

The Danish Transport and Logistics Association (DTL) finds that biofuels could contribute substantially to obtain lower and more stable prices on fuels for transport use and for a better environmental performance of the road transport industry.

To fulfil the goal of a better environmental performance it is of course very important that the production of biofuels is sustainable and takes the effects on land use into account.

To encourage the use of biofuels, DTL would suggest differentiation of fuel taxes. In Denmark, fuels are taxed by a mineral oil tax and a CO₂-tax. As biofuels are CO₂ neutral, biofuels are not charged with CO₂-tax. This gives a lower taxation level of biofuels compared to diesel and gasoline.

At the moment, the Danish Government considers widening the tax differential by lowering the mineral oil tax and raising the CO₂-tax by the same amount, thus giving biofuels a further competitive advantage.

DTL would also suggest that biofuels should not be taxed on a litre basis, but on energy content compared to the energy content of the mineral fuel which it substitutes. As the energy content of biofuels is lower than that of mineral diesel oil and gasoline, this would mean a fairer taxation and removal of the tax disadvantage from biofuels with lower energy content per litre.