Basic information

1997/2050(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Green taxation: environmental taxes and charges in the single market **Subject** 3.70.15 Environmental taxation	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ENVI Environment, Public Health and Consumer Protection	OLSSON Karl Erik (ELDR)	09/10/1996

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	KUCKELKORN Wilfried (PSE)	18/06/1997
ENER Research, Technological Development and Energy	HOLM Ulf (V)	27/05/1997
JURI Legal Affairs, Citizens' Rights	ULLMANN Wolfgang (V)	21/05/1997

Council of the European Union

Council configuration	Meetings	Date
Environment	1990	1997-03-03
Environment	2033	1997-10-16

Key events

Date	Event	Reference	Summary
03/03/1997	Debate in Council		
26/03/1997	Non-legislative basic document published	COM(1997)0009	Summary
23/04/1997	Committee referral announced in Parliament		
16/10/1997	Debate in Council		
20/05/1998	Vote in committee		Summary
20/05/1998	Committee report tabled for plenary	A4-0200/1998	

14/07/1998	Debate in Parliament		
15/07/1998	End of procedure in Parliament		
21/09/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2050(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	ENVI/4/08761

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0200/1998 OJ C 210 06.07.1998, p. 0006	20/05/1998	
Text adopted by Parliament, single reading		T4-0427/1998 OJ C 292 21.09.1998, p. 0054-0068	15/07/1998	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1997)0009	26/03/1997	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0993/1997 OJ C 355 21.11.1997, p. 0079	01/10/1997	Summary

Green taxation: environmental taxes and charges in the single market

1997/2050(COS) - 01/10/1997 - Economic and Social Committee: opinion, report

The Committee welcomes the Commission communication whilst making a number of recommendations regarding the future use of environmental taxes and charges. The ESC recalls its earlier opinion that environmental levies should not entail an increase in the overall tax burden in any of the Member States and that consideration should be given to the possible effects of such levies on competitiveness and employment in the community. The Committee then urges the Commission to complete its analysis of the economic and environmental impact of environmental levies in as short a time as possible and to put into practice the general policy conclusions to be drawn therefrom. Secondly, the ESC points to the danger that the lack of clear and precise Commission guidelines will result in the uncontrolled development of environmental levies and pose a threat to the single market.

The Committee considers that the legal framework laid down in the communication only partly allays these concerns. The Committee would therefore urge the Commission, as soon as it has completed its analysis of the economic and environmental impact of the levies, to draw up an additional communication setting out precisely and clearly the criteria which should govern the imposition of such levies by the Member States. It would consequently be appropriate for the Commission to submit a prior resolution to the Environment, Ecofin and Single Market Councils underpinning this initiative legally.

Green taxation: environmental taxes and charges in the single market

1997/2050(COS) - 26/03/1997 - Non-legislative basic document

OBJECTIVE: The Commission has on numerous occasions advocated greater use of fiscal instruments to render environmental policy more effective, especially in cost terms. Most of these instruments have been instituted at Member State level. This communication is intended to support these activities and to ensure that environmental taxes and levies are utilized in accordance with Community law. SUBSTANCE: This communication is the first initiative to come from the Commission on the matter of the utilization of environmental taxes. It sets out the existing legal framework for the utilization of environmental taxes and levies by the Member States in the context of the single market, and specifies Member States' rights and duties in the field. It does not consider the advantages and disadvantages as regards the economic viability and environmental effectiveness of the utilization of environmental taxes at Member State level, it does, however, furnish Member States with a general view of the obligations which should be taken account of when envisaging such taxes or levies. The communication shows that Member States have a wide margin of manoeuvre when introducing these fiscal instruments, even allowing for the need to respect their obligations under the Treaty (the annex to the communication contains a description of the ways in which Member States currently utilize the taxes concerned). The Commission says that it will continue to examine the matter of environmental taxation, in cooperation with all interested parties. This will include: - the systematic gathering of Member States' experiences in the utilization of existing environmental taxes; - the systematic analysis of the environmental effect of such taxation in the Member States; - the systematic analysis of the effects of such taxation on the internal market and the competitiveness of EU industry.. The results of these studies will be used to establish conclusions regarding future policy on the utilization of instruments of this nature at both Community and national level.

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.