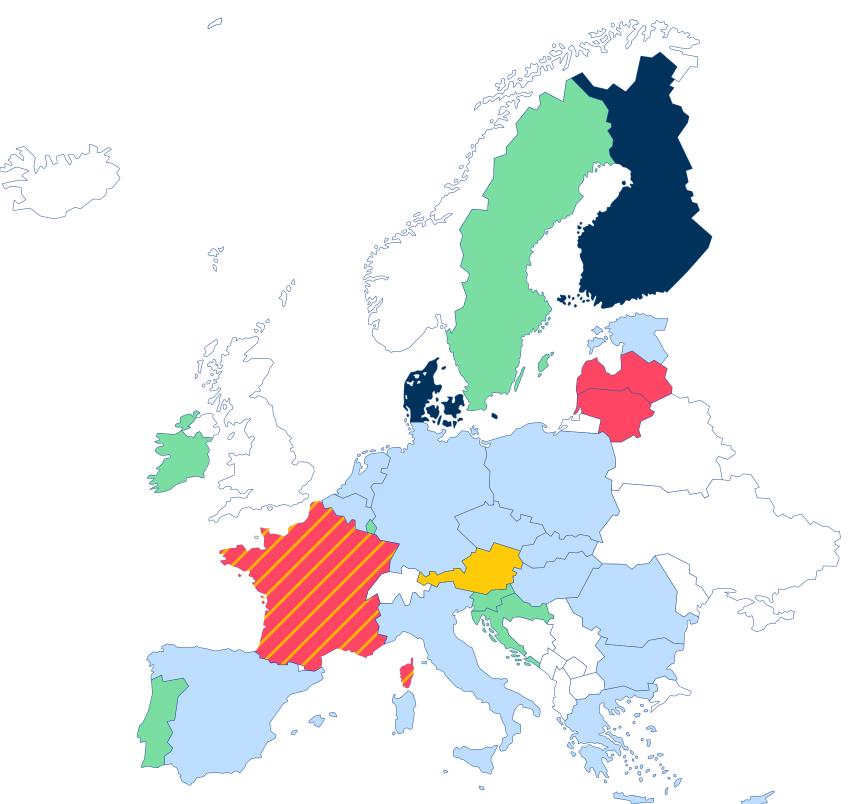
FIG.**05**

TAX INCENTIVES FOR BIOFUELS

IN TRANSPORT IN EU-27

Source: ePURE, National Fuel Industry Associations, Finnish Ministry of Finance, French Ministry for Ecological Transition, USDA



In the EU, all liquid fuels for a certain purpose or a specific sector are currently taxed at a similar level, regardless of carbon intensity. However, some EU Member States implemented specific taxation incentives to encourage the use of biofuels in the transport sector. The current revision of the Energy Taxation Directive (ETD) included in the Fit for 55 package proposes a taxation based on the climate impact of fuels and energy.

No tax incentive:

Biofuels do not benefit from any tax advantages compared to fossil fuels.

Lower tax for low biofuels blends:

Lower taxation rates are applied to biofuel blends with a percentage of fossil fuel content above 70%.

Lower tax for high biofuels blends:

Lower taxation rates are applied to biofuel blends with a percentage of fossil fuel content below 70%.

Taxation based on the energy/CO₂ content:

Biofuels are taxed according to their energy content (calorific value) and their average ${\rm CO_2}$ emissions.

No excise duty/exempted from certain taxes (components):

Biofuels are not subject to excise duties or are exempt from certain taxes. E.g. Exemption from carbon tax.