

#### 4. More on CO<sub>2</sub>, Carbon or Related Taxes

There has been no addition to the countries which have actually enacted CO<sub>2</sub>, carbon or related taxes either for revenue or for influencing consumer actions; they remain Norway, Finland, the Netherlands and Sweden. It should be noted that a number of countries and the EC itself are considering environment or climate-change related taxes and others have already adopted some environmentally based taxes. Carbon tax proposals are not discussed here because of the uncertainty about the final form and possibilities for adoption of such proposals. The IEA Secretariat has gathered more information to supplement the general information provided in the country profiles on the specific levels and impacts of these taxes, as presented below and in Table 7. This table shows that, except possibly for Sweden and Norway, the net effect of the taxes imposed could not be expected to influence behaviour significantly. Sweden reports that gasoline consumption has stopped its growth trend as a result of its tax reform package which includes the carbon tax.

These taxes have to be seen in the context of the sizeable taxes already imposed on these fuels for fiscal or other policy reasons, such as excise and VAT taxes, which are not necessarily related to the environmental impacts of the fuels. Thus, the relative importance of these carbon taxes tends to be rather negligible. Significant exceptions to the taxes are extended in each case except the Netherlands, e.g. to coal, to energy-intensive industries, the industrial or electricity sectors and air or vessel travel. In Sweden the nominal rate on coal is significant but with the exceptions and the virtually non-existent consumption of coal in the non-industrial sectors, there are in actuality very low amounts of tax collected. The carbon-related taxes in Norway and the Netherlands are not strictly based on the carbon content of the fuels taxed.

Figure 1

