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By PwC Deutschland | 06 August 2025

Draft bill for a third law amending the Energy Tax Act and the Electricity Tax Act

The Federal Ministry of Finance (MoF) has published a draft bill for a third law amending the Energy Tax Act and the Electricity Tax Act.

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Background

The Third Act Amending the Energy Tax Act and the Electricity Tax Act is intended to consolidate the electricity tax relief for potentially more than 600,000 companies in the manufacturing, agriculture and forestry sectors pursuant to Section 9b of the Electricity Tax Act (StromStG) to the EU minimum tax rate.

In order to implement further provisions of the coalition agreement, particularly with regard to electromobility, bi-directional charging, energy storage, renewable energy sources, simplification of decentralised electricity supply and reduction of bureaucracy, the legislative initiative to modernise electricity and energy tax law from the last legislative period (see BT printed paper 20/12351) will also be taken up again.

Summary of contents

- The electricity tax reduction to the EU minimum tax rate under Section 9b of the Electricity Tax Act will be made permanent for potentially over 600,000 companies in the manufacturing, agriculture and forestry sectors.
- In the field of electromobility, ” the end-consumer fiction” known from energy industry law will be applied to electricity tax law at charging points, thereby eliminating the need for individual case reviews of complex business models ‘within the charging stations’.

Clear guidelines will be established for bi-directional charging (i.e. the practice of electric cars not only to drawing electricity from the grid, but also to feeding energy back into the grid or into their own homes). These will stop users of electric vehicles from becoming suppliers and tax debtors.

- Electricity storage will be redefined in a technology-neutral manner. This will prevent multiple taxation for electricity fed into and withdrawn from the grid.
- In electricity tax law, the so-called plant coupling for decentralised electricity generation will be abolished and, in future, tax exemptions will be assessed on the basis of a uniform plant definition based on the location of the respective electricity generation plant (simplification of decentralised and tax-exempt electricity use).
- Electricity and energy tax law will also be adapted to EU requirements and streamlined in the area of regulations relating to electricity generation. In the area of energy taxation, the EU principle of exempting all energy products used for electricity generation (Article 14 of Council Directive 2003/96/EC of 27 October 2003) will be harmonised. In addition, electricity from biomass, sewage gas and landfill gas will in future once again be exempt from electricity tax in installations with an electrical output of up to 2 megawatts (corresponding to a total combustion heat output of typically between 5 and 7 megawatts) without the need to establish a complex system of proof for the use of sustainable biomass for electricity tax purposes.
- In addition, notification and reporting requirements will be reduced (e.g. in tenant electricity constellations) in order to reduce bureaucracy.

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The law is scheduled to come into force on 1 January 2026.

Source:

MoF, Draft Bill of 23 July 2025.

Keywords

EU Law, electric power duty