

European Commission Proposes to Authorize Poland to Apply Reduced Rate of Excise Duty on Certain Heating Fuels

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On 24 May 2023, the European Commission proposed to the Council of the European Union to authorize Poland to apply reduced rates of excise duty on heavy fuel oil, natural gas, coal, and coke, used as heating fuel from 1 January 2023 to 30 June 2023.

According to the Polish authorities, the application of the reduced rate is aimed at mitigating the negative effects of the unfavourable euro-zloty exchange rate and the social and economic situation caused by the rising prices of energy products and high inflation. The proposed reduced rates would partially offset the increased energy costs and are not cumulative with any other types of tax reductions.

According to the proposal (available [here](#)), Poland should be authorized to apply reduced rates of excise duty to the above-mentioned products, as this measure is not likely to distort competition or obstruct the proper functioning of the single market, given its short duration and the exceptional circumstances of the social and economic situation.

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