
CLIMATE CHANGE LEVY: RESTRICTED ENTITLEMENT TO LEVY RELIEF FOR PLASTICS SECTOR

Who is likely to be affected?

1. Manufacturers of certain plastic products.

General description of the measure

2. Climate change agreements (CCAs) provide facilities in energy intensive sectors with entitlement to claim relief from climate change levy in return for making reductions in their emissions and / or energy use. CCAs are agreed between the relevant sector association and the Department of Energy and Climate Change (DECC).
3. A restricted entitlement to claim this relief, applying to supplies of electricity and liquefied petroleum gas only, is being introduced for facilities manufacturing certain plastic products. This restricted entitlement will ensure compliance with State aid rules introduced in 2008 and enable DECC to extend eligibility to enter the CCA scheme to certain manufacturers in this sector.

Operative date

4. The new provision will have effect on and after the date that Finance Bill 2009 receives Royal Assent. However, the plastics sector will be unable to enter into a CCA with DECC until regulations, laid by DECC, are in force.

Current law and proposed revisions

5. Legislation will be introduced in Finance Bill 2009 to make appropriate amendments to Schedule 6 to the Finance Act 2000.
6. DECC will lay regulations after Royal Assent to amend statutory instrument 2006 / 60.

Further advice

7. If you have any questions about this change, please contact the National Advice Service on 0845 010 9000. Information about Budget measures is available on the HM Revenue & Customs website at www.hmrc.gov.uk