

The Portuguese green tax proposal

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GBE – 2014, Brussels, 5 November 2014

Objectives

MISSION	In the Proposal
“Redefining the legal bases of the energy and environmental tax system”	<ul style="list-style-type: none">•REDUCTION OF TAX-INDUCED DISTORTIONS•SIMPLIFICATION•<i>SISTEMATIZATION OF THE LEGAL FRAMEWORK</i>
“Promote the competitiveness of the national economy according to a model of sustainable growth”	<ul style="list-style-type: none">•NEW SIGNS TO STEER PERSONS’ AND COMPANIES’ BEHAVIOURS•<i>EXPLORE THE POTENTIAL FOR A CIRCULAR ECONOMY</i>•<i>INTEGRATE SECTORIAL POLICIES</i>

Two major aims

- (1) introduction of a new rationality in the Portuguese economy, by improving resource efficiency and promoting green growth
- (2) focus the national tax system on consumption taxes coherent with up-to-date development paradigms

GTC proposal

PROPOSALS	AREAS
59 Proposals	<ul style="list-style-type: none">•ENERGY•TRANSPORTS•WATER•WASTE•URBAN PLANNING•FORESTS•BIODIVERSITY
25 Specific recommendations	
7 General recommendations	

Main Proposals of the GTC

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- Taxation of GHG emissions (non-ETS)
- Air ticket tax
- Promotion of public transports
- Promotion of less polluting vehicles
- Improvement of the water tax (TRH) and waste tax (TGR)
- Plastic bag tax
- Promotion of energy efficiency in buildings
- Protection of natural resources

The Government legislative proposal

- **Taxation of GHG emissions**
- Air ticket tax
- **Promotion of public transports** (... public transport tickets; taxation of 'private' vehicle use by companies)
- **Promotion of less polluting vehicles (...electric vehicles)**
- **Improvement of the water tax (TRH) and waste tax (TGR)**
- **Plastic bag tax (€ 0,08 ...plus VAT...less publicity)**
- **Promotion of energy efficiency in buildings**
- **Protection of natural resources**
- **Periodical evaluation of the ETR**

Numbers...

- Total tax expenditure: 11.850.000 E
- Total tax revenue: 197.780.000 E
- Net balance: 185.930.000 E
- Earmarked revenue (income tax, social security, investment credits): 21.350.000 E
- Revenue surplus: 164.580.000 E

- 2030!...CO2, GDP, public deficit...