

PORTUGAL: EXCISE DUTIES ON MINERAL
OILS

TAX & BUSINESS

One of the features of the tax regime which applies to oil and energy products is the fact that, in relation to motor fuels, the amounts of the special duty – known as “ISP” - are set by a ministerial order issued by the members of government responsible for finance and the economy, at the intervals stipulated by the Parliament and set down in Article 92 of the Special Excise Duties Code (IEC Code) enacted by Decree-Law 73/2010, of 21 June.

In 2013, on the mainland, for most fuels and motor fuels, as well as for electricity, the rates stipulated on the basis of the above-mentioned legal framework, in Ministerial Order 320-D/2011, published in the Supplement to the Portuguese Official Journal of 30 December 2011, will remain in force, as may be seen from the table below:

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SPECIAL DUTIES IN FORCE AS OF 1/01/2013 (*)

Product	CN code	Rate (€)	Unit	Obs
Leaded petrol	2710 11 51 - 2710 11 59	686.32	Kilolitre	(1) (2)
Unleaded petrol	2710 11 41 - 2710 11 49	585.27	Kilolitre	(1) (2)
Diesel	2710 19 41 - 2710 19 49	367.53	Kilolitre	(1) (2)
Marked diesel	2710 19 41 - 2710 19 49	77.51	Kilolitre	(3)
Heating fuel	2710 19 45	330.00	Kilolitre	(7)
Kerosene	2710 19 21 - 2710 19 25	337.59	Kilolitre	(4)
Marked oil	2710 19 25	113.18	Kilolitre	(4)
Heavy fuel oil (sulphur content ≤1%)	2710 19 61	15.65	Tonne	(4)
Heavy fuel oil (sulphur content > 1%)	2710 19 63 - 2710 19 69	29.92	Tonne	(4)
Industrial lubricants	2710 19 83 - 2710 19 93	4.89	Tonne	(4)
Non-industrial lubricants	2710 19 81 - 2710 19 99 3811 21 00 and 3811 29 00	21.77	Tonne	(4)
Coal and coke	2701, 2702 and 2704	4.26	Tonne	(4)
Petroleum coke	2713	4.26	Tonne	(4)
Methane and LPG (fuel use)	2711 12 11 - 2711 19 00	7.99	Tonne	(4)
Methane and LPG (motor fuel use)	2711 12 11 - 2711 19 00	127.88	Tonne	(5)
Natural gas (fuel use)	2711 11 00 and 2711 21 00	0.30	Gigajoule	(6)
Natural gas (motor fuel use)	2711 11 00 and 2711 21 00	2.84	Gigajoule	(6)
Electricity	2716	1.00	MW/h	(4)

- (1) Law 55/2007, of 31 August
- (2) Ministerial Order 16-C/2008, of 9 January
- (3) Ministerial Order 510/2005, of 9 June
- (4) Ministerial Order 320-D/2011, of 30 December 2011
- (5) Article 92(3) of the IEC Code (Decree-Law 73/2010, of 21 June)
- (6) Article 92(4) of the IEC Code (Decree-Law 73/2010, of 21 June)
- (7) Ministerial Order 84/2013, of 27 February.

(*) Except for the heating oil rate which applies as of 27/02/2013

There have therefore been minor changes in the rates applicable to petrol and diesel for road use, which were raised in the 2013 State Budget law (See Article 211 of Law 66-B/2012, of 31 December) by increasing the so-called Road Service Contribution, which provides income for *EP - Estradas de Portugal, E.P.E.* and which is one of the components of the special duty levied on these products. This component was increased from €65.47 to €66.32 for petrol and from €87.98 to €89.12 for diesel.

As to heating oil, the approximation of the ISP rate applicable to this oil - €330.53/1000 litres - is going ahead, through the publication of Ministerial Order 84/2013, of 27 February 2013, effective as of 28 February 2013, with a view to bringing it into line with the ISP rate for road diesel - €367.53/1000 litres -, an approximation which is expected to be completed in 2014.

The major news brought by the year 2013 is the taxation of natural gas for fuel use now being introduced by virtue of Community law, which is to be levied by applying the rate of €0.30 per gigajoule, whether for business or family use.

As regards families, the rate set is the minimum amount permitted by Community law (See Table C of Annex 1 to Council Directive 2003/96/CE, of 27 October). For businesses, the rate set (€0.30 per gigajoule) is significantly higher than the *minimum rate* provided for by community law, which is only €0.15 per gigajoule.

Finally, it should be noted that the rates of duty applicable to petrol and diesel have been only slightly increased, which enables an approximation of the level of Portuguese duties with the level in Spain.

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