

Solid Fuel Carbon Tax

Chapter 3 of Part 3 of Finance Act 2010 (as amended)

Solid Fuel Carbon Tax (SFCT) is provided for in Chapter 3 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 3 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 May 2021
For Reference Purposes Only

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**Interpretation
(Chapter 3).**

77.—In this Chapter and in *Schedule 1*—

“accounting period” means a period of 2 calendar months or such other period as the Commissioners may prescribe for the purposes of payment and returns under *section 81*;

Inserted by S.51(1)(a)(vi) of F(No.2)A 2013.

“biomass” means 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;

Inserted by S.51(1)(a)(vi) of F(No.2)A 2013.

“biomass content” in relation to a solid fuel product means the percentage of the weight of that product that is accounted for by biomass;

Inserted by S.51(1)(a)(vi) of F(No.2)A 2013.

“biomass product” means any solid fuel product with a biomass content of 30 per cent or more;

Substituted by S.51(1)(a)(i) of F(No.2)A 2013.

“briquettes” means milled peat which has been mechanically compressed into blocks for use as fuel;

Amended by S.82(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 1987¹ as amended by Commission Regulation (EC) No. 2031/2001 of 6 August 2001²;

“CO₂” means carbon dioxide;

Substituted by S.51(1)(a)(ii) of F(No.2)A 2013.

“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;

“Commissioners” means the Revenue Commissioners;

“consumer” means a person who receives a supply of solid fuel for combustion;

“Directive” means Council Directive No. 2003/96/EC of 27 October 2003³;

“emissions” means the release, on combustion of a solid fuel, of CO₂;

Inserted by S.51(1)(a)(vi) of F(No.2)A 2013.

“first supplied” means the first time a supply is made within the State by a supplier;

¹ OJ No. L256 of 7 September 1987, p.1

² OJ No. L279 of 23 October 2001, p.1

³ OJ No. L260 of 11 October 2003, p 8

“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);

“milled peat” means granulated peat that is supplied for use as a fuel;

“officer” means an officer of the Commissioners;

“other peat” means peat other than milled peat and briquettes that is supplied for use as a fuel;

Substituted by
S.51(1)(a)(iii) of F(No.2)A
2013.

“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 product other than coal falling within CN Code 2701 or lignite falling within CN Code 2702;

“prescribed” means prescribed by regulations made by the Commissioners under *section 85*;

“solid fuel” means coal or peat;

Substituted by
S.51(1)(a)(iv) of F(No.2)A
2013.

“supplier” means—

- (a) except where *paragraph (b)* applies, a taxable person within the meaning of section 2 of the Value-Added Tax Consolidation Act 2010,
- (b) an accountable person for the purposes of Part 2 of the Value-Added Tax Consolidation Act 2010,

who supplies solid fuel;

Substituted by
S.51(1)(a)(v) of F(No.2)A
2013.

“supply” means—

- (a) except where *paragraph (b)* applies, the supply of a quantity of solid fuel to another person,
- (b) the supply of a quantity of solid fuel by a supplier for combustion by that supplier;

“tax” means solid fuel carbon tax within the meaning of *subsection (1) of section 78*.

Charging and rates of solid fuel carbon tax.
Substituted by S.29(a) of
FA 2020, with effect from
01.05.2021.

78. (1) Subject to the provisions of this Chapter and any regulations made under it, a duty of excise, to be known as solid fuel carbon tax, shall be charged, levied and paid at the rate specified in column (2) of Schedule 1 with effect as on and from the date specified in column (1) of that Schedule in respect of each description of solid fuel specified in Schedule 1 supplied in the State by a supplier.

- (2) The rate of tax per tonne for each description of solid fuel specified in Schedule 1 is in proportion to the emissions of CO₂ from the combustion of the solid fuel concerned.

Liability to pay solid fuel carbon tax.
Substituted by S.61(1)(d) of FA 2013.

79.—(1) Tax shall be charged at the time the solid fuel is first supplied in the State by a supplier and, except where *subsections (2) or (3)* apply, that supplier shall be accountable for and liable to pay the tax charged.

(2) (a) In this subsection ‘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.

(b) Subject to such conditions as the Commissioners may prescribe, or otherwise require in any particular case, tax shall not be charged on solid fuel supplied by a supplier to a manufacturer of a solid fuel product, where such solid fuel is used as a raw material in the manufacture of such product.

(c) Where *paragraph (b)* applies, tax shall be charged at the time when the manufactured solid fuel product is first supplied in the State by a supplier, and that supplier shall be accountable for and liable to pay the tax charged.

(3) A consumer shall be liable for any deficiency in the amount of tax charged 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 solid fuel suppliers.
Substituted by S.61(1)(e) of FA 2013.

80.—Every supplier who is accountable under *section 79* shall register with the Commissioners in accordance with such procedures as the Commissioners may prescribe or otherwise require.

Returns and payment by solid fuel suppliers.

81.—(1) For the purposes of *section 79*, a supplier shall within one month of the end of an accounting period, in respect of the solid fuel supplied in that accounting period, furnish to an officer a return in such form as the Commissioners may require showing—

(a) the quantity and description of that solid fuel, and

(b) in respect of each of the reliefs under *section 82*, the quantity of that solid fuel 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.

Reliefs from solid fuel carbon tax.
Substituted by S.82(c) FA 2012.

82.—(1) Subject to such conditions as the Commissioners may prescribe or otherwise impose, a full relief from tax shall be granted on any solid fuel that is shown to the satisfaction of the Commissioners to have been delivered for use—

Amended by S.42(1)(a) FA 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, or

Inserted by S.42(1)(a)(iv) of FA 2016. Relief under section 82(1)(d) commenced 01.01.2017.

- (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 2012³), 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.

Inserted by S.42(1)(b) of FA 2016.

(1A) The relief under *subsection (1)(d)* shall be calculated as the amount of tax paid on that portion of the solid fuel used for cogeneration that is used to generate high-efficiency electricity as determined, and set out in a certificate issued, by the competent authority.

Substituted by S.42(1)(c) of FA 2016.

(2) Subject to such conditions as the Commissioners may prescribe or otherwise impose, a partial relief from tax shall be granted on any solid fuel 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.

(3) The relief under *subsection (2)* is—

- (a) in the case of peat, a full relief, and
- (b) in the case of coal, a partial relief, to be calculated as the amount of tax chargeable on the quantity of coal delivered, less an amount calculated at the rate of €4.18 per tonne.

Relief for biomass content of solid fuel.
Inserted by S.51(1)(c) of F(No.2)A 2013.
Commenced 01.11.2016 (S.I. No. 547 of 2016).

82A. (1) Where the Minister for the Environment, Community and Local Government makes regulations under section 53 of the Air Pollution Act 1987 to provide for—

- (a) the identification of biomass products supplied by a supplier,
- (b) the marking to be applied to the packaging of biomass products for the purposes of such identification, and
- (c) the records to be kept by suppliers relating to the biomass products received, produced, held, delivered and supplied by them,

³ OJ No. L315, 14.11.2012, p.1

then, subject to such conditions as the Commissioners may prescribe or otherwise impose, a partial relief from tax (referred to in this section as ‘the relief’) shall be granted on any biomass product that is shown to the satisfaction of the Commissioners to have been first supplied by a supplier in accordance with the regulations.

(2) The relief on the supply of a quantity of biomass product shall be calculated as follows:

- (a) 30 per cent of the tax chargeable where the biomass content of that product is less than 50 per cent;
 - (b) 50 per cent of the tax chargeable where the biomass content of that product is 50 per cent or more.
- (3) (a) The relief shall, except where *paragraph (b)* applies, be applied by way of remission, and the supplier shall account for and pay the tax on the biomass product concerned at the rate specified in *Schedule 1* less the amount of the relief.
- (b) Where any biomass product has been first supplied by a supplier without application of the relief in accordance with *paragraph (a)*, the Commissioners shall, subject to such conditions as they may impose in any particular case, apply the relief to that supply by way of repayment.
- (c) Except where the Commissioners may in any particular case allow, a repayment claim shall be made within 4 months following the date on which the tax was paid on the biomass products concerned.

Repayments of solid fuel carbon tax.

83.—(1) Where a supply on which tax has been paid qualifies for relief under *section 82* a repayment of that tax shall be made to the consumer of that supply.

Substituted by S.42(2)(a) of FA 2016.

(2) (a) A claim for repayment in relation to relief under *paragraphs (a), (b) and (c) of section 82(1)* or under *section 82(2)* shall be made in such form as the Commissioners may direct and shall be in respect of solid fuel delivered 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.42(2)(b) of FA2016.

(3) (a) A claim for repayment in relation to relief under *paragraph (d) of section 82(1)* shall be made in such form as the Commissioners may direct and shall be in respect of solid fuel which has been—

(i) delivered 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 3).

84.—(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 85*, 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 3).

85.—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 3).

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

Commencement
(Chapter 3).

87.—This Chapter comes into operation on such date as the Minister for Finance may appoint by order.

SCHEDULE 1*

RATES OF SOLID FUEL CARBON TAX

(With effect as on and from 1 May 2020 – 30 April 2021)

Description of Solid Fuel	Rate of Tax
Coal	€68.48 per tonne
<i>Peat:</i> Peat briquettes	€47.67 per tonne
Milled peat	€23.62 per tonne
Other peat	€35.43 per tonne

*Substituted by S.46(b) of Finance Act 2019.

Please note there is a rate change as on and from 1 May 2021 (See Schedule 1 on Page 10)

SCHEDULE 1*

RATES OF SOLID FUEL CARBON TAX

(With effect as on and from 1 May 2021)

With effect as on and from (1)	Description of Solid Fuel Rate of Tax per tonne (2)			
	Coal	Peat Briquettes	Milled Peat	Other Peat
1 May 2021	€88.23	€61.42	€30.44	€45.65
1 May 2022	€107.98	€75.17	€37.25	€55.87
1 May 2023	€127.74	€88.93	€44.07	€66.10
1 May 2024	€147.49	€102.68	€50.88	€76.32
1 May 2025	€167.24	€116.43	€57.70	€86.54
1 May 2026	€187.00	€130.18	€64.52	€96.76
1 May 2027	€206.75	€143.94	€71.33	€106.98
1 May 2028	€226.51	€157.69	€78.15	€117.21
1 May 2029	€246.26	€171.44	€84.96	€127.43
1 May 2030	€263.38	€183.36	€90.87	€136.29

*Substituted by S.29(b) of Finance Act 2020.