

Environment and energy

Environmental taxes

The source of the figures on environmental taxes is the 'General Government aggregates and Accounts', calculated by National Accounts in compliance with the rules established by EU regulation no. 2223/96 (ESA95).

A tax is defined as environmental if its base is 'a physical unit (possibly substituted by a proxy) of something which has a proven, specific negative impact on the environment'¹.

Environmental taxes, as part of the overall group of taxes, constitute compulsory *payments* to the government, *not directly linked to the benefits which the individual taxpayer receives from the activities of the Public Authorities (PA)*.

On the other hand, payments provided for a service and which have a positive link with the volume of the service itself, even if paid obligatorily to the PA sector, are defined as charges or fees. The revenue from charges and fees is excluded from the data on environmental taxes.

Some taxes are known as "earmarked taxes"², in that the revenue from these taxes is destined at least in part for financing environmental expenditure. They include: the contribution on phytosanitary products and pesticides, the tax on coal consumption, the regional tax on aircraft noise, the provincial tax for environmental protection and the special tax on landfill dumping.

The series published here are calculated from 1980 onwards and are divided into: energy taxes, transport taxes and pollution taxes. The first include taxes on energy products (independently from the product's intended use: transport, heating, etc.); the second include mainly taxes associated with property and vehicle use; the last relate to taxes on emissions, waste management and noise.

The revenue from environmental taxes is also calculated as a share of *total revenues from all taxes and social contributions* received by the Public Authorities, made up of the sum of the following four aggregates³:

- taxes on production and imports
- current taxes on income, wealth, etc.
- capital taxes
- actual social contributions

¹ See *Environmental Taxes – A Statistical Guide*, Eurostat, Luxembourg, 2001, catalogue number KS-39-01-077-EN-N.

² For additional details on the destination of revenue, see the following institutional laws of the various instruments:

- for the Tax on sulphur dioxide and sulphurous oxide emissions, Law no. 449 dated 27th December 1997, art. 17;
- for the Contribution on phytosanitary products and pesticides, Law no. 388 dated 23rd December 2000, Art. 123, and Law no. 488 dated 23rd December 1999, art. 59;
- for the Regional special tax on landfill dumping, Law no. 549 dated 28th December 1995, Art. 3;
- for the Provincial Tax for environmental protection, Legislative Decree no. 504 dated 30th December 1992, Art. 19;
- for the Regional Tax on aircraft noise, Law no. 342 dated 21st November 2000, Art. 90.

³The same components are part of the denominator used by Eurostat and the Directorate General "taxation and Customs Union" of the European Commission to calculate the quota of environmental taxes on the total amount of taxes and social contributions.