



## Key points about the tax entitlement changes for rebated fuels

From April 1st 2022, the rules around rebated red diesel and rebated biofuels are changing, meaning certain industries will no longer be permitted to use them.

### Fuels that will be affected are:

Rebated diesel (red)	Rebated HVO
Rebated biodiesel/bioblend	Fuel substitutes

### Industries that can stay on rebated fuels after the 1st April 2022:

- ✓ Agriculture
- ✓ Horticulture
- ✓ Fish Farming
- ✓ Forestry
- ✓ Rail
- ✓ Sailing
- ✓ Boating
- ✓ Marine
- ✓ Golf Courses
- ✓ Community
- ✓ Amateur Sports Clubs
- ✓ Travelling Fairs and Circuses

### Non-commercial heating and electricity generation:

- ✓ Domestic Homes
- ✓ Places of Worship
- ✓ NHS Hospitals
- ✓ State Schools
- ✓ Town Halls



### Industries that will no longer be able to take advantage of rebated fuels include:

- ✓ Construction and road maintenance
- ✓ Logistics and haulage (including re-  
frigeration units)
- ✓ Mining and quarrying
- ✓ Oil and gas extraction
- ✓ Waste management
- ✓ Commercial heating
- ✓ Leisure
- ✓ Airport operations and ports
- ✓ Manufacturing (such as ceramics,  
timber and steel)





<b>Key points by industry</b>	
Agriculture/Horticulture/Fish Farming/Forestry	Can use rebated fuels in agricultural vehicles, special vehicles, machines and appliances
Rail	Can only use rebated fuels to propel or stop vehicles that run on a railway. They cannot use rebated fuels for any other purpose such as cooling or heating units
Travelling Fairs and Circuses	Can only use rebated fuels to power rides, and for the provision of electricity and heating for caravan accommodation
Sailing, boating and marine	Rebated fuels can be used in all types of boat. It can be used on engines, and any other machines and appliances that are permanently on the boat
Golf Courses	Rebated fuels can be used in vehicles, special vehicles, heating and lighting within the course/club

### **Remember...**

- ✓ If you're not an exempt industry, you must have moved to full-duty fuels by April 1st 2022
- ✓ You will not be required to clean and flush your tanks before moving to full duty fuels
- ✓ Save all your invoices and receipts to prove that you haven't been stockpiling and have been purchasing full-duty fuels
- ✓ Non-commercial bodies can continue to purchase red diesel for heating and electricity generation
- ✓ Back-up fuel generators in commercial businesses can run their stock levels down as long as it was purchased before 10th June 2021, otherwise they may need a special licence from the HMRC





## **Frequently asked questions about the tax entitlement changes for rebated fuels**

### **If I am not one of the exempt industries will I be able to purchase red diesel after the 1st April?**

Unfortunately not, you will need to purchase white diesel or a cleaner alternative such as white HVO.

### **Can I stockpile my red diesel?**

Unfortunately not, HMRC are advising any non-exempt customers to plan their red diesel purchase/usage up to the 1st April 2022. So make sure you only buy what you will use by this date.

### **What do I do if I have rebated diesel fuel in my storage tank?**

If you have any surplus fuel in your tanks after 31st March, you will need to either:

- ✓ Sell or give to someone who is allowed to use it
- ✓ Sell or give to any Registered Dealer in Controlled Oil (RDCO)
- ✓ Dispose of it via an approved waste oil or recycling company

\*Please keep records of any sales or disposal

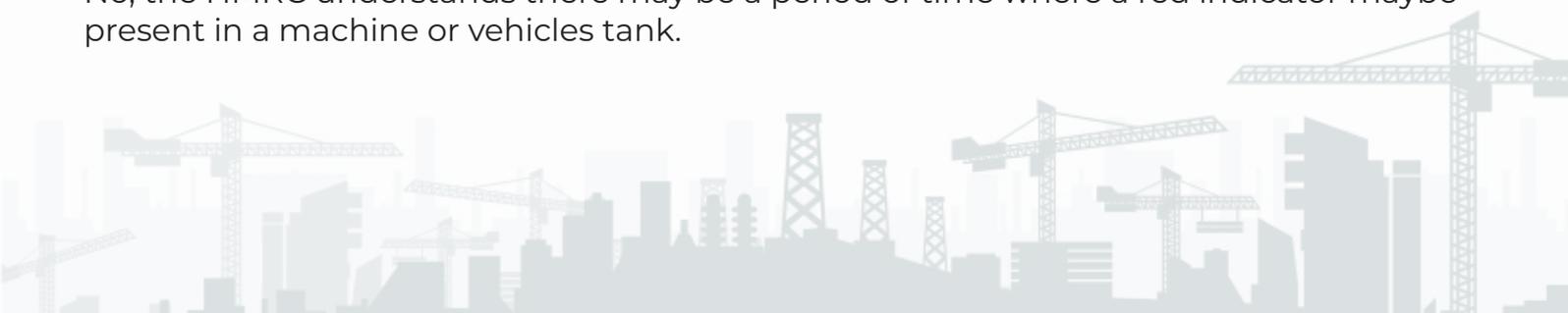
### **I am a commercial pharmaceutical business and have back up fuel tanks with rebated fuel in them, do I need to get rid of this?**

If you have purchased this fuel before 10th June 2021, then you can run this stock down and then move to white diesel.

If you have purchased this fuel after 10th June 2021 or cannot change to non-rebated fuel for technical or safety reasons, you will need to apply for a special licence from the HMRC.

### **I am a commercial business that is moving to white diesel for its machinery, will I need to flush out its tank?**

No, the HMRC understands there may be a period of time where a red indicator maybe present in a machine or vehicles tank.





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### **What records should I be keeping?**

You should start keep accurate records of all fuels you have purchased to demonstrate that you haven't been stockpiling and that you have started the transition to non-rebated fuels.

### **I am a construction company doing work for a non-commercial business, can I purchase rebated diesel?**

Unfortunately not, as the construction industry is not one of the eligible industries that can continue to use red diesel.

### **We are rail network, can we purchase red diesel for any of our machinery or equipment?**

No, the rail industry can only use rebated fuel to propel or stop vehicles designed to run on the railway.

### **We are a community sports club, can we purchase red diesel for our mowing machines and to heat the clubhouse?**

Yes, as long as the club is registered as a community amateur sports club it can purchase red diesel for both of these purposes.

### **What if I am found to have traces of marked diesel in my tanks/vehicles after the 1st April?**

The HMRC will take a pragmatic approach to all cases. As long as you have invoices/receipts to prove you have moved over to full duty fuel they will be more mindful of companies and individuals continuing to use red diesel illegally.

### **Do the tax changes affect HVO?**

Yes the rules affect HVO in the same way as rebated fuels. If you're still eligible to use red HVO, the duty remains at 11.14 and white HVO 57.95. If you're no longer eligible to use red HVO, then you will need to switch to white HVO.

#### **Crown Oil Limited**

The Oil Centre, Bury New Road, Heap Bridge, Bury BL9 7HY

**T:** 0330 123 1444 **E:** hello@crownoil.co.uk **W:** www.crownoil.co.uk

