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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject:	COUNCIL IMPLEMENTING DECISION authorising Ireland to apply reduced rates of excise duty to commercial gas oil used as propellant by certain road transport operators, pursuant to Article 19 of Directive 2003/96/EC

COUNCIL IMPLEMENTING DECISION (EU) 2026/…

of …

authorising Ireland to apply reduced rates of excise duty to commercial gas oil used as propellant by certain road transport operators, pursuant to Article 19 of Directive 2003/96/EC

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity[1], and in particular Article 19(1) thereof,

Having regard to the proposal from the European Commission,

[1] OJ L 283, 31.10.2003, p. 51, ELI: http://data.europa.eu/eli/dir/2003/96/oj.

Whereas:

(1) In the weeks preceding the adoption of this Decision, geopolitical developments in the Middle East, which impacted supply chains of oil and oil products globally, triggered sharp and persistent increases in wholesale and retail prices of energy products. Those increases have had significant adverse effects on households, in particular vulnerable consumers, and on undertakings, including small and medium-sized enterprises, thereby posing a serious risk to social cohesion, economic stability and the proper functioning of the internal market.

(2) In its conclusions of 19 March 2026, the European Council recognised the extraordinary nature of the situation in the energy market and its macroeconomic implications. The European Council invited the Commission to work closely with Member States to design temporary and targeted national measures to mitigate significant impacts of fuels and related cost components on electricity generation costs, and underlined, in particular, the need for a coordinated response as the conflict in the Middle East has an immediate impact on energy prices for European citizens and businesses.

(3) Excise duties as established by Directive 2003/96/EC contribute to the final cost of energy products supplied within the Union. A reduction in excise duties below the minimum levels of taxation set out in that Directive can mitigate some of the increases in energy cost currently faced by Member States.

(4) The flexibilities provided for in Directive 2003/96/EC enable Member States to lower, within defined limits, the tax burden on specific energy products in a targeted and temporary manner. In view of the exceptional and urgent nature of the current situation, it is necessary to provide for specific, time-limited flexibilities explicitly aimed at alleviating the impact of the energy price shock.

(5) Temporary reductions in the taxation of targeted energy products can provide rapid relief to households and undertakings by directly lowering end-user prices. In the current situation, such extraordinary reductions could constitute a suitable and necessary instrument to address the serious economic disturbance resulting from the energy price shock.

(6) By letters dated 20 May 2026 and 1 July 2026, in accordance with Article 19 of Directive 2003/96/EC, the Irish authorities requested authorisation to apply, in the form of repayments, reduced rates of excise duty to commercial gas oil used as propellant specifically for road haulage and bus passenger sectors.

(7) Through such repayments, which Ireland would make under its diesel rebate scheme established for that purpose, the effective excise rate for commercial gas oil used as propellant for qualifying road transport operators would be reduced to 0,25185 EUR per litre until 31 August 2026 and 0,31689 EUR per litre from 1 September 2026 to 30 September 2026. Such effective rates fall below the minimum levels of taxation applicable to motor fuel referred to in Article 7 of Directive 2003/96/EC.

(8) According to the Irish authorities, the application of such reduced rates of excise duty aims to mitigate the impact of the price increase of gas oil resulting from the geopolitical situation and directly affecting or, through second-round effects, indirectly affecting both households and companies.

(9) The requested authorisation has been reviewed by the Commission and is considered unlikely to hinder the proper functioning of the internal market. In view of its short duration and the exceptional circumstances linked to the geopolitical situation coupled with an exceptionally high market price of oil, the requested derogation is considered to be adequate and proportionate considering the need to strike a balance between the specific policy objectives listed in Article 19(1), third subparagraph, of Directive 2003/96/EC, in particular the Union environmental policy, and the emergency imperative to ensure energy affordability for businesses and households.

(10) Ireland should therefore be authorised to temporarily apply reduced rates of excise duty below the minimum levels of taxation in the Union to commercial gas oil used as propellant by persons or entities that qualify for repayments under Ireland's diesel rebate scheme.

(11) Pursuant to Article 19(2) of Directive 2003/96/EC, each authorisation granted under paragraph 1 of that Article is to be strictly limited in time. However, in order not to undermine future developments of the existing legal framework, it is appropriate to provide that, in the event that the Council, acting on the basis of Article 113 of the Treaty on the Functioning of the European Union (TFEU) or any other relevant provision of the TFEU, introduces new minimum levels of taxation as referred to in Article 7 of Directive 2003/96/EC for gas oil used as motor fuel to which that authorisation would not be adapted, that authorisation should cease to apply on the date on which those new minimum levels of taxation become applicable.

(12) At the same time, untargeted tax reductions imply significant fiscal costs and tend to increase fossil fuel demand, thereby exacerbating the imbalance of supply and demand. Therefore, the authorisation granted by this Decision should remain strictly limited in time.

(13) This Decision is without prejudice to the application of Union rules regarding state aid,

HAS ADOPTED THIS DECISION:

Article 1

Ireland is authorised to apply the following reductions of the rates below the minimum levels of taxation referred to in Article 7 of Directive 2003/96/EC to road transport operators that use commercial gas oil as propellant, as defined in paragraph 3 of that Article:

(a) 0,25185 EUR per litre of gas oil, for the period between the date of notification of this Decision and 31 August 2026;

(b) 0,31689 EUR per litre of gas oil, for the period between 1 September 2026 and 30 September 2026.

Article 2

This Decision shall apply until 30 September 2026.

However, in the event that the Council, acting on the basis of Article 113 TFEU or any other relevant provision of the TFEU, introduces new minimum levels of taxation referred to in Article 7 of Directive 2003/96/EC for gas oil used as motor fuel to which the authorisation granted in Article 1 of this Decision would not be adapted, this Decision shall cease to apply on the date on which those new minimum levels of taxation become applicable.

Article 3

This Decision shall take effect on the date of its notification.

Article 4

This Decision is addressed to the Republic of Ireland.

Done at …, …

For the Council
The President