

Council of the EU Authorizes Poland to Apply Reduced Rates of Excise Duty on Certain Heating Fuel with Retroactive Effect

1 March 2024

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On 29 February 2024, [Council Implementing Decision 2024/776](#) (the Decision) was published in the Official Journal of the European Union, authorizing Poland to apply, with effect from 1 July 2023 to 31 December 2023, reduced rates of excise duty to heavy fuel oil, natural gas, coal and coke, used as heating fuels, considering the minimum levels indicated in article 19 of the Energy Taxation Directive (2003/96).

The Decision is a response to Poland's request and the Council's proposal, submitted on 30 June 2023 and 15 January 2024 respectively, to authorize Poland to continue applying reduced rates of excise duty on the above-mentioned heating fuels in the indicated timeframe. The Decision aims to mitigate the negative effects that would have been caused by an increase in the level of taxation due to rising prices of energy products, a high exchange rate between the euro and the Polish zloty and high inflation, in accordance with article 13 of [Energy Taxation Directive \(2003/96\)](#) (for more details on the Council's proposal see [Council of the European Union Proposes to Authorize Poland to Apply Reduced Rate of Excise Duty on Certain Heating Fuels \(18 January 2024\)](#)).

On this basis, the Council of the EU granted the authorization to Poland, as the request is deemed unlikely to create distortions of competition or impede the effective operation of the internal market. This authorization intends to strike a balance between the policy objectives set out in article 19(1) of the [Energy Taxation Directive \(2003/96\)](#) and the need to guarantee affordable energy for both businesses and households. Furthermore, the Decision notes that each authorization granted under article 19(2) of [Energy Taxation Directive \(2003/96\)](#) should be limited in time. However, to avoid undermining future developments, it is proposed that the authorization will cease to apply if a modified general system for the taxation of energy products and electricity is introduced by the Council of the European Union.