



Fuel duty: key statistics

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This note was originally produced for an Opposition Day debate on fuel duties on 16 July 2008 [HC Deb 16 July 2008 c316-367]. It will not be routinely updated. Members and their staff requiring an update should contact the author.

1. How much is raised in fuel duties?

Projected revenue from road fuel duties in 2008/09 is £25.7 billion, 4.8% of total tax revenue. This is 10% higher in real terms than in 1996/97 when it was 6.4% of total revenue.

[Table 1](#) shows fuel duty revenue from 1978/79

2. How much would be raised by a 1% increase in all fuel duties

Over the course of a full financial year, a 1% (about two pence) increase in duty would raise £130 million on petrol and £140 million on diesel.¹ This estimate takes account of behavioural changes.

3. How has the rate of duty rate changed?

The current main rate of duty on petrol and diesel is 50.35 pence per litre. This compares with 36.86 pence when Labour came to power. In real terms, the current rate is 0.4% lower than in May 1997 (adjusted using the Retail Prices Index).

[Table 2](#) shows duty rates back to 1989. [Chart 1](#) shows duty on petrol in real terms since 1997

4. What percentage of the cost of petrol is taxation?

The average forecourt cost of a litre of unleaded petrol was 117.69 in June 2008. Of this price 67.88 pence was duty or VAT, 57.7% of the total.

[Table 3](#) and [charts 2 and 3](#) shows how these figures have changed since 1997 and include figures for diesel.

The Department for Business, Enterprise and Regulatory Reform (BERR) publish monthly EU comparisons of fuel prices, including and excluding taxation.² In May 2008, the UK

¹ [HMRC Statistical Table 1.6](#)

² BERR Energy Prices, Table 5.1.1

pump price for unleaded petrol was the 8th highest in the EU27; taxation as a proportion of the pump price was the 3rd highest. For diesel, the UK had the highest pump price and the proportion of price that was tax was also highest.

5. Tables

Table 1

Revenue from fuel duties: 1978/79 to 2008/09

		£ billion	£ billion at 2007/08 prices	Annual % change in real terms	As % of total tax revenue
1978/79	outturn	2.5	10.0		4.3%
1979/80	outturn	2.9	10.2	1.7%	4.2%
1980/81	outturn	3.6	10.5	3.3%	4.2%
1981/82	outturn	4.6	12.5	18.5%	4.6%
1982/83	outturn	5.2	13.1	5.3%	4.8%
1983/84	outturn	5.6	13.4	2.3%	4.8%
1984/85	outturn	6.2	14.1	5.1%	4.8%
1985/86	outturn	6.4	13.8	-2.2%	4.6%
1986/87	outturn	7.5	15.7	13.7%	5.1%
1987/88	outturn	7.8	15.4	-1.5%	4.8%
1988/89	outturn	8.7	16.0	3.9%	4.9%
1989/90	outturn	8.7	15.1	-6.2%	4.6%
1990/91	outturn	9.6	15.4	2.3%	4.8%
1991/92	outturn	11.0	16.6	7.7%	5.4%
1992/93	outturn	11.4	16.7	0.7%	5.6%
1993/94	outturn	12.7	18.1	8.5%	6.0%
1994/95	outturn	14.3	20.0	10.2%	6.1%
1995/96	outturn	15.7	21.3	6.8%	6.3%
1996/97	outturn	17.2	22.6	5.9%	6.4%
1997/98	outturn	19.5	24.9	10.1%	6.6%
1998/99	outturn	21.6	26.9	8.1%	6.8%
1999/00	outturn	22.5	27.5	2.4%	6.7%
2000/01	outturn	22.6	27.3	-0.9%	6.3%
2001/02	outturn	21.9	25.8	-5.4%	5.9%
2002/03	outturn	22.1	25.3	-2.0%	5.9%
2003/04	outturn	22.8	25.3	0.0%	5.7%
2004/05	outturn	23.3	25.2	-0.4%	5.5%
2005/06	outturn	23.4	24.8	-1.6%	5.1%
2006/07	outturn	23.6	24.3	-2.0%	4.9%
2007/08	estimate	24.9	24.9	2.6%	4.8%
2008/09	projection	25.7	25.0	0.2%	4.8%

Sources: ONS database, series GTAP
Budget 2008, HM Treasury, Table C6
 Public Finance Databank, HM Treasury, Table C1

Table 2

Hydrocarbon Oil Duty Rates

Date of change	Motor spirit (pence per litre)						Diesel (pence per litre)			
	Leaded		Ultra Low	Sulphur	Super	Bioethanol	Ultra Low		Sulphur	Bio
	petrol/other	Unleaded	Sulphur	Free	Unleaded		Sulphur	Free	Diesel/	
	light oils	Petrol	Petrol	Petrol	Petrol/LRP	Diesel	Diesel	Diesel	Blended	
					(b)					
14 Mar 1989	20.44	17.72	-	-	-	-	17.29	-	-	-
20 Mar 1990	22.48	19.49	-	-	-	-	19.02	-	-	-
19 Mar 1991	25.85	22.41	-	-	-	-	21.87	-	-	-
10 Mar 1992	27.79	23.42	-	-	-	-	22.85	-	-	-
16 Mar 1993	30.58	25.76	-	-	-	-	25.14	-	-	-
30 Nov 1993	33.14	28.32	-	-	-	-	27.70	-	-	-
29 Nov 1994	35.26	30.44	-	-	-	-	30.44	-	-	-
1 Jan 1995	36.14	31.32	-	-	-	-	31.32	-	-	-
28 Nov 1995	39.12	34.30	-	-	(c)	-	34.30	-	-	-
15 May 1996	39.12	34.30	-	-	37.62	-	34.30	-	-	-
26 Nov 1996	41.68	36.86	-	-	40.18	-	36.86	-	-	-
2 Jul 1997	45.10	40.28	-	-	43.60	-	40.28	(d)	-	-
15 Aug 1997	45.10	40.28	-	-	43.60	-	40.28	39.28	-	-
17 Mar 1998	49.26	43.99	-	-	48.76	-	44.99	42.99	-	-
9 Mar 1999	52.88	47.21	-	-	52.33	-	50.21	47.21	-	-
21 Mar 2000	54.68	48.82	-	-	50.89	-	51.82	48.82	-	-
1 Oct 2000	54.68	48.82	47.82	-	50.89	-	51.82	48.82	-	-
7 Mar 2001	54.68	46.82	45.82	-	(e)	-	51.82	45.82	-	-
15 Jun 2001	54.68	48.82	45.82	-	-	-	51.82	45.82	-	(f)
17 Apr 2002	54.68	48.82	45.82	-	-	-	51.82	45.82	-	25.82
9 Apr 2003	54.68	48.82	45.82	-	-	-	51.82	45.82	-	25.82
1 Oct 2003	56.20	50.19	47.10	-	-	27.10	53.27	47.10	47.10	27.10
3 Dec 2004	56.20	50.19	47.10	-	-	27.10	53.27	47.10	47.10	27.10
1 Jan 2005	56.20	50.19	47.10	47.10	-	27.10	53.27	47.10	47.10	27.10
6 Dec 2005	56.20	50.19	47.10	47.10	-	27.10	53.27	47.10	47.10	27.10
7 Dec 2006	57.68	51.52	48.35	48.35	-	28.35	54.68	48.35	48.35	28.35
1 Oct 2007	60.07	53.65	50.35	50.35	-	30.35	56.94	50.35	50.35	30.35
1 Apr 2008	60.07	50.35	(a)	(a)	-	30.35	50.35	-	-	30.35

Notes: (a) From 1 April 2008, ultra low sulphur petrol and sulphur free petrol became liable to duty at the same rate as unleaded/ And ultra low sulphur diesel and sulphur free diesel became liable to duty at the same rate as diesel.

(b) Lead Replacement Petrol (LRP) was introduced on 1 October 1999 and had the same rate of duty as super unleaded petrol

(c) Duty on super unleaded petrol was previously at the same rate as other unleaded petrol.

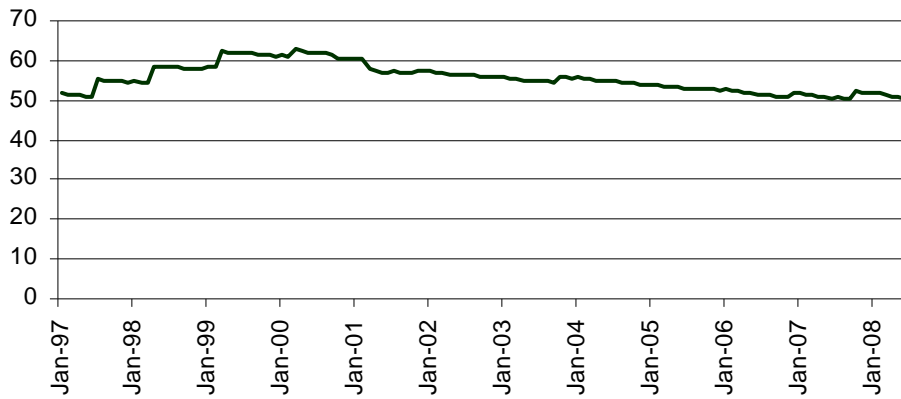
(d) Duty on Ultra Low Sulphur Diesel (ULSD) was previously at the same rate as other diesel fuel for road vehicles (DERV).

(e) Separate rate abolished 7 March 2001. Duty now charged on this fuel at the rate appropriate to unleaded petrol or ultra low sulphur petrol dependent upon the sulphur and aromatics content of the fuel.

(f) Biodiesel duty rate took effect on 26/07/02. This will apply to pure biodiesel and the proportions of biodiesel blended or mixed with heavy oils

Source: HMRC Hydrocarbon Oils Statistical Bulletin, June 2008 (<http://www.uktradeinfo.com/index.cfm?task=bulloil>)

Chart 1: Duty on unleaded/ultra low sulphur petrol:
at June 2008 prices (a) (b)



(a) unleaded to 1 Oct 2000 w hen separate rate for ultra low sulphur petrol w as introduced
(b) adjusted using all items RPI

Chart 2: Components of price of unleaded petrol:
1997-2008

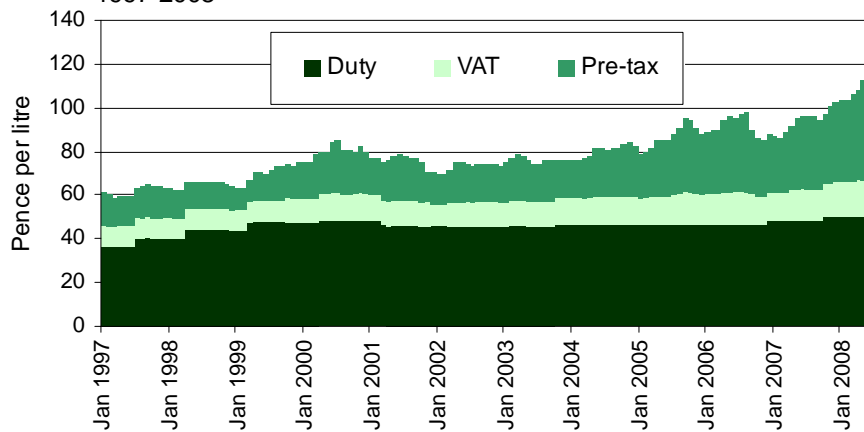


Chart 3: Components of price of unleaded diesel:
1997-2008

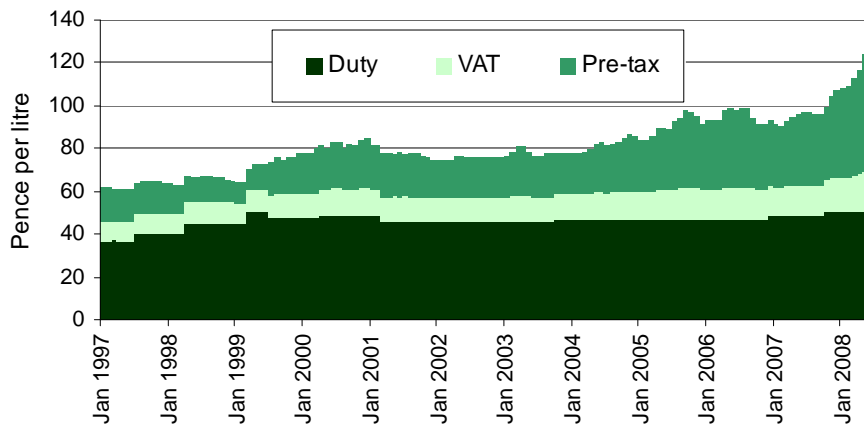


Table 3

Fuel prices and duty

Premium unleaded petrol (a)						
	Total price	Price ex tax	VAT	Duty	Total tax	Tax as % of price
Jan 1997	61.09	15.13	9.10	36.86	45.96	75.2%
May 1997	59.41	13.70	8.85	36.86	45.71	76.9%
Jun 1997	59.86	14.09	8.92	36.85	45.77	76.5%
Jun 1998	65.62	11.86	9.77	43.99	53.76	81.9%
Jun 1999	69.80	12.19	10.40	47.21	57.61	82.5%
Jun 2000	84.28	22.91	12.55	48.82	61.37	72.8%
Jun 2001	78.92	21.35	11.75	45.82	57.57	73.0%
Jun 2002	74.01	17.17	11.02	45.82	56.84	76.8%
Jun 2003	74.39	17.49	11.08	45.82	56.90	76.5%
Jun 2004	81.70	22.43	12.17	47.10	59.27	72.5%
Jun 2005	84.87	25.13	12.64	47.10	59.74	70.4%
Jun 2006	95.30	34.01	14.19	47.10	61.29	64.3%
Jun 2007	96.44	33.73	14.36	48.35	62.71	65.0%
Jan 2008	103.71	37.91	15.45	50.35	65.80	63.4%
Jun 2008	117.69	49.81	17.53	50.35	67.88	57.7%
Diesel (a)						
	Total price	Price ex tax	VAT	Duty	Total tax	Tax as % of price
Jan 1997	62.02	15.92	9.24	36.86	46.10	74.3%
May 1997	60.30	14.46	8.98	36.86	45.84	76.0%
Jun 1997	60.60	14.71	9.03	36.86	45.89	75.7%
Jun 1998	66.59	11.68	9.92	44.99	54.91	82.5%
Jun 1999	72.78	11.73	10.84	50.21	61.05	83.9%
Jun 2000	82.92	21.75	12.35	48.82	61.17	73.8%
Jun 2001	78.22	20.85	11.55	45.82	57.37	73.3%
Jun 2002	75.64	18.55	11.27	45.82	57.09	75.5%
Jun 2003	76.66	19.42	11.42	45.82	57.24	74.7%
Jun 2004	82.86	23.42	12.34	47.10	59.44	71.7%
Jun 2005	89.04	28.68	13.26	47.10	60.36	67.8%
Jun 2006	97.66	36.01	14.55	47.10	61.65	63.1%
Jun 2007	97.02	34.22	14.45	48.35	62.80	64.7%
Jan 2008	108.70	42.16	16.19	50.35	66.54	61.2%
Jun 2008	130.66	60.85	19.46	50.35	69.81	53.4%

(a) Unleaded petrol until 1 October 2000, then ultra low sulphur.

Source: BERR, Quarterly Energy Prices, Table 4.1.1