Tax on carbon dioxide emissions CO_2 and energy

1992/1019(CNS) - 10/05/1995 - Modified legislative proposal

The Commission proposed modifying its initial proposal with a view to including elements of flexibility to enable it to overcome the obstacles that had arisen during the discussions within the Council. This proposal thus responded to the promise made by the Commission in Essen on 9 and 10 December 1994 to submit guidelines enabling those Member States that so wished to apply an energy/CO2 tax on the basis of common parameters. More specifically, the Commission proposed establishing a transition period expiring on 31 December 1999 before applying a harmonised tax, during which the Member States, whilst respecting a harmonised tax structure, would be free to determine tax levels on a product-by-product basis. The Commission would submit before 1 January 1999 a report on the operation of the transitional arrangements, accompanied by proposals on the changeover to a harmonised tax system. Furthermore, in order to help the Member States implement the measures required to meet the objective of reducing CO2 emissions, the Commission hoped to ensure that the levels established in its initial proposal, which had also been revised, were target levels that the Member States could work towards in terms of harmonising their national levels in the medium term. The revised target levels would be established as follows: - ECU 9.37 per tonne of carbon dioxide emitted as a result of combustion in the presence of excess oxygen; - ECU 0.7 per gigajoule of energy (although for electricity the target level would be ECU 7 per megawatt /hour); - For mineral oils: . leaded or unleaded petrol: ECU 44.87 per 1 000 l, . diesel and fuel oil: ECU 51.4 per 1 000 l, . kerosene and jet fuel: ECU 48 per 1 000 l, . heavy fuel oil: ECU 57.37 per 1 000 kg /mass, . petroleum coke: ECU 51.2 per 1 000 kg/mass, . liquid petroleum gas: ECU 1.3 per gigajoule. Finally, the application of the tax should not translate into an increase in the level of compulsory levies, so that the guidelines in the White Paper on Growth, Competitiveness and Employment would be respected.