

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

15<sup>th</sup> December, 2020

**Proposition No. P.2020/193**

**Policy & Resources**  
**Committee**

**The States of Guernsey Annual Budget for 2021**

**AMENDMENT**

Proposed by: Deputy G St Pier  
Seconded by: Deputy L McKenna

1. In proposition 11 –
  - a) immediately after ""The Excise Duties (Budget) Ordinance, 2020"" insert ", subject to the amendment indicated below," and
  - b) immediately after the proposition, insert the following amendment to the Ordinance -

**"Amendment**

In section 1 of the Ordinance, in paragraph 3 of the tables set out therein ("Other fuels – biodiesel"), for 73.4p per litre substitute 63.4p per litre".

***Explanatory note and Rule 4(3) information***

*The 2016 Budget Report included:*

- 3.70 As part of the 2015 Budget Report, the States noted "the Treasury and Resources Department's intention to include within the 2016 Budget Report proposals to introduce an excise duty at the standard rate on the production and/or importation of biodiesel with conditional concessions." Therefore, it is recommended that **excise duty is charged at the standard rate (58.5p per litre) on the production and / or importation of biodiesel**. The Home Department will make Orders to allow the annual duty-free importation / production of biodiesel up to a maximum of 125,000 litres per producer and to prohibit the import of biodiesel without an import licence.
- 3.71 The duty-free limit of 125,000 litres per producer will not endanger the current scheme whereby cooking oil is collected free of charge from major outlets by a private company and used to produce biodiesel. If this scheme, which contributes towards the waste strategy, were not in place, there would be a charge to collect and export the waste oil off-island for disposal leading to a risk of environmentally unfriendly disposal through the drainage system or through fly-tipping.
- 3.72 The production of biodiesel is a potentially hazardous process because of the nature of the chemicals involved and their potentially volatile reaction meaning that there are great risks of fire and explosion if they are not properly handled. The licensing system will ensure that biodiesel production is only carried out in controlled conditions by people with the proper training and experience.

*The Committee for Home Affairs subsequently put in place the relief order that means a person can claim relief from excise duty on up to 125,000 litres in a 12 month period - <http://www.guernseylegalresources.gg/CHttpHandler.ashx?id=99342&p=0>.*

*It is understood there is only one distributor of biodiesel and they distributed less than 125,000 litres in the last 12 months.*

*Therefore, based on current volumes, it is estimated that this Amendment would have no effect on revenues in 2021. However, if it encouraged more production / imports of biodiesel, there could be a revenue impact due to the reduction in duty be dependent on the volumes.*