A coordinated EU response to rising energy prices is of the essence to safeguard the Single Market and avoid further divergences across Member States. Following up on the REPowerEU Communication, the Commission presented on 23 March 2022 a Communication on ‘Security of supply and affordable energy prices: Options for immediate measures and preparing for next winter’\(^1\). Furthermore, in a letter\(^2\) to all EU Finance Ministers, the Commission provided guidance to Member States in the area of energy taxation by clarifying the applicable rules under EU law.

Fuel is not among the products to which Member States may apply a reduced value added tax (VAT) rate, as it is not listed in Annex III of the VAT Directive\(^3\).

As regards the Energy Taxation Directive\(^4\) which is currently in force, Article 15(3) provides for that Member States may apply at national level a level of taxation down to zero for energy products and electricity used, among others, in agriculture, horticulture and pisciculture works, and in forestry. Concerning fishing, Articles 14(1)(c) and 15(1)(f) provide for a general tax exemption.

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\(^1\) COM(2022) 131 final.
\(^2\) Ares(2022)3181762 - 23/04/2022