



ROAD FREIGHT TRANSPORT

EUROPEAN TAXATION

Excise duties, mechanisms for partial refunds on diesel and short-term measures on excise duties in Europe

Situation on 1st April 2023

A note on methodology

Since December 2022, CNR has chosen to conduct its own survey directly in all Member States in order to ascertain the excise duties applied to diesel and any partial refunds that have been introduced for professionals. Previously, the CNR used the oil bulletin published by the European Commission, however, the published information is not always up to date.

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CNR presents its European overview of the taxation applied to diesel in Europe and details the arrangements for partial refunds of excise duties put in place in each country, applicable to road freight transport, as well as short-term measures introduced in 2022 and still in place in 2023 in response to the energy price crisis.

Highlights in this 1st April 2023 overview:

- Five Member States maintained the measures put in place in 2022 to decrease the excise duties on diesel (Croatia, Czechia, Ireland and the Netherlands).
- Eight Member States applied a partial refund on diesel “for commercial use ».
- Five countries had excise duties on diesel “for non-commercial use” at or below the European minimum (33 €/hl) and nine countries had excise duties on diesel “for commercial use” (heavy goods vehicle with a GVWR greater than or equal to 7.5 tonnes) at or below the European minimum.
- On 1st April 2023, excise duty on diesel “for commercial use” (road freight transport) varies from 20.07€/hl in Portugal to 59.48€/hl in Finland, i.e. a range of 39.41€/hl. The average is 37.91€/hl and the median 37.45€/hl.
- Novelty, the excise duties on diesel from three countries outside the European Union have been added to this comparison, namely Norway, the United Kingdom and Switzerland.

The case of France :

- France is in second place, behind Italy, of the European countries where the excise duties applied to diesel “for non-commercial use” are the highest.
- Despite its mechanism of partial refund of excise duties, France remains among the countries where excise duties on diesel “for commercial use” are the highest, placing it in fourth place among the twenty-seven Member States.

Excise duties on diesel are a factor that enables hauliers to gain an edge over their European competitors. Indeed, diesel is the second biggest cost item in the operation of an HGV, even the first one when it comes to East European flags. With a single tank of diesel, an HGV travels up to 4,000 kilometers, it can criss-cross Europe from East to West or from North to South for almost two weeks. Companies whose main activity is international transport adapt their strategies to purchase in inexpensive countries and trigger partial refund mechanisms when they exist. On the contrary, HGVs which do national transport pay the excise duties in their country. Therefore, there is a strong tax competition issue between States and an economic competition between hauliers. The harmonization of competition conditions of the European road freight transport market can be improved on the taxation applied to diesel fuel.

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1. Community legislation on excise duties applied to diesel

The disparity in the rates of taxation on diesel in Europe constitutes, after that of driving staff costs, an important source of distortion of competition in the road transport sector. This situation has been found to be incompatible with the normal functioning of the common market and, since 1992, in the spirit of harmonisation, Europe has set minimum rates of taxation applicable to motor fuels. Despite numerous attempts at revision, the rules relating to excise duties in Europe remain contained in Directive 2003/96/EC of 27 October 2003, the so-called "energy directive", structuring the Community framework for the taxation of energy products and electricity. This directive lays down the principle of a minimum rate for all, but nonetheless provides exceptions.

The principle: a minimum Community rate applicable to diesel

The Directive sets a minimum rate of taxation on diesel below which Member countries cannot go. Initially set at €24.50/hl¹ by Directive 92/82/EEC of 19 October 1992, the minimum Community rate applicable to diesel was raised to 30.20€/hl in 1st January 2004, then 33€/hl, in 1st January 2010.

This rate of 33€/hl is the minimum rate still in force today.

For member countries that have not adopted the single currency², this rate is converted to national currency at the official exchange rate of 1st October of the last year for the current year.

Exception 1: exemptions from the minimum thresholds granted depending on the country's living standards

Exemptions from the minimum thresholds were able to be negotiated according to the differentials in the living standard of the countries, notably at the time of the entry of countries from Central and Eastern Europe (CEE) in May 2004. Until 1st January 2012, countries "facing difficulties in the application of the minimum levels of taxation" were thus able to benefit from transitional periods.

Currently, if the law is strictly interpreted, no country is supposed to benefit from this type of exemption anymore.

Exception 2: a difference in taxation between "commercial and non-commercial use of gas oil used as propellant"

A second exception in Article 7.2 of Directive 2003/96/EC gives the EU Member States the possibility of establishing a difference in taxation between "commercial and non-commercial use of gas oil".

Specifically, the text provides that this difference may be used in the case of "the transport of goods on behalf of others or on one's own account, carried out by means of a motor vehicle or a coupled combination of vehicles intended exclusively for the carriage of goods by road and having a maximum authorised load weight equal to or greater than 7.5 tonnes".

This difference in taxation can also be established "for the regular or occasional transport of passengers by a motor vehicle of category M2³ or M3 ».

¹ €/hl: euros per hectolitre (100 litres); can be read as euro cents per litre

² Bulgaria, Denmark, Hungary, Poland, Czech Republic, Romania and Sweden.

³ Vehicles designed and constructed for the carriage of passengers comprising, in addition to the driver's seat, more than eight seats and having a maximum mass not exceeding 5 tonnes

An important restriction in Article 7.2 of Directive 2003/96/EC is that this rate “for commercial use” may not be lower than that which was applied at the pumps on 1 January 2003⁴.

According to transport activity, countries may have put in place different mechanisms for partial refunds. This overview identifies exclusively the measures applied to road freight transport.

⁴ 39.19 €/hl for France.

2. Countries applying a difference in taxation between “commercial and non-commercial use of gas oil” – Measures applied to road freight transport

Currently, nine European States have put in place a differentiated taxation for diesel “for commercial use”, on the basis of Article 7.2 of Directive 2003/96/EC. To date, one Member State, Romania, has temporarily suspended its partial refund.

The National Road Transport Committee regularly updates the different practices that exist today in the EU member countries. This information could be useful to carriers who would like to obtain a partial refund for fuel purchased in a member country practicing such a differentiation.

Partial refunds of excise duties are often complex and difficult to understand⁵ as direct taxation remains in the field of the exclusive jurisdiction of Member States. As long as they respect the European minima, excise duty can be modified by national policies. In these conditions, it should be recalled that the information provided below was valid at the presentation of the present report. The values for gross excise duties indicated below are converted with the official exchange rate of 1st October 2022.

- Belgium : « Droit d'accise spécial » [Special excise duty]

In Belgium, reimbursement of part of the “special excise duty” has been in existence since 1 January 2004. It is not capped in terms of volume. It evolves in accordance with the special excise duty on diesel according to a complex system with “positive and negative ratchet effects”.

- ✓ As of 1st April 2023, excise duties in Belgium stood at 60.02€/hl.
- ✓ Currently, the partial refund rate stands at 20.50665€/hl.
- ✓ The net rate of excise duties applicable to commercial diesel is therefore 39.51€/hl.

- Croatia

Carriers operating vehicles of a GVWR greater than or equal to 7.5 tonnes purchasing diesel in Croatia, may apply for a refund of part of the excise duty since 1 January 2019. This refund is not capped in volume. Croatia joined the Eurozone on 1st January 2023.

- ✓ As of 1st April 2023, excise duties in Croatia stood at 35.30€/hl.
- ✓ The amount of refund is 2.30€/hl.
- ✓ The net rate of excise duties on commercial diesel is therefore 33€/hl.

- Spain : « Gasoleo profesional »

The measure for a partial refund of excise duty for heavy goods vehicles with a GVWR greater than or equal to 7.5 tonnes has existed since 2007. It is capped at 50,000 litres per vehicle per year. These payments are processed directly at petrol stations by means of professional cards issued to companies and authorised by the AEAT's Customs and Special Taxes Department.⁶ A card issued in another Member State may be used for the purchase of commercial diesel in Spain provided that its issuer complies with the requirements of HAP/290/2013 decree of 19 February 2013⁷ and that it has been authorised by the AEAT.

⁵ Some specialised companies offer carriers their services for the recovery of this tax in Europe.

⁶ Agencia Estatal de Administración Tributaria: www.agenciatributaria.es

⁷ <https://www.boe.es/buscar/pdf/2013/BOE-A-2013-2084-consolidado.pdf>

If they do not have business cards, hauliers may register on the website of the Office of the National Agency of Tax Administration⁸ that will refund the diesel bought in Spain.

- ✓ As of 1st April 2023, excise duties in Spain stood at 37.90€/hl.
- ✓ Currently, the partial refund rate stands at 4.90€/hl.
- ✓ The net rate of excise duties on commercial diesel is therefore 33€/hl.

- [France – Information on road freight transport](#)

In France, diesel said to be “for commercial use” is commonly called commercial diesel. The refund is not capped in terms of volume.

French RFT companies operating vehicles with a GVWR equal to or greater than 7.5 tonnes benefit from a partial refund of the special TICPE [domestic tax on the consumption of energy products]⁹. This rate of refund corresponds to the difference between the TICPE rate in force in the region where the fuel is purchased for the period in question and the TICPE rate applied to commercial diesel set out in Article 265 septies of the Customs Code¹⁰ (45.19€/hl since 2020).

For the sake of simplicity, companies that obtain their supplies from at least three different regions may, if they so wish, opt for a single flat-rate refund. The weighted average refund rate, referred to in Articles 265 septies and octies of the Customs Code, amounted to 15.71€ in the first half of 2023.

The National Road Transport Committee is, today, the only organisation which publishes a professional index taking into account the partial refund of TICPE (CNR commercial diesel index).

- ✓ As of 1st April 2023, the weighted rate in France amounts at 60.90€/hl¹¹.
- ✓ The amount of the partial TICPE refund is 15.71€/hl (weighted flat rate) in RFT.
- ✓ The net rate of excise duties applicable to commercial diesel (RFT) is therefore 45.19€/hl.

- [Hungary](#)

Partial refund of excise duty for heavy goods vehicles with a GVWR equal to or greater than 7.5 tonnes have existed since 1st January 2011. The refund is not capped in terms of volume.

Hungary is not in the Eurozone. Its currency (the Forint) fluctuates against the euro.

- ✓ As of 1st April 2023, excise duties stood at 26.08€/hl (i.e. 11,350 HUF/ hl).
- ✓ The amount of the refund is set annually by the Hungarian tax authorities. It stands at 350€/hl, or approximately 0.83€/hl¹².
- ✓ The net rate of excise duties on commercial diesel is therefore 25.25€/hl.

⁸ Sede electrónica de la Agencia Estatal de Administración Tributaria: <https://www.agenciatributaria.gob.es/>

⁹ Under certain conditions: <http://www.douane.gouv.fr/articles/a12259-transporteurs-routiers-remboursement-des-taxes-de-carburant>

¹⁰ As amended by Act No. 2016-1918 of 29 December 2016 - Art. 89

¹¹ Corsica included.

¹² Currency conversion based on the exchange rate on 1 October 2022

- Italy: « Aliquota d'Accisa » [Rate of Excise Duty]

The principle of a partial refund of excise duty for heavy goods vehicles with a GVWR greater than or equal to 7.5 tonnes has existed since October 2001. This refund is not capped in volume. A ministerial decree issued each quarter sets its amount.

- ✓ As of 1st April 2023, excise duties stood at 61.74€/hl.
- ✓ Currently, the partial refund stands at 21.418€/hl.
- ✓ The net rate of excise duties on commercial diesel is therefore 40.32€/hl.

- Portugal « Gasóleo Profissional » [Commercial diesel]

Portugal applies a difference in taxation between diesel for commercial use and diesel for non-commercial use used as motor fuel since 1st January 2017. Commercial diesel is capped at 35,000 litres per vehicle per year. Since July 2022, the partial refund on commercial diesel has been temporarily limited to 8,500 litres per vehicle per year.

- ✓ As of 1st April 2023, excise duties stood at 37.07€/hl.
- ✓ Currently, the partial refund rate stands at 17€/hl.
- ✓ The net rate of excise duties on commercial diesel is therefore 20.07€/hl (measure taken in July 2022 for a two-month period and extended a first time to the end of December 2022, then to 30 June 2023).

- Romania

Since 2014, transport companies have benefited from a refund system for excise duties. In accordance with a government decision of 17 July 2018, this refund is currently 183.62 lei/1,000 litres, i.e. 3.71€/hl.¹³ It is not capped in terms of volume. This refund is activated if the excise duties applied to diesel "for non-commercial use" are higher than the European minimum rate (33€/hl).

- ✓ As of 1st April 2023, excise duties stood at 163.281 RON/hl, i.e. 32.98€/hl (currency conversion effects).
- ✓ There is no partial refund in 2023.
- ✓ The net rate of excise duties applicable to commercial diesel is therefore 32.98€/hl.

- Slovenia

In Slovenia, it has been possible to obtain a refund for a portion of the excise duty on diesel for vehicles with a GVWR equal to or greater than 7.5 tonnes since 1 July 2009. The rate of excise duties is not fixed and is published on a monthly basis. It is calculated depending on the price of fuel and includes an environmental tax as well as other indirect taxes. The refund is not capped in terms of volume.

- ✓ As of 1st April 2023, excise duties stood at 42.61€/hl.
- ✓ The partial refund corresponds to the difference between the monthly amount established by the Slovenian Ministry of Finance and the European minimum rate (33€/hl). As of 1st April 2023, the partial refund stands at 9.61€/hl.
- ✓ The net rate of excise duties on commercial diesel is therefore 33€/hl.

¹³ Currency conversion based on the exchange rate on 1 October 2022

3. Countries applying short-term measures on excise duties in response to the energy price crisis

In 2022, fourteen Member States implemented measures to lower excise duties on diesel for “non-commercial use” (from which everyone benefits). In 2023, five of them maintain these measures.

- **Ireland**

The reduction in excise duties on diesel of 13€/hl which was to end on 12 October 2022, has been extended a first time until 28 February 2023 and a second time until 31 May 2023.

From 1st June 2023, excise duties on diesel will undergo several increases:

- As of 1st June 2023, excise duties on diesel will increase by 4.07€/hl.
- As of 1st September 2023, excise duties on diesel will increase again by 4.07€/hl.
- As of 31 October 2023, excise duties on diesel will return to their pre-crisis level with a further increase of 4.88€/hl¹⁴.

- **Netherlands**

From 1st April 2022 to 30 June 2023, excise duties amount to 41.70€/hl, i.e. a reduction of 11.1€/hl. This measure follows the energy price crisis. On 1st July 2023, the rate of excise duty on diesel will return to its pre-crisis level, i.e. 51.60€/hl¹⁵.

- **Portugal**

In 2023, excise duties on diesel fuel for « non-commercial use » increased by 3.77€/hl, at 37.07€/hl. Since 1st July 2022, a partial refund of excise duties on diesel for « commercial use » has been applied up to 17€/hl, within the limit of 8,500 litres per vehicle and per year. This measure, which was to end in December 2022, has been extended until 30 June 2023¹⁶. Excise duties on diesel for « commercial use » thus amounts to 20.07€/hl.

- **Croatia**

Excise duties on diesel for « non-commercial use » will remain stable in 2023, despite Croatia’s entry into the Eurozone. The successive reductions applied in April 2022 (20 HKR/hl) and in June 2022 (20 HKR/hl) are still valid in 2023.

- **Czechia**

From 1st June 2022 to 31 December 2023, excise duties amount to 854 CZK/hl (34,36€/hl), i.e. a reduction of 150 CZK/hl. This measure follows the energy price crisis.

¹⁴<https://www.gov.ie/en/press-release/b1c40-minister-mcgrath-secures-dail-approval-for-tax-changes-to-help-with-the-cost-of-living/>

¹⁵<https://business.gov.nl/amendment/taxes-on-energy-petrol-diesel-lowered/>

¹⁶<https://www.antram.pt/conteudo/3655-gasoleo-profissional-consumo-proprio-regime-transitorio-prorrogado-ate-30-de-junho-de-2023>

4. Summary table on excise duties applied to diesel

Classification of countries according to the level of excise duties applied to diesel “for non-commercial use”

Situation as of 1 April 2023, based on the exchange rate on 1 October 2022.

COUNTRIES	Excise duties on diesel fuel "for non-commercial use" (in €/hl)	Evolution since November 2022	Short-term measures on excise duties	RANK
EUROPEAN UNION				
Italy	61.74	↗	N	1
France	60.90	=	N	2
Belgium	60.02	↗	N	3
Finland	59.48	=	N	4
Austria	47.87	=	N	5
Germany	47.04	=	N	6
Denmark	44.37	↗	N	7
Luxembourg	42.88	↗	N	8
Slovenia	42.61	↗	N	9
Ireland	42.55	=	Y	10
Netherlands	41.75	=	Y	11
Latvia	41.40	=	N	12
Greece	41.00	=	N	13
Cyprus	40.00	=	N	14
Spain	37.90	=	N	15
Sweden	37.45	↗	N	16
Estonia	37.20	=	N	17
Lithuania	37.20	=	N	17
Portugal	37.07	↗	Y	19
Slovakia	36.80	=	N	20
Croatia	35.30	=	Y	21
Czechia	34.36	=	Y	22
Bulgaria	33.03	=	N	23
Malta	33.00	=	n.d.	24
Romania	32.98	↘	N	25
Hungary	26.08	↗	N	26
Poland	23.90	=	N	27
Range	37.84	↘		
Average	41.33	↗		

Source : CNR - European studies

Countries allowing a partial refund

COUNTRIES	Excise duties on diesel fuel "for non-commercial use" (in €/hl)	Short-term measures on excise duties
OUTSIDE THE EUROPEAN UNION		
Switzerland	78.40	n.d.
United Kingdom	60.32	Y
Norway	51.10	N

Source : CNR - European studies

Classification of countries according to the level of excise duties applied to diesel "for commercial use"

Situation as of 1 April 2023, based on the exchange rate on 1 October 2022.

COUNTRIES	Excise duties on diesel fuel "for commercial use" (in €/hl)	Evolution since November 2022	Short-term measures on excise duties	RANK
EUROPEAN UNION				
Finland	59.48	=	N	1
Austria	47.87	=	N	2
Germany	47.04	=	N	3
France	45.19	=	N	4
Denmark	44.37	↗	N	5
Luxembourg	42.88	↗	N	6
Ireland	42.55	=	Y	7
Netherlands	41.75	=	Y	8
Latvia	41.40	=	N	9
Greece	41.00	=	N	10
Italy	40.32	↗	N	11
Cyprus	40.00	=	N	12
Belgium	39.51	↗	N	13
Sweden	37.45	↗	N	14
Estonia	37.20	=	N	15
Lithuania	37.20	=	N	15
Slovakia	36.80	=	N	17
Czechia	34.36	=	Y	18
Bulgaria	33.03	=	N	19
Slovenia*	33.00	=	N	20
Spain	33.00	=	N	20
Croatia	33.00	=	Y	20
Malta	33.00	=	n.d.	20
Romania	32.98	↘	N	24
Hungary	25.25	↗	N	25
Poland	23.90	=	N	26
Portugal	20.07	↗	Y	27
Range	39.41	↘		
Average	37.91	↗		

Source : CNR - European studies

* Amount of the partial refund to be confirmed

Countries allowing a partial refund

COUNTRIES	Excise duties on diesel fuel "for commercial use" (in €/hl)	Short-term measures on excise duties
OUTSIDE THE EUROPEAN UNION		
Switzerland	78.40	n.d.
United Kingdom	60.32	Y
Norway	51.10	N

Source : CNR - European studies