



## ROAD FREIGHT TRANSPORT

### EUROPEAN TAXATION

# Excise duties and mechanisms for RFT partial refunds on excise duties on diesel in Europe

Situation on 23<sup>rd</sup> 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. CNR does not rely on the oil bulletin published by the European Commission as the frequency of updating rates is not regular (last update on March 13, 2024, after several years without updating) and the information is sometimes incomplete.

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CNR updates its European overview of the specific taxation applied to diesel in Europe and details the arrangements for partial refunds of excise applicable to road freight transport put in place in each country.

Highlights in this 23<sup>rd</sup> April 2023 overview:

- One Member State, Portugal, maintained the temporary measures in place in 2022 to decrease the excise duties on diesel during the oil prices hike. The United Kingdom put in place temporary measures on fuel on March 23<sup>rd</sup>, 2022, applicable until March 22, 2025.
- Eight Member States applied partial refunds on diesel « for commercial use ».
- Four countries had excise duties on diesel « for non-commercial use » at or below the European minimum (33 €/hl) and eight 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 April 23<sup>rd</sup>, 2024, excise duty on diesel “for commercial use” (road freight transport) varies from 25.07 €/hl in Poland to 55.12 €/hl in Ireland, i.e. a range of 30.05 €/hl. The average is 39.67 €/hl and the median 40.32 €/hl.
- As for the former comparative study, 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 seventh place among the twenty-seven Member States. France, however, is ranked in a better place than in the April 2023 ranking due to increases in excise duties on diesel « for private use » in several European countries (Ireland, Netherlands, Denmark).

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/hl<sup>1</sup> by Directive 92/82/EEC of 19 October 1992, the minimum Community rate applicable to diesel was raised to 30.20€/hl in 1<sup>st</sup> January 2004, then 33€/hl, in 1<sup>st</sup> January 2010.

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

For member countries that have not adopted the single currency<sup>2</sup>, this rate is converted to national currency at the official exchange rate of 1<sup>st</sup> 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 1<sup>st</sup> 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 M2<sup>3</sup> or M3 ».

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

<sup>2</sup> Bulgaria, Denmark, Hungary, Poland, Czech Republic, Romania and Sweden.

<sup>3</sup> 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 2003<sup>4</sup>.

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.

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<sup>4</sup> 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 understand<sup>5</sup> 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 1<sup>st</sup> October 2023.

- **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 23rd April 2024, excise duties in Belgium stood at 60.02 €/hl.
- ✓ Currently, the partial refund rate stands at 19.35 €/hl (same for road freight transport (RFT) and road passenger transport (RPT)).
- ✓ The net rate of excise duties applicable to commercial diesel is therefore 40.67 €/hl (same for RFT and RPT).

- **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 1<sup>st</sup> January 2023.

- ✓ As of 23rd April 2024, excise duties in Croatia stood at 35.30 €/hl.
- ✓ The amount of refund is 5.30 €/hl (same for RFT and RPT).
- ✓ The net rate of excise duties on commercial diesel is therefore 30 €/hl (same for RFT and RPT).

- **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.<sup>6</sup> 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 2013<sup>7</sup> and that it has been authorised by the AEAT.

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

<sup>6</sup> Agencia Estatal de Administración Tributaria: [www.agenciatributaria.es](http://www.agenciatributaria.es)

<sup>7</sup> <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 Administration<sup>8</sup> that will refund the diesel bought in Spain.

- ✓ As of 23rd April 2024, excise duties in Spain stood at 37.90 €/hl.
- ✓ Currently, the partial refund stands at 4.90 €/hl (same for RFT and RPT).
- ✓ The net rate of excise duties on commercial diesel is therefore 33 €/hl (same for RFT and RPT).

#### France – Information in 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]<sup>9</sup>. 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 Code<sup>10</sup> (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 2024.

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 23rd April 2024, the weighted rate in France amount at 60.90 €/hl<sup>11</sup>.
- ✓ 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 1<sup>st</sup> 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 23rd April 2024, excise duties stood at 36.69 €/hl (i.e. 14,290 HUF/hl).
- ✓ The amount if the refund is set annually by the Hungarian tax authorities. It stands at 1,000 HUF/hl, or approximately 2.57 €/hl<sup>12</sup> for RFT.
- ✓ The net rate of excise duties on commercial diesel in therefore 34.12 €/hl for RFT.

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

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

<sup>10</sup> As amended by Act No. 2016-1918 of 29 December 2016 - Art. 89

<sup>11</sup> Corse included.

<sup>12</sup> Currency conversion based on the exchange rate on 1 October 2023.

- 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 23rd April 2024, excise duties stood at 61.74 €/hl.
- ✓ Currently, the partial refund stands at 21.418 €/hl for RFT.
- ✓ The net rate of excise duties on commercial diesel is therefore 40.32 €/hl for RFT.

- 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 1<sup>st</sup> January 2017. Since October 1<sup>st</sup>, 2023, and until June 30, 2024, commercial diesel is capped at 50,000 litres per vehicle compared to the usual 35,000 litres per vehicle per year. Portugal is the last Member State to apply temporary measures on excise duties on diesel put in place in 2022 to deal with soaring oil prices.

- ✓ As 23rd April 2024, excise duties stood at 44.27 €/hl.
- ✓ Currently, the partial refund rate stands at 18.915 €/hl for RFT.
- ✓ The net rate of excise duties on commercial diesel is therefore 25.36 €/hl for RFT.

- 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. 3.690€/hl.<sup>13</sup> 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 23<sup>rd</sup> April 2024, excise duties stood at 163.281 RON/hl, i.e. 32.81 €/hl.
- ✓ There is no partial refund in 2024.
- ✓ The net rate of excise duties applicable to commercial diesel is therefore 32.81 €/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 23rd April 2024, excise duties stood at 44.32 €/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 23<sup>rd</sup> April 2024, the partial refund stands at 11.32 €/hl (same for RFT and RPT).
- ✓ The net rate of excise duties on commercial diesel is therefore 33€/hl (same for RFT and RPT).

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<sup>13</sup> Currency conversion based on the exchange rate on 1 October 2023

### 3. Summary tables 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 23rd April 2024, based on the exchange rate on 1 October 2023.

COUNTRIES	Exise duties on diesel fuel "for non-commercial use" (in €/hl)	Evolution since April 2023	Short-term measures on excise duties	RANK
EUROPEAN UNION				
Italy	61.74	=	N	1
France**	60.90	=	N	2
Belgium	60.02	=	N	3
Ireland**	55.12	↗	N	4
Finland	54.70	↘	N	5
Netherlands	51.63	↗	N	6
Austria*	51.00	=	N	7
Denmark	47.57	↗	N	8
Germany	47.04	=	N	9
Slovenia	44.32	↗	N	10
Portugal**	44.27	↗	Y	11
Luxembourg	44.09	↗	N	12
Latvia	41.40	=	N	13
Greece	41.00	=	N	14
Lithuania	41.00	↗	N	14
Czechia	40.73	↗	N	16
Cyprus	40.00	=	N	17
Spain	37.90	=	N	18
Estonia	37.20	=	N	19
Slovakia	36.80	=	N	20
Hungary	36.69	↗	N	21
Sweden	36.29	↗	N	22
Croatia	35.30	=	N	23
Bulgaria	33.03	↗	N	24
Malta**	33.00	=	n.d.	25
Romania	32.81	=	N	26
Poland**	25.07	=	N	27
Range	36.67	↘		
Average	43.36	↗		

Source : CNR - European studies

\* Including a part called "CO2 tax" in the amount of 11.3 €/hl (not taken into account in the European Commission's oil bulletin of March 13, 2024)

\*\*Updates amounts not taking into account the European Commission's oil bulletin of March 13, 2024.

Countries allowing a partial refund

COUNTRIES	Exise duties on diesel fuel "for non-commercial use" (in €/hl)	Evolution since April 2023	Short-term measures on excise duties
OUTSIDE THE EUROPEAN UNION			
Switzerland	79.57	↗	N
United Kingdom	52.95	↘	Y
Norway	51.59	↗	N

Source : CNR - European studies

## Classification of countries according to the level of excise duties applied to diesel « for commercial use » - heavy goods vehicles with a GVWR greater than or equal to 7.5 tonnes

Situation as of 23rd April 2024, based on the exchange rate on 1 October 2023.

COUNTRIES	Excise duties on diesel fuel "for commercial use" (in €/hl)	Evolution since April 2023	Short-term measures on excise duties	RANK
EUROPEAN UNION				
Ireland**	55.12	↗	N	1
Finland	54.70	↘	N	2
Netherlands	51.63	↗	N	3
Austria	51.00	=	N	4
Denmark	47.57	↗	N	5
Germany	47.04	=	N	6
France	45.19	=	N	7
Luxembourg	44.09	↗	N	8
Latvia	41.40	=	N	9
Greece	41.00	=	N	10
Lithuania	41.00	↗	N	10
Czechia	40.73	↗	N	12
Belgium	40.67	↗	N	13
Italy	40.32	=	N	14
Cyprus	40.00	=	N	15
Estonia	37.20	=	N	16
Slovakia	36.80	=	N	17
Sweden	36.29	↗	N	18
Hungary	34.12	↘	N	19
Bulgaria	33.03	=	N	20
Malta**	33.00	=	n.d.	21
Slovenia	33.00	=	N	21
Spain	33.00	=	N	21
Romania	32.81	=	N	24
Croatia	30.00	↘	N	25
Portugal	25.36	↗	Y	26
Poland**	25.07	=	N	27
Range	30.05	↗		
Average	39.67	↗		

Source : CNR - European studies

\*Including a part called "CO2 tax" in the amount of 11.3€/hl (not taken into account in the European Commission's oil bulletin of March 13, 2024)

\*\*Updates amounts not taking into account the European Commission's oil bulletin of March 13, 2024.

Countries allowing a partial refund

COUNTRIES	Excise duties on diesel fuel "for commercial use" (in €/hl)	Evolution since April 2023	Short-term measures on excise duties
OUTSIDE THE EUROPEAN UNION			
Switzerland	79,57	↗	N
United Kingdom	52,95	↘	Y
Norway	51,59	↗	N

Source : CNR - European studies