the emissions of CO<sub>2</sub> from the combustion of natural gas.

**Liability to pay natural gas carbon tax.**

Substituted by S.81(d) of FA 2012.

**68.**—(1) Tax shall be charged at the time the natural gas is supplied by a supplier to a consumer and, except where *subsection (2)* applies, that supplier shall be accountable for and liable to pay the tax charged on the natural gas supplied by that supplier.

(2) A consumer shall be liable for any deficiency in the amount of tax paid on a supply, where that deficiency has resulted from false or misleading information furnished to the supplier concerned by that consumer, and no such liability shall attach to the supplier.

**Registration of natural gas suppliers.**

**69.**—Every supplier shall register with the Commissioners in accordance with such procedures as the Commissioners may prescribe or otherwise impose.

**Returns and payment by natural gas suppliers.**

**70.**—(1) For the purposes of *section 68*, a supplier shall within one month of the end of an accounting period, in respect of the natural gas supplied in that accounting period, furnish to an officer a return in such form as the Commissioners may require showing—

- (a) the quantity of natural gas supplied, and
- (b) in respect of each of the reliefs under *section 71*, the quantity that qualified for such relief.

(2) The supplier shall, in accordance with the return under *subsection (1)* and by the time that return is due, pay the amount of tax due in respect of the accounting period concerned.

Inserted by S.81(e) of FA 2012.

(3) Any supplier that is not established in the State shall make such arrangements with the Commissioners as the Commissioners may require for the payment of the tax and accounting for it, and those arrangements shall include the appointment of a competent person in the State to give effect to them.

**Reliefs from natural gas carbon tax.**

**71.—** (1) Without prejudice to any other relief from tax which may apply, and subject to such conditions as may be prescribed or otherwise imposed, a full relief from tax shall be granted on any natural gas which is shown to the satisfaction of the Commissioners to have been supplied for use—

Paragraphs (a), (b) and (c) amended by S.60(a) of FA 2013 and S.41(1)(a) of FA 2016 commenced on 01.01.2017 (S.I. No. 676 of 2016).

- (a) solely for the generation of electricity,
- (b) for chemical reduction or in electrolytic or metallurgical processes,
- (c) under diplomatic arrangements in the State,

**Paragraph (c) amended by S.46(1)(b)(i) of FA 2022 (subject to commencement order).**

Paragraph (d) inserted by S.41(1)(a)(iii) of FA 2016 commenced on 01.01.2017 (S.I. No. 676 of 2016).

- (d) for heat and power cogeneration (other than heat and power cogeneration by a micro-cogeneration unit within the meaning of Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012<sup>4</sup>), where it is determined, by a competent authority designated for the purpose by the Minister for Finance, that such cogeneration meets the requirements for high-efficiency cogeneration under Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012,

**Paragraph (d) amended by S.46(1)(b)(ii) of FA 2022 (subject to commencement order).**

**Paragraph (e) inserted by S.46(1)(b)(iii) of FA 2022 (subject to commencement order).**

- (e) in the production of horticultural produce in one or more than one glasshouse of a total area of not less than a quarter of an acre, or

**Paragraph (f) inserted by S.46(1)(b)(iii) of FA 2022 (subject to commencement order).**

- (f) in the cultivation of mushrooms in one or more than one building or structure of a total area of not less than 3,000 square feet.

Subsection (1A) inserted by S.41(1)(b) of FA 2016 commenced on 01.01.2017 (S.I. No. 676 of 2016).

(1A) The relief under *subsection (1)(d)* shall be calculated

<sup>4</sup> OJ No. L315, 14.11.2012, p.1

as the amount of the tax paid on that portion of the natural gas used for cogeneration that is used to generate high-efficiency electricity as determined, and set out in a certificate issued, by the competent authority.

Subsection (2) substituted by S.41(1)(c) of FA 2016 commenced on 01.01.2017 (S.I. No. 676 of 2016).

(2) Subject to such conditions as the Commissioners may prescribe or otherwise impose, a partial relief from tax shall be granted on any natural gas that is shown to the satisfaction of the Commissioners to have been supplied for use in an installation that is covered by a greenhouse gas emissions permit.

Subsection (3) inserted by S.81(h) of FA 2012.

(3) The relief under *subsection (2)* shall be calculated as the amount of tax chargeable on the natural gas supplied, less an amount calculated at the rate of €0.54 per megawatt hour.

**Repayments of natural gas carbon tax.**

**72.—(1)** Where a supply on which the tax has been paid qualifies for relief under *section 71*, a repayment of that tax shall be made to the consumer of that supply.

Substituted by S.41(2)(a) of FA 2016 commenced on 01.01.2017 (S.I. No. 676 of 2016).

(2) (a) A claim for repayment in relation to relief under *paragraph (a), (b), (c), (e) or (f) of section 71(1) or under section 71(2)* shall be made in such form as the Commissioners may direct and shall be in respect of natural gas supplied within a period of not less than one and not more than 6 calendar months.

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in *paragraph (a)* shall be made within 6 calendar months of the end of the period in respect of which the claim is made.

Inserted by S.41(2)(b) of FA 2016 commenced on 01.01.2017 (S.I. No. 676 of 2016).

(3) (a) A claim for repayment in relation to relief under *paragraph (d) of section 71(1)* shall be made in such form as the Commissioners may direct and shall be in respect of natural gas which has been—

(i) supplied within a period of not less than one and not more than 12 calendar months, and

(ii) determined to have been used to generate high-efficiency electricity by the competent authority.

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in *paragraph (a)* shall be made within 6 calendar months of the date upon which the competent authority has issued the certificate referred to in *subsection (1A)*.

**Offence and penalty (Chapter 2).**

**73.—(1)** It is an offence under this subsection for any person to contravene or fail to comply with any provision of this Chapter, or any regulation made under *section 74*, or any condition imposed under this Chapter, or under such regulation in relation to such provision.

(2) Without prejudice to any other penalty to which a person may be liable, a person convicted of an offence under *subsection (1)* is liable on summary conviction to a fine of €5,000.

(3) Where an offence under *subsection (1)* is committed by a body corporate and the offence is shown to have been committed with the consent or connivance of any person who, when the offence was committed, was a director, manager, secretary or other officer of the body corporate, or a member of the committee of management or other controlling authority of the body corporate, that person shall also be deemed to be guilty of an offence and may be proceeded against and punished as if guilty of the first-mentioned offence.

**Regulations  
(Chapter 2).**

**74.**—The Commissioners may, for the purposes of managing, securing and collecting the tax, or for the protection of the revenue derived from it, make regulations.

**Care and management  
(Chapter 2).**

**75.**—The tax imposed by this Chapter is placed under the care and management of the Commissioners.

**Commencement  
(Chapter 2).**

**76.**—This Chapter comes into operation on 1 May 2010.