1999 Int'l Energy Agency Data

Tax

Country	Body Text	Sector	Energy	Status	Key Code
Australia	Differential excise treatment of low and high sulphur diesel will provide an incentive to switch demand and speed the introduction of new refinery capital investment over the period 2000 to 2005. Diesel fuels eligible for fuel credits will be restricted to ultra low sulphur diesel 50 ppm (0.005%) from 2006. The introduction and use of low sulphur diesel fuels will be encouraged by: negotiation with the oil majors of the early voluntary introduction of diesel at 50 ppm in urban areas in 2000; and diesel standard set at 50 ppm by the end of 2002 for road transport fuel. Additionally, there will be an increase in the diesel excise for high sulphur fuel above 50 ppm, so that the relevant effective diesel excise payable increases by 1 cent per litre from 1 January 2003 and 2 cents per litre from 1 January 2004.	Travel Freight	Fossil Fuels	Planned	230
Belgium	Acknowledging that one of the main features of the Belgian economy is its open structure, the Belgian government will pursue support for a breakthrough in the European discussions on the harmonisation of energy taxation and will also investigate the implications of unilateral action (besides the introduction of the "cotisation energie" in 1993).	All	All	Planned	465
Czech Republic	In 1999 the Czech government developed (and on 5 January 2000 approved) the draft Act on Energy Management, promoting energy efficiency through a fee on electricity usage and introducing a 0,01 Czech crown tax per kilowatt hour of electricity. The law also directs companies and individuals to carry out energy efficiency audits at buildings and production sites. The draft Act is currently being debated in the Chamber of Deputies of the Parliament.	All	Electricity	Planned	495

Country	Body Text	Sector	Energy	Status	Key Code
Denmark	CO 2 taxes on Danish industries and households were revised in 1999. The green tax system includes five different tax levels combined with reallocation back to the sector as subsidies for energy efficiency activities, voluntary agreements, etc.	All except transport	N/A	Implemented	289
	The Danish Economic Council, an independent economic advisory council of the Danish government, is recommending the introduction of green taxes on ferries. (EU regulations have previously blocked national taxes on international ferries. Denmark is currently working to have that policy changed to permit taxing the ferries.)	Travel	N/A	Planned	500
Finland	The Finnish parliament has approved legislation to raise Finland's base tax on CO2 emissions from FMK 82 (US $15) per ton of Co2 to FMK 102 ($19). Use of wood as fuel will remain tax-exempt; however, taxes on peat will rise from FMK 4.9 ($.90) to FMK 9 ($1.60) per kWh of energy produced.	All	All	Implemented	654
France	For 2001, there has been a proposal to extend the general tax on "polluting activities" to cover intermediary energy consumption (a revenue neutral tax to be offset with lower employers social security tax). The government is examining the possibility to apply the tax with amounts starting at roughly 150-200 FRF/ton of carbon and eventually increasing to 500 FRF/ton of carbon by 2010. This tax might generate reductions on the scale of 6.7 MtC at the end of 2008 to 2012 period.	Manufacturing Industry	Fossil Fuels Electricity	Planned	249

Country	Body Text	Sector	Energy	Status	Key Code
France	A reduction has been made in the taxation gap between diesel and unleaded gasoline in the transport sector. In 1998, the taxation gap was 1,43 F/l; it was reduced to 1,36 F/l in 1999 and to 1,29 F/l for 2000.	Travel Freight	Fossil Fuels	Implemented	250
	New ways to calculate the engine size of vehicles have been defined to establish the parameters of the differential tax.	Travel	Fossil Fuels	Planned	679
Germany	In April 1999, Germany implemented the first step of its ecological tax reform, which includes higher taxes on energy in an attempt to reduce fossil fuel consumption. The taxes amount to increases of Pf6/liter for diesel and gasoline, Pf4/liter for heating oil, Pf0.32/kWh, and a new tax on electricity and for natural gas of Pf2/kWh. Next steps, approved by Parliament, resulted in further increases of gasoline and diesel prices by Pf0.6/litre and by Pf0.5/kWh for electricity per year over the period 2000 to 2003. Among the exemptions applying to the tax, the manufacturing industry pays only 20 per cent of the tax on electricity, heating oil and gas. Energy-intensive industries can also get reimbursed for any payment of the tax above 120 per cent of the savings they achieve through lower employers' social contributions. Oil and gas for power generation in industry are not taxed.	All	Fossil Fuels	Implemented	253

Country	Body Text	Sector	Energy	Status	Key Code
Greece	According to a new law (2682/99), a differentiation of the registration tax on vehicles (cars, trucks, motorcycles) according to their motor horsepower and their anti-pollution specifications is being provided. Electric cars or hybrid cars with motors satisfying the specifications of the EC Directive 94/12 or more recent directives are exempted from the tax.	Travel	Fossil Fuels Electricity	Implemented	807
Ireland	A Green Paper on Sustainable Energy published by the Department of Public Enterprise in 1999 proposed the introduction of a carbon or energy tax scheme along with a tradable permit system to provide an incentive for industry to reduce emissions. One possibility discussed in the paper consisted of using revenue generated from a carbon tax or permit scheme to fund grants for energy audits and investments in energy equipment. The entire text of the paper is available at www.adnet.	All	All	Planned	776
	A progressive carbon tax approved in December 1998 and beginning in 1999 will be fully phased in by 2005. This new tax applies to all energy products; the existing tax structure on ~~other fuels will be retained.~~	All	N/A	Implemented	865
Italy	A progressive carbon tax approved in December 1998 will be inaugurated in 1999 and fully phased in by 2005. This new tax applies to all energy products; the existing tax structure on other fuels will be retained.	All	N/A	Implemented	257

Country	Body Text	Sector	Energy	Status	Key Code
Japan	The "Telework" initiative allows work to be done away from the office using information and communications technology so as to reduce energy used for commuting. Construction of "telework" centres was subsidised, wide area information/ communications network model design projects were implemented, and a tax system to promote "telework" was introduced.	Travel Industry	Fossil Fuels	Implemented	478
	Tax revisions in fiscal 1999 included an expansion of special tax measures relating to the automobile acquisition tax and the creation of special taxation criteria for high fuel efficiency vehicles (i.e., low fuel consumption vehicles) and lower special tax rates on low emission vehicles.	Travel	Fossil Fuels	Implemented	483
	The Tokyo municipal government has come up with suggestions for implementing its "road pricing" scheme to reduce auto emissions. The city plans to place tolls on all incoming traffic except public transportation and is now considering ways in which to do this.	Travel	Fossil Fuels	Planned	599
	A subpanel of the government's Tax Commission began full-scale studies on an environment tax system that imposes taxes according to the level of environmental damage caused. The Commission plans to push for the enactment of such a tax in an interim tax system report to be compiled in June. The study was motivated in part by the growing need to reduce Carbon dioxide emissions and to curb air pollution caused by diesel-powered vehicles.	Travel Electricity Generation Industry	Fossil Fuels	Planned	670

Country	Body Text	Sector	Energy	Status	Key Code
Luxembourg	A National Plan on Sustainable Development was adopted in 1998 and entered into force in 1999; it included a plan to establish taxes on vehicles based on fuel consumption and emissions in order to provide an incentive for the purchase of less polluting vehicles.	Travel	Fossil Fuels	Implemented	771
	An energy tax compatible with EU regulations was introduced in the 1998 National Plan on Sustainable Development; it entered into force in 1999.	All	All	Implemented	772
	A levy is foreseen in the law reorganizing the market for electricity. Following the example of the "Danish model", compensation is to be provided to companies willing to submit themselves to an ecological or energy audit and give evidence of efforts in energy savings. A part of the tax would be used to subsidise programmes of rational use or energy savings.	Electricity Generation/CHP	All	Planned	825
	It has been proposed to increase the degree of differentiation in the price of fuels by means of excises or with VAT, with the intent to promote biofuels (biodiesel not subjected to excise taxes), natural gas and LPG.	All	Fossil Fuels	Planned	826

Country	Body Text	Sector	Energy	Status	Key Code
Luxembourg	A study of royalties and national taxes with ecological implications was initiated in 1999 by the Ministry of the Environment.	All	All	Implemented	827
Netherlands	In a policy decision taken in 1999, the Dutch government decided to double the Regulatory Energy Tax and Environmental Tax on Fuels over 3 years (from 3.4 billion guilders per year to 6.8 billion guilders in 2001). In practice, however, the increase is applied only to the Regulatory Energy Tax and not to the Environmental Tax on fuels. The tax burden of the increase will be shared by households (68%) and industries (32%). About 85% of the resulting revenue will be used to lower direct taxes paid by households and industries. The remaining 15% will be used for fiscal instruments to promote energy efficiency. Under the programme, 300 million guilders per year will fund both premiums for households on investments in energy-efficient appliances such as refrigerators, washing machines, and investments in insulation such as double-glazing and roof insulation and also free advice on the best instruments to reduce energy consumption. For industries, 200 million guilders will be used mainly for tax credits for investments in energy saving equipment.	Residential Industry Manufacturing	All	Planned	311
	The Dutch government decided to apply an annual indexing (to inflation) to all energy taxes and excise duties from 1 January 1999.	All	All	Implemented	312

Country	Body Text	Sector	Energy	Status	Key Code
Netherlands	A tax on CO 2 emissions of fuel used for the generation of energy was introduced in 1999. This tax, the BSB, discriminates between the three kinds of fuel in use and is the highest for coal.	Electricity Generation	Fossil Fuels	Implemented	324
	The contribution of "green" taxes to the total tax income increased to 14 percent in 1999 from 12 percent in 1994. Further tax revision measures will entail adaptation and increase of existing taxes, as well as the introduction of new fiscal measures. The government wants to spend the incomes from environmental taxes on reducing income taxes and on introducing fiscal environmental incentives, such as a differentiated tax on cars and motorcycles in favour of cleaner and more efficient vehicles. In 2000, the Dutch government will also be evaluating additional ways of greening the tax system, with a goal of finishing these revisions in 2001.	All	All	Planned	870
Norway	Beginning 1 January, 1999, a CO 2 tax of NOK 100 per tonne of CO 2 emissions was applied to mineral oils used in air traffic, domestic shipping and supply ships and offshore petroleum installations. Major industrial sectors and gas used in the transport sector are still exempt from the CO 2 tax.	Travel Freight Industry	Fossil Fuels	Implemented	268
	In March 1999, the Norwegian Government submitted a White Paper on Energy Policy which included a proposal to increase electricity taxation and to provide approximately NOK 5 billion in investment support over 10 years for new renewable energy.	All	Electricity Renewables	Implemented	269

Country	Body Text	Sector	Energy	Status	Key Code
Norway	The Norwegian Parliament has increased the tax on electricity consumption by 0,025 NOK per kWh as part of the minority government's proposed 2000 budget. At the same time, a tax on oil will be raised 0,19 NOK per litre to avoid a switch from electricity to heating oil (although the wood-processing industry has a waver for the increase). Some (200 million NOK) of the 1,9 billion NOK raised from the increased tax revenues will be used to support energy efficiency and renewable energy.	Residential Commercial Industry	Electricity Renewables	Planned	499
	In order to reduce methane emissions, a tax on final disposal of waste, with tax rebates for energy utilisation, was introduced in 1999. The tax rates are the following: landfills (NOK 300 per tonne); incinerators (NOK 75 per tonne as a basic charge and an additional charge of NOK 0-225 per tonne depending on the degree of energy recovery).	Electricity Generation Industry	Electricity	Implemented	664
Portugal	The establishment of a differential excise treatment of LPG and Natural Gas as compared to petrol and diesel for road vehicles provides an incentive for the penetration of low carbon fuels for transportation.	Travel Freight	Fossil Fuels	Implemented	781
Switzerland	In October 1999, Parliament approved a law on the reduction of CO 2 emissions which provides for the Federal Council to introduce a CO 2 tax if the national target cannot be achieved with the measures already planned or by voluntary efforts. Such a tax could not be introduced before 2004. Its maximum rate is set at 210 Swiss francs per tonne of CO 2 (corresponding to just under 0.5 Swiss francs per litre of gasoline). Revenues from such a tax would be returned to the public and to businesses; exemptions would be granted to companies formally agreeing to restrict CO 2 emissions.	All	N/A	Implemented	274

Country	Body Text	Sector	Energy	Status	Key Code
Switzerland	The two Swiss parliamentary chambers have agreed to a tax of 0.3 centimes per kWh for non-renewable fuels like petroleum, gas, coal, and uranium. The tax will raise about CHF 450 million a year and the revenues will be used to promote renewable energies (especially solar), energy efficiency measures in buildings, and hydroelectric power.	All	Fossil Fuels Nuclear	Planned	502
	The two Swiss parliamentary chambers have agreed to an energy levy as part of the financial reform with ecological incentives. The levy is on non-renewable fuels like petroleum, gas, coal, and uranium, and is of a maximum of 2.0 centimes per kWh. The tax will raise about SFR 2 - 3 billion a year and the revenues will be used to lower the compulsory supplementary wage costs.	All	Fossil Fuels Nuclear	Planned	872
	A tax on trucks over 3.5 tonnes will be implemented in 2007. This tax is related to distance and weight and is intended to internalise the cost of freight transport. The maximum charge is set at 0.02 CHF per tonne-km in 2007, and can increase to 0.03 CHF in the future. The tax will raise 7.5 billion CHF and will be used for investments in rail infrastructure and one third will go to the cantons. (October 1999 Law).	Travel Freight	Fossil Fuels	Planned	873

Country	Body Text	Sector	Energy	Status	Key Code
UK	In its 1999 budget, the UK government introduced a programme of measures to reduce GHG emissions by 1.5 million tonnes, which included a climate change levy. This levy, scheduled to be implemented in April 2001, is designed to be revenue neutral (revenues from the levy would be offset by a 0.3 percent reduction in employer social security contributions). It is to be applied to natural gas, coal, and electricity used by business, agriculture, and the public sector; but not to electricity producers or to the transport sector. In the last proposal, after revisions, the levy would amount to 0.43 pence per kilowatt hour on electricity consumption, 0.15 pence per kilowatt hour on coal and gas, 0.07 pence per kilowatt hour of liquefied petroleum gas. Energy-intensive companies could see reductions in the levy based on negotiated targets for improving energy efficiency. Recent decisions have modified the levy slightly: the cost to industry has been reduced to 1.0 billion pounds (from 1.75 billion pounds). Furthermore, the "greenest" energy producers will be exempted: renewable energy, such as solar, wind, and power; as well as combined heat and power plants. (Together, these currently represent less than 3 per cent of UK power generation). In addition, 150 million pounds from the tax revenues will be allocated to energy saving investments, against 50 million previously agreed. The new tax is anticipated to reduce emissions by 2 million tonnes of carbon.	All	Fossil Fuels Renewables	Planned	278
	A new "greener" tax was announced for company cars. From 6 April 2000, tax on such vehicles will be linked with the vehicle's exhaust emissions. The new tax system is expected to eliminate up to one million tonnes of carbon emission by the end of the decade and will do away with the present system whereby drivers are taxed more heavily if they use their vehicles less. The charge will be based on a percentage of that price, graduated according to the car's carbon dioxide emissions measured in grams per kilometre. Cars emitting carbon dioxide at or below a specified level will be taxed on 15% of the car's price. The qualifying level of emissions will be 165 g/km for 2002-03 and will gradually be reduced over the first few years to reflect anticipated improvements in the fuel efficiency of the new car.	Travel	Fossil Fuels	Planned	672

Country	Body Text	Sector	Energy	Status	Key Code
UK	From March 2001 Vehicle Excise Duty (VED) for new cars will be graduated. Cars will be placed into one of four VED rate bands according to their CO_2 emissions, with the tax in each band being £10-20 higher than the band below it. Within each band there will also be a supplement for diesel cars — to reflect their higher local pollutant emissions — and a discount for cars using cleaner fuels and technology. The reform will be revenue-neutral.	Travel	Fossil Fuels	Planned	692
	The Chancellor of the Exchequer announced the end of the "fuel escalator" which was previously introduced to increase fuel prices by six percent in real terms per year. From 2000 on, the increase in transport fuel tax will be decided annually, albeit at a lower rate than 6%. The revenues will be earmarked for projects to improve roads and public transport.	Travel Freight	Fossil Fuels	Implemented	874
	The company car tax is to be reformed from April 2002. From this date, the tax charge will be based on a percentage of the car's price graduated according to the level of the car's CO_2 emissions. The charge will build up from 15% of the car's price, for cars emitting 165gCO_2/km, in 1% steps for every additional 5gCO_2/km over this level. The maximum charge will be 35% of the car's price. The reform will be revenue neutral.	Travel	Fossil Fuels	Planned	875

Tax Credit

Country	Body Text	Sector	Energy	Status	Key Code
Australia	The Energy Credit scheme will provide price incentives and funding for conversion from the dirtiest fuels to the most appropriate and cleanest fuels. This scheme will be developed jointly by the Government and the Australian Democrats to replace the diesel fuel credit scheme on 1 July 2002 (after the existing scheme expires due to a sunset clause).	Travel Freight	Fossil Fuels	Planned	234

	A 100% excise credit is provided under "A New Tax System" (estimated at over $Aus 300 million) for rail transport to improve its competitive position.	Travel *Freight*	Fossil Fuels	Planned	850
Canada	The 1999 Federal Budget made generating equipment fuelled by flare gas at oil fields eligible for a higher capital cost allowance *under federal tax regulations. This helps to reduce* GHG emissions in the oil and gas industry due to a more controlled combustion process, as well as through the displacement of coal-fired electricity generation.	Electricity Generation Other Industry	Fossil Fuels	Implemented	411

Country	Body Text	Sector	Energy	Status	Key Code
Canada	To encourage the more efficient process of district heating, the 2000 federal government's Budget (developed in 1999) proposes to extend the Manufacturing and Processing (M&P) tax credit to corporations that produce, for sale, steam for uses other than the generation of electricity. This change will ensure that all producers of steam for sale will face the same income tax rate. Access to the credit will be phased in beginning January 1, 2000, with a three-percentage-point reduction. In each of the two subsequent years, there will be additional two-percentage-point reductions. The phase-in to M&P treatment will be completed in 2002. These proposed rate reductions are to be prorated for taxation years that straddle calendar years.	Industry Manufacturing	N/A	Implemented	705
	The federal government's 2000 budget (developed in 1999) proposes several adjustments to improve the Capital Cost Allowance (CCA) system to encourage investment in energy efficient equipment. Proposed changes include: an increase in the CCA rate for certain railway assets from 10 to 15 per cent; an extension of the separate class election to include manufacturing and processing equipment; and an increase in the CCA rates from 4 per cent to 8 per cent for electrical generating equipment (other than buildings and other structures), and for production and distribution equipment (other than buildings and other structures) of water or heat.	Industry Travel Electricity Generation	Fossil Fuels	Implemented	706
	The 1999 British Columbia budget contains measures that will help to reduce greenhouse gas emissions and partially fulfil some of the Greenhouse Gas Forum's recommendations. These include: a commitment to review opportunities for a revenue-neutral tax shift that will encourage "environmentally sound" business practices; a partial sales-tax rebate for factory-produced, alternative-fuel vehicles; and a future motor-fuel tax exemption for ethanol used in gasoline blends, once a commercial-scale ethanol plant is in operation in the province.	Industry Commercial Travel	All	Implemented	735

Country	Body Text	Sector	Energy	Status	Key Code
France	The exceptional 12-month amortisation for energy saving materials under the 1999 Law of Finance was extended until 31 December 2002.	All (except households)	N/A	Implemented	512
	The government decided to lower the VAT by 15 percentage points (from 20.6% to 5.5%) for remodelling or home improvement steps on housing units over two years old. This measure begins on 15 September 1999 and ends on 31 December 2002. It will take the place of the previous tax reduction allowing for large expenditures other than moves.	Buildings Residential	N/A	Implemented	515
	A rule has been established to require the restitution of heating fees in collective buildings when the amount is over 40 F TTC/m^2.	Buildings	N/A	Implemented	689
US	A package of biomass tax credits is proposed for the Fiscal Year 2000 Budget, allowing an extension of five years to the current tax credit of 1.5 cents per kilowatt hour for electricity produced from biomass. In addition, the proposal expands the types of biomass eligible for the credit to include certain forest-related, agricultural, and other resources. Finally, the package includes a 1.0 cent per kilowatt hour tax credit for electricity produced by co-firing biomass in coal plants.	Electricity Generation Industry	Renewables Fossil Fuels	Planned	426

Country	Body Text	Sector	Energy	Status	Key Code
US	A bill introduced in the Senate (S. 1777) would provide tax incentives for voluntary reductions of greenhouse gases. The bill would extend on a permanent basis the tax credit for research and development involving climate change. According to a bill summary, for research to qualify for the credit, it must have as one of its purposes the reducing or sequestering of greenhouse gases and been reported to Department of Energy under section 1605(b) of the Energy Policy Act of 1992.	Technology	All	Planned	570
	Maine is preparing to become the first State in the nation to promote the sale of environmentally cleaner cars. A bill introduced in the legislature in January, 2000 would offer tax rebates of up to $3,000 for those who buy "green." The programme calls for affixing a blue, white, and green decal labelled "Cleaner Cars for Maine" on the windows of some 65 qualifying models now on the lots of the state's 167 car dealerships. To be eligible for the sticker, vehicles must get at least 30 mpg and conform to California's air emission regulations — the most stringent in the nation.	Travel	Fossil Fuels	Planned	622

Tax Exemption

Country	Body Text	Sector	Energy	Status	Key Code
France	The Finance Law for 2000 was revised to include the exemption of the so-called internal tax on natural gas, refinery gas, and low-sulfur heavy fuel used in co-generation facilities until December 2003. This exemption was to establish fiscal neutrality in comparison with primary energy used for the production of nuclear, carbon and hydro-based electricity.	Electricity Generation	Fossil Fuels	Planned	514
	Exemptions may be granted for all or a portion of the differential tax on alternative vehicles fuelled by electricity, natural gas or LPG.	Travel	Electricity Fossil Fuels	Implemented	517
Portugal	State Budget 2000, developed in 1999, introduces a 40% reduction of the tax on the purchase of vehicles when they use exclusively LPG or natural gas or when they are driven by electricity or any renewable energy source, providing an incentive for the penetration of low carbon fuels.	Travel	Fossil Fuels Electricity	Implemented	782

Country	Body Text	Sector	Energy	Status	Key Code
Portugal	State Budget 2000, developed in 1999, authorises the Government to set a reduction of the tax on the purchase of vehicles when a new private car is purchased in exchange for an old car more than ten years old, with the purpose of speeding up the renewal of the car fleet.	Travel	Fossil Fuels	Implemented	783
	New budget provisions allow purchasers of renewable energy equipment such as solar panels for residential use to benefit from a reduced VAT of 5%. Investment costs in renewable end-use technology are also deductible from the income tax with a limit to the deduction set at 50 000 PTE in State Budget 2000. Beginning in October 1999, investors in equipment using solar energy are entitled to claim a depreciation rate of 25% (previously set at 7.14%).	Residential Commercial	Renewables	Implemented	787