

## Data Base on Green Taxes

The Organisation for Economic Cooperation and Development (OECD), in cooperation with the European Commission, has launched a data base of detailed information on more than 170 environmentally-related taxes and 160 fees and charges in use in OECD member countries.

The database includes the tax rates of more than 1,750 tax-bases (mostly concerning motor vehicles, energy products and waste management) and details concerning more than 850 exemptions and refund mechanisms of the taxes. It forms a key part of the OECD's current work on implementation strategies for such taxes and its coverage will broaden over time. The database, which will be regularly updated, can be assessed free of charge at: <http://www.oecd.org/env/policies/taxes/index.htm>

OECD says that the new database is a useful tool that allows international comparison of environmentally related tax policies. It also serves as a source of reference and ideas for those involved in the design of new or modified taxes related to the environment and provides some

information needed to calculate the tax burden levied on different parts of the economy. It also offers a basis for assessing the effectiveness of green taxes. OECD argues that green taxes really work and says that, "By increasing the price of the goods and services on which they are levied, they discourage the use of these goods and services. For example, current estimates indicate that a one per cent increase in energy prices would reduce energy use by around 0.5 per cent. If the prices of other polluting goods such as batteries, packaging and pesticides increased due to tax hikes, consumers would use them less, especially if alternatives were available."

The use of environmental taxes and "green tax reforms" is growing. For example, new taxes on energy sources are combined with a reduction in taxes on labour. On average, the revenues from environmentally related taxes constitute about 2.5 per cent of Gross Domestic Product (GDP) and around 7 per cent of total tax revenues, according to the OECD.

