

24th March 2021



Always Certas

Red Diesel Tax Relief Changes

In the March 2021 budget, the Chancellor of the Exchequer confirmed upcoming changes to tax relief for off-road – or ‘red’ – diesel.

These changes, first announced in late 2019 and consulted upon by government in 2020, will result in the removal of the entitlement to tax relief for some sectors and applications.

The Chancellor confirmed that duties will be frozen until 31st March 2022, before new taxation legislation will be introduced from 1st April 2022.

There are a number of exemptions to these changes including agriculture, rail, non-commercial heating and the commercial boat operating industry. *A full list of exempt applications and sectors is available [here](#).*

Red diesel fuel consumption for other applications and some other sectors, including construction, manufacturing and logistics will no longer be eligible for rebates. *See HMRC detailed listings [here](#) (see section entitled “Impact on business including civil society organisations”).*

Further clarification is being sought from government on the specifics of both exempted and affected sectors and applications.

From 1st April 2022, UK fuel distributors will not be able to supply red diesel for non-exempt applications. Businesses affected by the changes should not purchase red diesel for use beyond 1st April 2022 and run-down existing stocks. Certas Energy offers a range of alternative fuel options as well as support for alternative storage and tank flushing arrangements.

Customers should also be aware that other fuels that are currently subject to duty rebates for certain applications, such as kerosene and fuel oil, are also currently under government review. Any further changes will be communicated when confirmed.

As the nation’s largest fuel distributor and leading fuel partner for businesses across the UK, Certas Energy commits to continued support to all our customers through these changes.

We are in ongoing discussions with government via UKIFDA (UK liquid fuel distributors’ trade association) and keeping customers advised of the legislative changes and impacts, providing details and options for alternative fuel solutions where appropriate.

We will keep our stakeholders informed as government policy becomes clearer.

A handwritten signature in blue ink, appearing to read "A Blundell", is positioned above the name and title of the signatory.

Angus Blundell
Director of Corporate Affairs