

ASPECTS OF THE EUROPEAN UNION'S FISCAL POLITICS OF ENVIRONMENTAL PROTECTION

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Abstract

Appeared in the European work agenda from the beginnings of the 1970s, the preoccupation for environment showed a distinct character at the time when it was announced by the Club from Rome, the decrease of natural resources and the quick deterioration of the quality of water, air and soil. Two years passed by until the European environmental politics was created in 1972 and until it was developed as one of the most important politics of the European Union.

Often the positive (stimulating) role what fiscal policy can have was precised; so that it was stated that taxation can facilitate the long-lasting development and can support the reaching of some political goals, like environmental protection and energy.

Key-words: environmental taxation, pollution of the environment, wastes

INTRODUCTION

The regulations and taxes regarding to environmental protection plays a more and more important role in the establishment of politics. Through their introduction, there were noticed the influences in the field of environmental protection, but even though, only a few countries had successfully introduced the environmental taxes as a fiscal lever used to influence the behavior of men and to reach the goals of the environmental protection.

To stimulate the use of resources in agreement with the European Union's principles of long-lasting development, the Commission adopted the Directive 2003/96/EC¹ about the taxation of energetic products and it continues to introduce of some measures in this domain:

- The development of some concrete actions referring to the ecological taxes upon energy
- The revision of rules in the domain of taxation of the transport vehicles, to reduce emissions of carbon monoxide of vehicles used for passenger transport
- The elimination of divergences between the member states about the taxation of diesel fuel used for commercial purposes.

The European legislation regarding to the applicable excise taxes of the energetic and electricity products is mostly based on the Directive No. 2003/96/EC (The Directive of Energy Taxation), through this it was

¹ Official Journal L 283 from 31 October 2003, p. 51

introduced a new category of taxable products on a European level, a larger one as before, that of the mineral oils. Consequently from 1 December 2004 there was abrogated the Directive no. 92/81/EEC about the harmonization of the mineral oil taxation and the Directive no. 92/82/EEC regarding to the establishment of the value of mineral oil taxation.

In essence, the new directive extends the application sphere of the minimal taxes which must be applied in the member states, from the mineral oils to all energetic products, implying coal, natural gases and electricity.

Together with the extension of the European Union from 2004, the legal frame in this matter was completed through Directive no. 2004/74/EC, which offer to the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia the possibility of some tax exemptions or temporal reductions of taxes and through the Directive no.2004/75/EC which offered to Cyprus the same kind of derogations.

When we refer to the experiences in this matter of some countries from East-Europe, we can briefly exemplify the general juridical frame regarding to the environmental protection from Hungary, which is based on the followings:

- **Law LIII/1995** regarding to environmental protection (legal document, which has in it's table of contents the chapter entitled "General Principles", defines, near other notions, the following notions: environment, resources of the environment, environmental pollution, the endangering of the environment, preventive measures towards the prejudice of the environment, environmental protection).
- **Law XLIII/2000** regarding to the management of the waste problem.

These legal foresights were treated under the legal harmonization process in the context of the adherence of Hungary to the European Union.

The environmental taxes (the tax for air pollution, the tax for water pollution, the tax for soil pollution) are established in terms of the emissions of the different polluters.

In case of infringement of the norms of air protection, by the economical agents, these agents will be obliged to pay the amendment for the purification of air or in case of private persons who do not respect these legal foresights there can be established special amendments.

In case when an economical agent develops it's activity (and it's technological process) ignoring the norms of the environmental protection (or even more, it functions without the legal environmental authorizations) it

must support the payment of an amendment of circa 100000 ft/pay, for every source of pollution and in case when a private person does the same infringement, he will be obliged to pay an amendment of 10000 ft/day.

The taxation of products – the green tax – established for the environmental protection.

This tax is established for the producers or importers of the following products:

- Products which directly pollute:
 - Vaseline
 - Thinning agents

- Products which become polluting wastes:
 - Different aluminum packages, plastic, glass etc.
 - Batteries
 - Used rubber.

One can obtain tax exemptions in case of recycling of the products which represent the object of the mentioned obligation (in this case there can be closed some contracts of assistance with some companies specialized in this matter).

Another form of taxation with the aim to protect the environment is the tax for the energy.

The legal frame for the establishment of the different aspects regarding to the energy taxation is represented by Law LXXXVIII/2003, law which in the quality of component of the fiscal system created for environmental protection has the following goals:

- environmental protection, as a unit
- the respect of the principle of economy regarding to the energy consumption
- the reduction of energy costs
- the growth of the level of competitiveness through the use of different modern technologies (with a lower consumption of energy).

The foresights of this law are according with the European regulations in this matter.

The products aimed by the regulations of Law LXXXVIII/2003 are:

- natural gases
- electric energy

The level of taxation – in this matter are established fix levels on every unity of taxable product (in case of electric energy – megawatt/hour; in case of natural gases – gigajoule).

This way we will have a value of approx. 186 ft/megawatt/hour, in case of electric energy and a value of approx. 56 ft/gigajoule, in case of natural gases.

These taxation levels represent higher values as the minimal level practiced by the taxation of the same products in the European Union (approx. 0,5 Euro/megawatt/hour, for the electric energy and approx. 0,15 Euro/gigajoule, for natural gases).

Taxes for air pollution are established in Poland too; for example, it is tax the pollution with different agents like CO₂, methane, SO₂, mercury, as well as the agents from hen farms, from smaller boilers, from the handle of oil products.

In our country appeared controversies regarding to the legality or illegality of the car tax² and regarding to the nature of this tax: if it is an environmental tax or it is a tax that aims the behavior of concurrency.

Otherwise, it was often stated, that the main motivation for the introduction of the environmental taxes in Romania is of financial-budgetary nature. The Environmental Fund confronts major problems in connection with the collection of the incomes which supply it. The difficulties are of methodological as well as of applicational nature, so that the support of the Ministry of Economy and Finances is needed.

Environmental taxation is a key component of many green politicians' views of a more sustainable eco-economy. Environmental taxes have long been used in Eastern Europe and in the last decade have been used extensively in Western Europe.

Potential negative effects on competitiveness, and regressive distributional effects, are the major cause of concern with regard to the introduction of environmental taxes.

REFERENCES

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4. ***, Directiva 2003/96/EC privind impozitarea produselor energetice
5. ***, Legea nr.343 din 17.07.2006 pentru modificarea și completarea Legii 571/2003 privind Codul fiscal

² Special tax for cars and vehicles established by Law no. 343 from 17.07.2006 to modify and complete Law 571/2003 regarding to the fiscal code, published in the Official Monitor of Romania no. 662 from 01.08.2006