Green taxation: environmental taxes and charges in the single market

1997/2050(COS) - 15/07/1998 - Text adopted by Parliament, single reading

In adopting the report by Mr Karl Erik OLSSON (ELDR, S) by 418 votes to 80 with 19 abstentions Parliament called on the Commission to encourage the use of environmental taxes in the Member States. While it welcomed the Commission communication it regretted that it only clarified how national environmental taxes and charges could be brought into line with Community law. It called on the Commission to examine the question of the economic impact of environmental taxes and charges and their effect on the creation and destruction of jobs and on international competitiveness. Parliament called on the Commission to: - put forward binding and non-binding common guidelines as to how environmental taxes, aiming in the same direction and neutral with regard to competition might be introduced by a large number of Member States; - base its proposals as regards environmental taxation on Article 130s of the Treaty; - bring forward immediately proposals concerning the application by all Member States of economic instruments aimed at reducing pollution and non-sustainable use of natural resources; - assist, by means of recommendations to the Member States, in transferring the tax burden away from the labour component towards the environmental consumption component; - take measures to facilitate harmonised economic policies in sectors such as energy and transport; - propose environmental levies for certain specific products; - produce a study concerning the use of environmental levies on water, energy, transport, packaging, construction, chemical pesticides, fertilisers and chlorinated compounds. A CO2 energy tax should also be introduced. In the interim Parliament called on the Commission to consider whether a change could be made to the VAT Directive to introduce a higher rate of value added tax on energy. Parliament considered that it was important for the European Union to promote the use of environmental taxes on an international level, for example in the framework of the World Trade Organisation. The Commission should also consider the environmental taxes and charges in use in the countries of central and eastern Europe. The Court of Justice of the European Communities had made a very restrictive interpretation of environmental levies within the Community's legal framework. Parliament therefore called on the Commission to ensure the compatibility of environmental taxes in Member States with EU legislation. In the event of conflict between the internal market and the environment, the Commission should use its scope for interpretation to benefit environmental policy.