

The EU 2020 Strategy on environmental tax reform

Priorities

- Smart growth – developing an economy based on knowledge and innovation.
- Sustainable growth – promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth – fostering a high-employment economy delivering economic, social and territorial cohesion.

Flagship Initiative (1 of 7)

- "Resource efficient Europe" to help decouple economic growth from the use of resources, support the shift towards a low carbon economy, increase the use of renewable energy sources, modernise our transport sector and promote energy efficiency.



EUROPEAN COMMISSION

Brussels, 23.11.2011
COM(2011) 815 final

VOL. 1/5

COMMUNICATION FROM THE COMMISSION

Annual Growth Survey 2012

Annual Growth Survey – Commission’s short-term priorities, based on EU 2020 Strategy



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- Greater efforts should be made to shift taxation away from labour towards taxation which is less detrimental to growth: for example, increasing consumption, environmental, wealth (for example, high value property) taxation can help to alleviate the tax burden on labour thus making hiring more attractive. Particular attention should be paid to the needs of the most vulnerable groups in any tax shifts.

The EU Semester (Nov-May) ("half a year")

1st phase (Nov)		Early spring	2nd phase		Late spring (May-June)
European Commission issues Annual Growth Survey (AGS) – based on Europe 2020 strategy	Various Council formations study the AGS and draw conclusions	European Council, on the basis of the AGS and Council input, adopts strategic advice and orientations	Member states produce their National Reform Programmes (NRP) and Stability and Convergence programmes (SCP)	The European Commission evaluates the NRPs and the SCPs and prepares Country-Specific Recommendations	The European Council debates and endorses the Country-Specific Recommendations (CSR) and the Council formally adopts them

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...then start the National Semesters.

Country Specific Recommendations 2012

	Recommendations on Environmental Tax Reform	Other recommendations on environment/energy matters:
Austria	"Shift the tax burden in a budgetary neutral way, towards real estate taxes, and environmental taxes."	
Belgium	"Significantly shift taxes from labour to less growth-distortive taxes including for example environmental taxes"	<p>"Reducing greenhouse gas emissions from non-ETS activities, in particular transport, also appears to be a challenge for Belgium."</p> <p>"Take measures to correct the lack of progress towards reaching the targets for reducing greenhouse gas emissions from non-ETS activities, in particular by ensuring a significant contribution to this goal from transport."</p>
Bulgaria		<p>"Existing measures aimed at tackling energy dependency need to be improved. So far, the construction of new gas infrastructure has been too slow. Although some desirable reforms were formally adopted and the share of renewable energy increased in 2011, their implementation remains unsatisfactory due to procurement, the capture of public policies by private interests and poor management of state-owned energy companies."</p> <p>"Ensure the independence of transmission and distribution system operators; complete the market design in particular for the energy exchanges and balancing markets. Improve electricity and gas connections, boost energy efficiency and</p>
		enhance the capacity to cope with disruptions."
Czech Republic	<p>"Some concern environmental and housing taxation, which are currently under-taxed."</p> <p>"Shift the high level of taxation on labour to housing and environmental taxation."</p>	
Denmark	-	-
Estonia		Improve energy efficiency, in particular in buildings and transport, and strengthen environmental incentives

SIXPACK	Applies to	Voting rule
Balancing budget (reg)	EU27 (minor exceptions only euro/ERM2)	Qualified majority, excluding concerned MS (only euro area MS vote on euro area MS). Council can reject COM recommendation by simple majority
Enforcing budget balance (reg)	Euro MS	Reversed qualified majority, excluding MS concerned
Budgetary frameworks requirements (dir)	EU27, UK may ignore art. 5+7	-
Sanctions for excessive deficits (reg)	EU27 (ECB surveillance only euro/ERM2)	-
Macroeconomic balance (reg)	EU27	Reversed qualified majority, excluding MS concerned
Punishing excessive imbalances (reg)	Euro MS	Reversed qualified majority voting of euro MS, excluding MS concerned
AGREEMENT	Applies to	Voting rule
Fiscal compact (TSCG)	EU27 except UK + CZ	Reversed qualified majority voting (only euro MS)

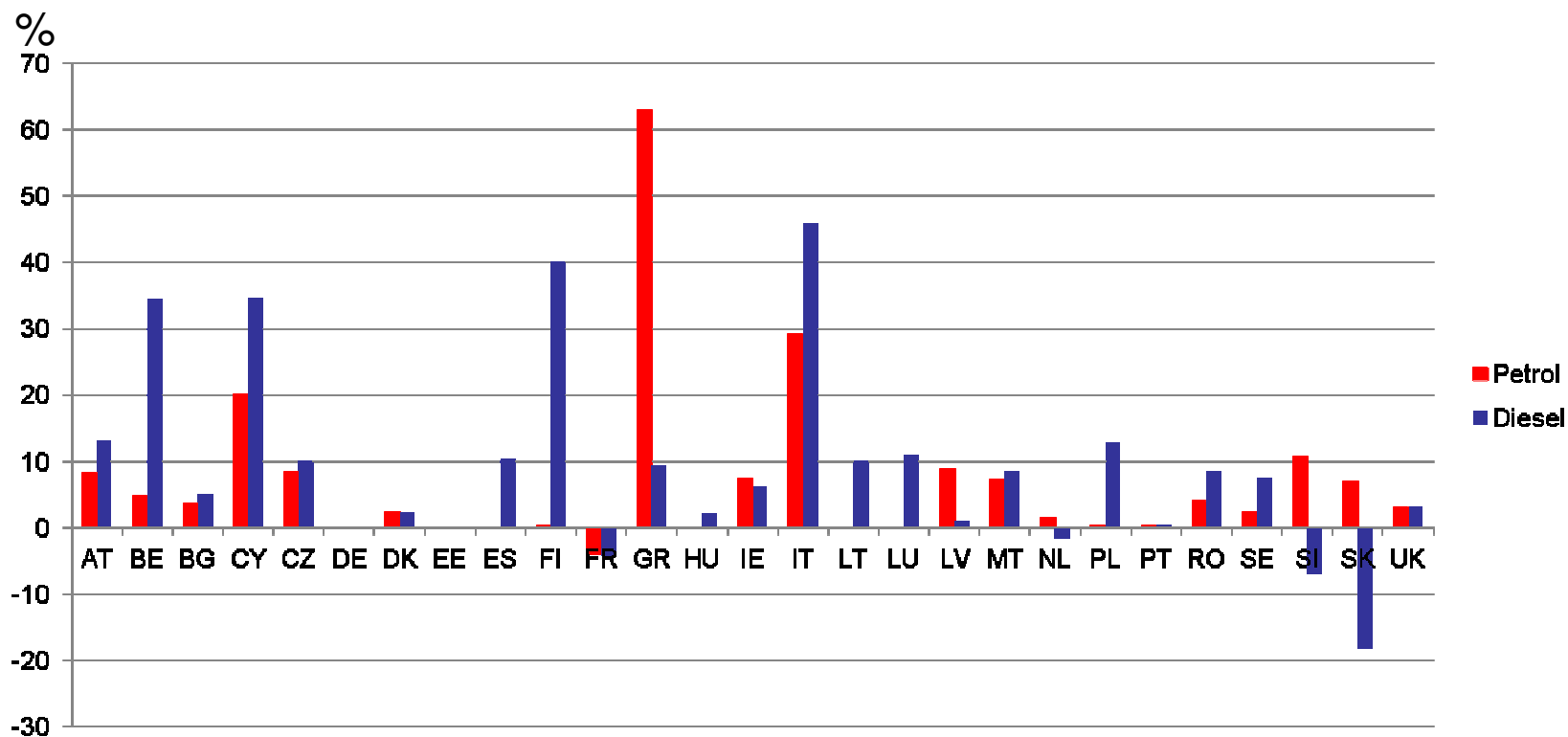
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TWOPACK	Applies to	Voting rule
MS with financial stability difficulties excluded from Semester (reg)	Euro	Qualified majority voting of euro MS, excluding MS concerned
MS must submit draft budgets for scrutiny (reg)	Euro except MS in crisis	Qualified majority voting of euro MS, excluding MS concerned

UNDER DEVELOPMENT...

Two-pack not yet adopted

Merkel & Draghi want to give the Commission the possibility to reject a budget adopted by a national parliament

Changes in fuel taxation 1/1 2010 – 15/10 2012



Source: Oil Bulletin, EC