

Royal Decree-Law 18/2026

On 30 June 2026, Royal Decree-Law 18/2026 was published in the Official State Gazette, by virtue of which new measures affecting the energy sector are adopted, as part of the Comprehensive Crisis Response Plan in the Middle East. **In terms of fuels, a progressive withdrawal of tax reductions applicable during the months of July, August and September 2026 is introduced.**

The modification has two main effects:

- On the one hand, VAT on fuels ceases to benefit from the reduced rate and returns to the general rate of 21% from 1 July 2026; and,
- On the other hand, a reduction in the Special Tax on Hydrocarbons is temporarily maintained, although with a downward path.



The schedule for the tax reduction would be as follows:

Period	Planned general reduction	Observations
July 2026	15 cts/liter	Application from 1 July 2026.
August 2026	10 cts/liter	It can be adjusted if the mechanism is activated by CPI.
September 2026	5 cts/liter	Gradual withdrawal planned until its general disappearance in October.

The regulation also provides for a safeguard mechanism: if in June or July 2026 the year-on-year variation in the CPI for petrol or diesel exceeds **that corresponding to the same month in 2025 by more than 15%, lower rates may be applied in August and September.**

According to the calculations published by **the Association of the Fuel Industry of Spain** (hereinafter **AICE**), with the average prices of June 30, 95 gasoline would go from €1.442/L to €1.543/L and diesel A from €1.505/L to €1.533/L.

The practical consequence would be an approximate increase **of 5.03 euros in**

Royal Decree-Law 18/2026

a **50-litre petrol tank** and 1.41 euros in a 50-litre diesel tank.

These figures are sectoral estimates; the final price at each service station may vary depending on the **price of the product**, logistics, local competition and the operator's commercial policy.

The increase in the price is a consequence of the application of the general rate for VAT purposes, which becomes 21%, and which totally or partially absorbs the reduction in the Tax on Hydrocarbons. Therefore, even if the excise tax is temporarily reduced, this reduction will not have an impact on the final consumer, who will notice a price increase from 1 July.

On the other hand, this regulation maintains the support measures for fuel-intensive sectors. In particular, aid linked to **agricultural diesel and professional diesel** for road transport companies is extended until the end of September, maintaining management by the Tax Agency.

The amendment also reinforces the mechanisms for supervision and transparency on prices, with a relevant role for the **National Commission on Markets and Competition** (hereinafter **CNMC**) in monitoring possible anomalous behaviour at service stations.

In relation to **the electricity tax**, a specific clause is introduced for the month of August 2026 that will allow the reduction of the tax rate if the CPI of subclass 04.5.10 Electricity corresponding to June and/or July 2026 exceeds the CPI of the same month of the previous year by more than 15%. In this case, the applicable tax rate will become 0.5%.

The same measure is projected with respect to the month of September, although with reference to the CPI for July.

The application of this reduction is, however, subject to compliance with minimum levels of taxation: 0.5 euros/MWh for industrial uses, vessels docked in port that are not for private recreation and rail transport, and 1 euro/MWh for other supplies, or consumption.

It should be remembered that these minimum tax rates will not be applicable in the cases excepted from Article 98.1, letters a), b), c) and d), of Law 38/1992.

Finally, the **Tax on the Value of Electricity Production (IVPEE)** will be progressively eliminated.

A tax of 3.5% will be applied for the 2027 financial year and will be required at 0% in 2028, eliminating the widely debated tax.

Royal Decree-Law 18/2026

If you need more information about this, please contact any of us at the following address:

Belén Palao Bastardés

Partner

belen.palao@blnpalao.com

Nicolás Bonilla Sánchez

nicolas.bonilla@blnpalao.com

Senior Manager

Juan Ibáñez Siles

juan.ibanez@blnpalao.com

Lawyer

