



# ENVIRONMENTALLY RELATED TAX REVENUE ACCOUNTS

## PROPOSED OECD METHODOLOGICAL GUIDELINES

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## Motivation and objectives

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### Motivation

- Long tradition of OECD work on environmentally related taxation
- Supports establishing global SEEA databases (UNCEEA Area C)
- Increasing demand to inform policy (carbon tax, green tax reform, policy integration, OECD Economic Surveys and Environmental Performance Country Reviews)

### Objectives

1. Expand compilation of ERTR accounts, building on existing approaches (SEEA, SNA, Eurostat) and data (OECD Policy Instruments (PINE) database and OECD Revenue Statistics)
2. Identify areas for future development, aiming to improve internal consistency, international comparability and policy relevance



# Environmentally related tax revenue (ERTR) accounts

## Preliminary results

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### OECD methodological guidelines

- Proposal for an OECD framework to compile ERTR accounts
- The guidelines identify areas to refine existing approaches
  - Record three *memo items* (i.e. not included in the total) on ERTR from land, oil/gas extraction and the resource rent, to enhance policy relevance and international comparability.
  - Split ERTR from GHG emissions into energy (recorded as *energy tax*) and non-energy related part (recorded as *pollution tax*) to improve internal consistency.
  - Complementary reporting of tax rates and activity data to increase policy relevance (e.g. better understand changes in ERTR)

### Pilot test

- Implementation has been pilot-tested by Australia and Russia (supported by Estonia), on-going in Costa Rica.
- Results demonstrate the feasibility to implement the guidelines in practice and with varying degrees of experience.



### Next steps

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- To be discussed at
  - OECD Working Party on Environmental Information (December 2018)
  - OECD Joint Meetings of Tax and Environment Experts (November 2018)
- Pilot testing is open to any interested country (ASAP)
- Finalisation and publication of OECD guidelines (May/June 2019)
- Data collection
  - Integrate ERTR accounts in the regular OECD data collection for non-Eurostat countries (October 2019)
  - Volunteering Eurostat countries to inform on compilation of the aforementioned refinements
- For the time being, ERTR accounts can be made consistent with Eurostat data (but not vice-versa), calling for further discussions with international partners (Eurostat, UNCEEA, LG, etc.) to progressively achieve full harmonisation.