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By PwC Deutschland | 18 November 2026

Federal Government decides to cut the electricity tax and introduce a cap on fuel prices

The governing coalition plans to reduce the electricity tax to the European minimum level and introduce a cap on fuel prices with effect from 1 January 2027.

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Further details of the resolutions:

- **Reduction in electricity tax**
  For private households, the electricity tax is to be reduced from the current 2.05 cents per kilowatt-hour to 0.1 cents. For businesses not previously eligible for relief, it will also be reduced to 0.1 cents. To finance this, funds not required in 2027 under the Renewable Energy Sources Act are to be used. The reduction is initially set to apply until 31 December 2027. The aim is to extend it further. The necessary financing must therefore be settled in the 2028 budget.
- **Fuel price cap**
  Fuel prices, which have risen due to the situation in the Persian Gulf, are to be capped to prevent abusive price mark-ups. The maximum permitted prices are to be determined using a transparent calculation formula based on international market prices. The regulation is intended to apply for three months and is not intended as a permanent measure. Security of supply must not be jeopardised. Regional exemptions are possible. The legislation is to be implemented in close consultation with the oil industry and the Federal States.

Source:

Federal Government website.

Keywords

electric power duty, electricity, fuel