Safeguarding the environment and justice through a progressive Tax system

Vienna, 2024

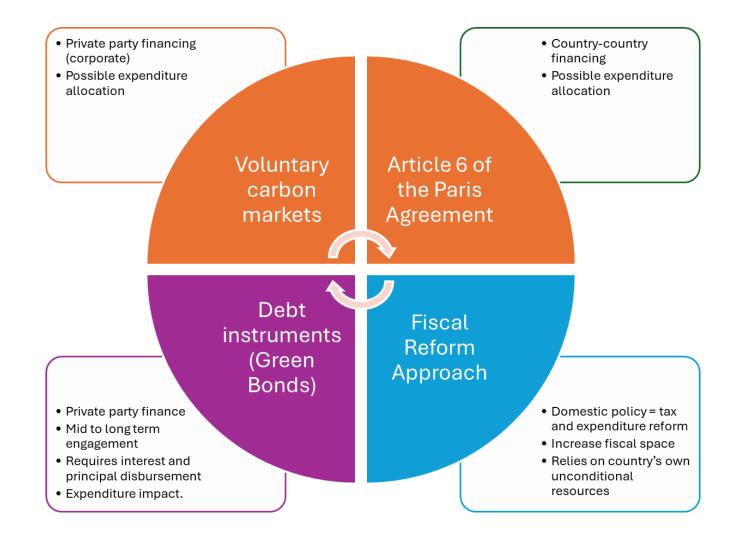
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Climate Finance and Tax:

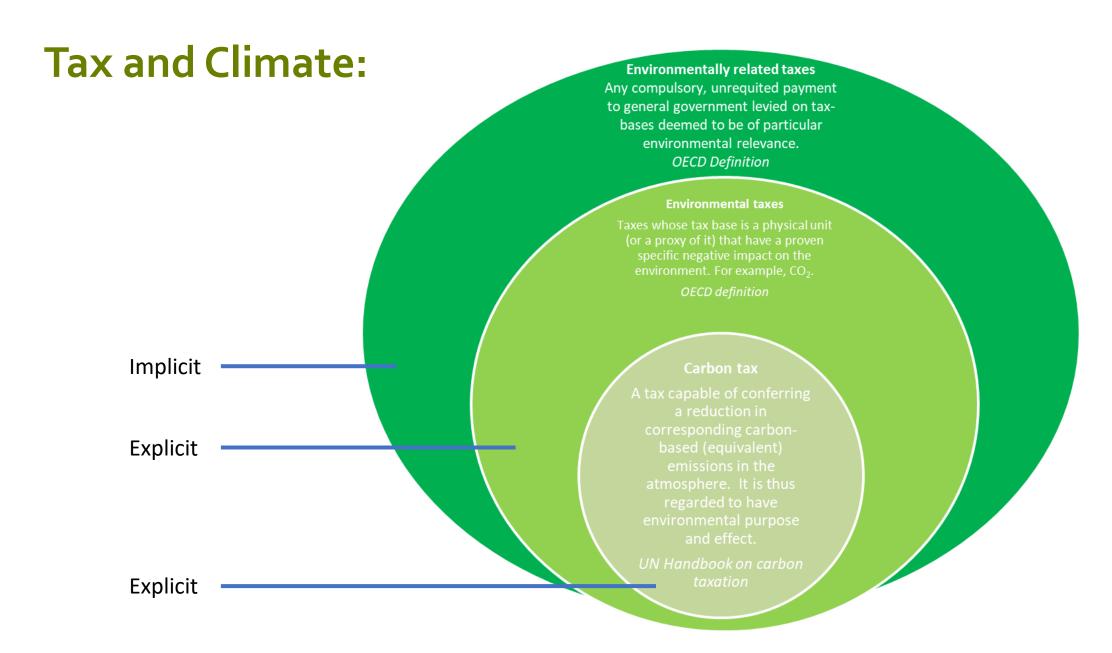


Aligning the fiscal system with environmental goals:



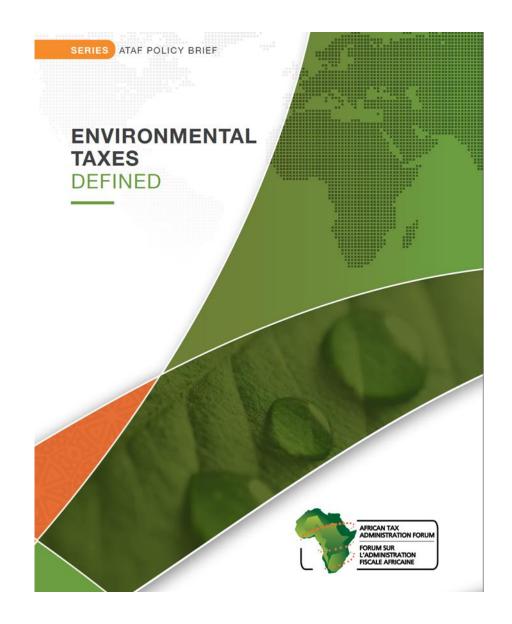
Carbon Price:

(+) Tax Instruments	Pricing method
Carbon Tax	Explicit Price
Emissions Trading Scheme	Explicit or implicit
Energy Tax	Implicit
Fossil Fuel Tax	Implicit
Pollution tax and similar taxes	Implicit
(-) Expenditure based policies	
Fossil Fuel Subsidies	Negative
Incentives	Negative
Tax Rate Reductions	Negative
State subventions and special regimes	Negative
	= Total National Carbon Price



Tax and Climate:

ATAF Policy Brief, Environmental Taxes Defined, available at: https://events.ataftax.org/index.php?page=documents&func=vie w&document_id=143&_ga=2.160 338110.289083622.1638782446-1126016533.1623059767



* Reduced return on investment

Indirect tax (excise tax)

Explicit, In rem price

Direct effect on mitigation

Example: Carbon tax

Indirect tax (others)

Implicit, ad valorem price

Indirect effect on mitigation

Example: VAT on fossil fuel products, energy tax, pollution tax

Direct tax (profit tax) Reduced profit from polluting activity

No direct impact on mitigation*

Example: corporate tax, royalty tax (based on excess profits), windfall tax

Direct tax (shareholder level) Reduced return to capital from shareholder activity

No direct impact on mitigation*

Example: income tax, dividend tax (return on investment)

Indirect tax (excise tax)

Indirect tax (others) BEHAVIOURAL CHANGE ect valore. Imitigation

Example: Carbon

tax

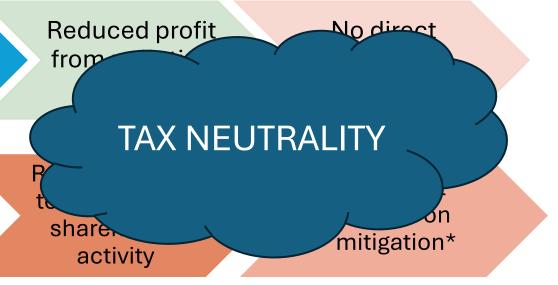
Example: VAT on fossil fuel products, energy tax, pollution tax

Example: corporate tax, royalty tax (based on excess profits), windfall tax

Example: income tax, dividend tax (return on investment)

Direct tax (profit tax)

Direct tax (shareholder level)



Justice:

- Tax justice
 - *Tax matches ability to pay*
 - *Redistributive measures*
- Environmental justice
 - Climate change impact overly burdens low-income households
 - Carbon pricing and other preventive measures

- *Inter-nation justiciability*
 - Impacts of climate change most hardly felt in the global south
 - Border Carbon Adjustment measures
 - Base carbon tax floor according to principle of common but differentiated responsibilities.