COUNCIL IMPLEMENTING DECISION (EU) 2022/1843

of 29 September 2022

authorising Sweden to apply reduced rates of excise duty to petrol, unmarked gas oil and equivalent fuels used as motor fuels, in accordance with Article 19 of Directive 2003/96/EC

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity ([1]), and in particular Article 19 thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) By letter of 6 May 2022, Sweden requested authorisation to apply reduced rates of excise duty to petrol, unmarked gas oil and equivalent fuels used as motor fuels, pursuant to Article 19 of Directive 2003/96/EC. Additional information and clarifications in support of the request were provided by the Swedish authorities on 19 and 24 May 2022. It was requested that the authorisation apply for a period of three months.

(2) According to the Swedish authorities, the application of a reduced tax rate aims at mitigating the social and economic impacts of high retail prices of petrol, unmarked gas oil and equivalent fuels used as motor fuels resulting from the exceptional geopolitical situation, and directly affecting both households and companies. According to their assessment, as Sweden is a sparsely populated country and therefore highly car-dependent, the reduced rates of excise duty aim to meet the daily needs associated with the consumption of motor fuels by contributing to reduce the impact of the increase in retail prices.

(3) The requested authorisation is not likely to distort competition or hinder the proper functioning of the internal market. Given its short duration and the exceptional circumstances linked to the geopolitical situation, coupled with exceptionally high prices of crude oil, the requested authorisation is considered adequate and proportionate. The authorisation strikes a balance between the specific policy objectives referred to in Article 19(1), third paragragh, of Directive 2003/96/EC, in particular the Union's environmental policy, and the imperative emergency to ensure energy affordability for businesses and households. The tax reduction would partially offset the increased energy costs, and is not cumulative with any other type of tax reductions.

(4) Sweden should therefore be authorised to apply reduced rates of excise duty to petrol, unmarked gas oil and equivalent fuels used as motor fuels, as requested.

(5) Pursuant to Article 19(2) of Directive 2003/96/EC, each authorisation granted under that provision is to be strictly limited in time. However, in order not to undermine future general developments of the existing legal framework, it is appropriate to provide that, in the event that the Council, acting on the basis of Article 113 or any other relevant provision of the Treaty on the Functioning of the European Union, introduces a modified general system for the taxation of energy products and electricity to which this authorisation would not be adapted, this authorisation should cease to apply on the day on which that modified general system becomes applicable.

(6) This Decision is without prejudice to the application of Union rules regarding State aid,

([1]) OJ L 283, 31.10.2003, p. 51.

HAS ADOPTED THIS DECISION:

Article 1

Sweden is authorised to apply reduced rates of excise duty to petrol, unmarked gas oil and equivalent fuels used as motor fuels, below the relevant minimum levels of taxation referred to in Article 7 of Directive 2003/96/EC.

Article 2

This Decision shall apply until 31 January 2023.

However, in the event that the Council, acting on the basis of Article 113 or any other relevant provision of the Treaty on the Functioning of the European Union, introduces a modified general system for the taxation of energy products and electricity to which the authorisation granted in Article 1 of this Decision would not be adapted, this Decision shall cease to apply on the day on which that modified general system becomes applicable.

Article 3

This Decision is addressed to the Kingdom of Sweden.

Done at Brussels, 29 September 2022.

For the Council
The President
J. SÍKELA