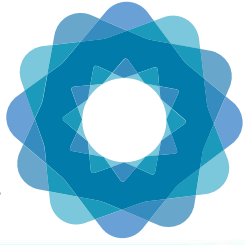


**30 Year
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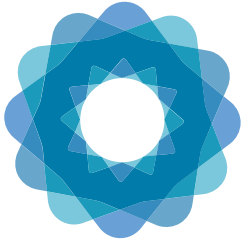
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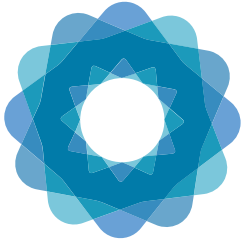
Position paper on issues in environmental taxes and transfers - an update

22nd to 25th September 2025 | Tallinn



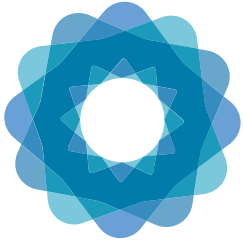
Position Paper: Process & State-of-Play

- ⚙️ 30th Meeting:
 - ⚙️ Discussed and concluded on Cap and trade emission schemes.
 - ⚙️ First round of discussion on taxes, tax abatements and transfers.
- ⚙️ Partly already used as input into the scoping notes.
- ⚙️ Items discussed and further feedback basis for the update
- ⚙️ Aim now:
 - ⚙️ Support discussions in the Task Teams
 - ⚙️ Looking beyond SEEA CF update



Guiding Principle

The taxes (incl. abatements) and transfer (ESST and PEDS) accounts must allow both the government sector and the other sectors to be analysed as well as ensuring interoperability with national accounts just as with physical accounts. They must be structured so flexibly that they are not exclusively orientated to current political demands but are multi-purpose and must be easily adapted to new requirements.

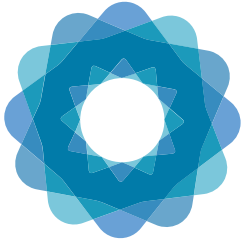


Transfers – PEDS

- ❁ Definition of PEDS should follow definition of ETEA.

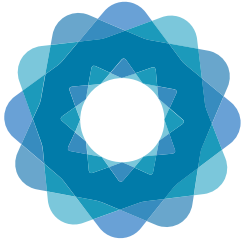
„subsidies and comparable transfers for production, use, consumption, or operation of a physical unit (or a proxy for it) of something that has a proven, specific, negative impact on the environment.”

- ❁ A list could be a reference.



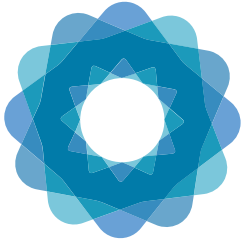
Transfers – General

- ❁ Overlap resp. intersection ESST – PEDS (general and per specific environmental domain) must be possible and presented
- ❁ Allocations to periods and units/sectors
 - ❁ Whom to allocate the transfer to (e.g. Transfers aiming at reducing supply prices)?
 - ❁ SEEA CF should distinguish current and capital transfers (different purpose and impact).
 - ❁ Allow for and mention explicitly different ways of attributions.



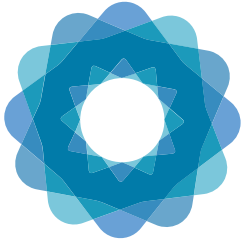
Taxes - Allocations to periods and units

- ✿ Currently not explicitly defined
- ✿ Accrual principal in national accounts (i.e. when tax basis arises)
 - ✿ Depends very much on taxation laws in detail what and who is acutely taxed .
 - ✿ Unit taxed is not necessary unit using the environmental damaging physical tax base.
 - ✿ Harmonisation environmental economic accounts <-> national accounts important, but
 - ✿ harmonisation with other SEEA accounts (e.g. emission accounts) relevant to.
 - ✿ Allow for and mention explicitly different ways of accrual allocations.



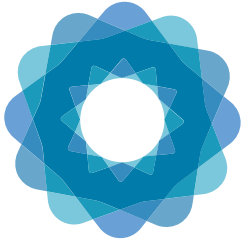
Taxes – classification

- ❁ More detailed classification allowing for better analysis and combination.
- ❁ Suggestion for a more detailed classification added.
- ❁ Possibility to better analyse emissions from energy carriers.
- ❁ Modified EU COM (DGs ESTAT; ENV; TAXUD), OECD, IEA Classification as starting point
 - ❁ Could be used to classify PEDS as well



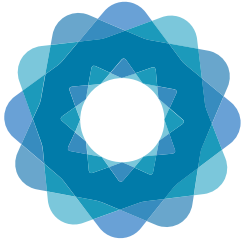
Taxes – classification I

- ❁ Taxes related to sale, purchase or import of energy (carriers)
 - ❁ Carbon-based energy carriers
 - ❁ Fossil carbon-based energy carriers (by energy carrier)
 - ❁ Non-fossil or secondary material carbon-based energy carrier (e.g. biomass for energetic use, biogas, bioethanol, hydrotreated vegetable oils, etc.).
 - ❁ Secondary energy like electricity or produced heat/cold.
- ❁ Taxes on the operation of facilities for using carbon-based or secondary energy carriers (excluding vehicles) depending or regard-less of their actual usage (e.g. one-off operation permits, specific taxes on the output etc.).



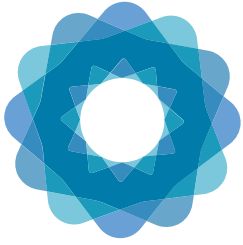
Taxes – classification II

- ✿ Transport Taxes
 - ✿ Tax related to ownership or operation of a vehicle (by type of vehicle).
 - ✿ Taxes on transport services
 - ✿ Road tolls.
 - ✿ Waterway tolls.
 - ✿ Air transport duties.
 - ✿ Other.



Taxes – classification III

- ⚙ Taxes on use or extraction of natural resources and taxes on the operation of related equipment.
 - ⚙ Taxes on extraction, direct use or harvest of geothermal, solar, wind, water energy or related equipment.
 - ⚙ Taxes on the extraction of fossil fuels or related equipment.
 - ⚙ Taxes on the extraction of other resources or related equipment.
- ⚙ Pollution taxes.
 - ⚙ Taxes on Emissions to air.
 - ⚙ Taxes on GHG-Emissions from energetic use
 - ⚙ Taxes on other GHG-Emissions.
 - ⚙ Taxes on other emissions to air.
 - ⚙ Taxes on emissions into water.
 - ⚙ Other Pollution Taxes



Tax abatements

- ❁ Tax abatements should in general follow the rules of ESST and PEDS
- ❁ All tax abatements on environmental taxes are already netted in ETEA.
- ❁ Others, e.g. on property or income taxes, transfer taxes or excise duties much more important to complete the system.
- ❁ Reference for calculating the abatement: tax base (no conversion)
- ❁ „ESST – like“ tax abatements
 - ❁ relevant (they are environmental policy)
 - ❁ identification rather simple (same rule as for ESST by intention/technical nature)



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THANK YOU

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