


Ministry of the Environment of the Czech Republic



Policy Context:

**Proposals on Environmental Tax Reform,
Energy and Emission Taxation in the CR
and the role of MODEDR project**

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Environmental Tax Reform in the CR

- 2006 - MoE prepared proposal of ETR:
„Principles and Schedule of ETR“
- 3.1.2007 - the government took note of the proposal





Environmental Tax Reform in the CR

Schedule: 2007-2017, 3 steps

Principles:

- Fiscal neutrality
- Support of renewable energy sources
- Support of combined heat and power
- Support of energy savings





I. step of ETR

2007 - Transposition of the directive

2003/96/ES

1 January 2008 – new taxation came into force:

- of solid fuels
- of electricity
- of natural gas





II. step of ETR

The aim:

to stimulate the modernization of technology for the generation of energy and reduction of air pollution

- Primary: to create an emission **tax on CO₂**
- Reality: **economic instruments in new act on air protection**



Air protection

- current economic instruments

- Energy consumption taxation
- Air pollution fee
- Financial support (OP Environment, State Environmental Fund)

- Road tax
- Mineral oil consumption tax
- Toll – road fee





Air protection - current economic instruments

Low efficiency of current instruments

It is necessary **to focus** especially on:

- energy industry
- chemical industry
- transport
- households





II. step of ETR

Air pollution fee – revision

Combustion stationary source fee – new

Government subsidies – new
(investment in air pollution)

+ Financial support
(Green Investment Scheme)





„Modelling of Environmental Tax Reform Impacts: Second Phase of the ETR“ Research project

November 2007-December 2010

The aim: **to analyze impact of**

- (CO2 taxation – original aim)
- **new rates of air pollution fee**





Research project

Help for new act on air protection:

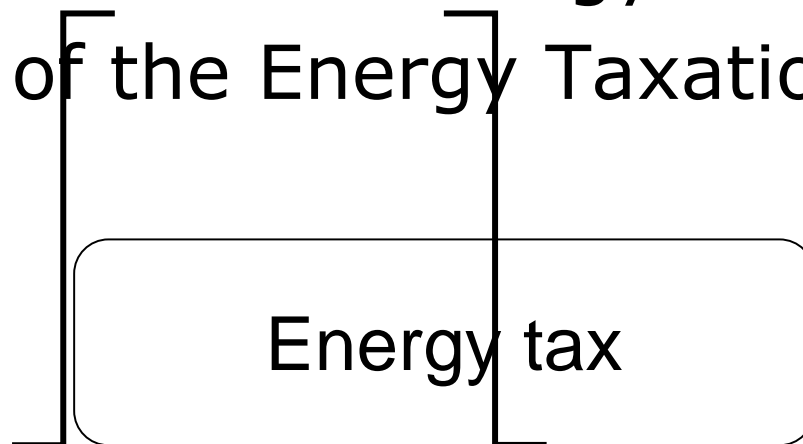
modelling of impacts of rates increases

- June 2009
rates at the level of „prevention costs“
- August, November 2009
various scenarios



III. step of ETR

Adaptation of current energy taxes according to Revision of the Energy Taxation Directive



CO2- related tax

General energy consumption tax





THANK YOU FOR YOUR ATTENTION


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