

Budget 2009



**HM Revenue
& Customs**

BN81

22 April 2009

CLIMATE CHANGE LEVY: RECOVERY OF RELIEF

Who is likely to be affected?

1. Facilities that enter into a climate change agreement (CCA).

General description of the measure

2. CCAs provide facilities in energy intensive sectors with an entitlement to claim up to 80 per cent relief from climate change levy in return for making reductions in their emissions or energy use. CCAs are agreed between the relevant sector association and the Department of Energy and Climate Change (DECC).
3. The measure introduces a mechanism to enable HM Revenue & Customs to recover levy where a facility that claims relief from levy fails to meet its target(s) under the scheme, and is in a sector that fails to meet its sector level target(s) for the same period. Recovery, when applied, would be proportionate to the extent to which the facility had failed to meet its target(s).

Operative date

4. The recovery mechanism will apply to CCA certification periods starting on or after 1 April 2009.

Current law and proposed revisions

5. Legislation will be introduced in Finance Bill 2009, and will make appropriate amendments to Schedule 6 to the Finance Act 2000.

Further advice

6. 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