

# Procedure file

Basic information		
CNS - Consultation procedure Directive	1992/1019(CNS)	Procedure lapsed or withdrawn
Tax on carbon dioxide emissions CO2 and energy		
Subject 3.70.15 Environmental taxation		

Key players			
European Parliament			
Council of the European Union			
	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">1906</a>	11/03/1996
	<a href="#">Environment</a>	<a href="#">1895</a>	18/12/1995
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">1874</a>	23/10/1995
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">1846</a>	22/05/1995
	<a href="#">Environment</a>	<a href="#">1817</a>	16/12/1994
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">1812</a>	05/12/1994
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">1781</a>	27/07/1994
	<a href="#">Environment</a>	<a href="#">1765</a>	08/06/1994
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">1764</a>	06/06/1994

Key events			
26/05/1992	Legislative proposal published	COM(1992)0226	Summary
14/09/1992	Committee referral announced in Parliament		
06/06/1994	Debate in Council	<a href="#">1764</a>	
08/06/1994	Debate in Council	<a href="#">1765</a>	
27/07/1994	Debate in Council	<a href="#">1781</a>	
05/12/1994	Debate in Council	<a href="#">1812</a>	
16/12/1994	Debate in Council	<a href="#">1817</a>	
09/05/1995	Modified legislative proposal published	COM(1995)0172	Summary
22/05/1995	Debate in Council	<a href="#">1846</a>	
23/10/1995	Debate in Council	<a href="#">1874</a>	Summary
18/12/1995	Resolution/conclusions adopted by Council		

11/03/1996	Debate in Council	<a href="#">1906</a>	Summary
14/09/1999	Additional information		Summary
11/12/2001	End of procedure in Parliament		
11/12/2001	Additional information		Summary

### Technical information

Procedure reference	1992/1019(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	EC Treaty (after Amsterdam) EC 175-p2; EC Treaty (after Amsterdam) EC 093
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	ENVI/3/03973

### Documentation gateway

Legislative proposal		COM(1992)0226	27/05/1992	EC	Summary
Economic and Social Committee: opinion, report		<a href="#">CES0211/1993</a> <a href="#">OJ C 108 19.04.1993, p. 0020</a>	24/02/1993	ESC	Summary
Modified legislative proposal		COM(1995)0172	10/05/1995	EC	Summary
Economic and Social Committee: opinion, report		<a href="#">CES0421/1996</a> <a href="#">OJ C 174 17.06.1996, p. 0047</a>	28/03/1996	ESC	Summary

### Additional information

European Commission	<a href="#">EUR-Lex</a>
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## Tax on carbon dioxide emissions CO2 and energy

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## Tax on carbon dioxide emissions CO2 and energy

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. ?

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The Presidency gave the Council a progress report on the discussions in its competent bodies on the CO<sub>2</sub>/energy tax. On that basis, the Council held an exchange of views, which confirmed that substantial differences of view remained, in particular regarding the guidelines to be followed in the medium and long term on the taxing of energy products. At the end of the debate, the Presidency indicated that it would take the necessary steps to finish the technical work on the transitional solution, so that it could present to the Council a compromise text acceptable to all Member States regarding the medium and long term arrangements. According to the Presidency's information, this text should, in particular, provide for: - preparation of a report by the Commission on the implementation of the Directive and on the extent to which the objectives set in terms of CO<sub>2</sub> emissions were met; - an examination, in the same report, of the relationship between the CO<sub>2</sub>/energy tax and excise duty on mineral oils and the possibilities of having a combined approach for these taxes; - presentation by the Commission of proposals defining the tax regime to be applied to energy products and engaging the Council to act by a given date.

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In view of the fact that it had been unable to reach agreement at its meeting in October 1995 on a system for taxing CO<sub>2</sub>/energy on the basis of the Commission proposal, as amended in May 1995 in accordance with the conclusions of the Essen European Council, the Council asked the Commission to submit new proposals in this field as soon as possible.?

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The Commission is opposed to the adoption of harmonized rules for a CO<sub>2</sub>/energy tax at present. This would impede action by countries which are prepared for such measures, since there is no prospect of unanimous Council approval of this tax in the foreseeable future. The Commission should therefore withdraw the present proposal for a Directive. The Committee calls on the Commission to present a proposal for a Recommendation covering: - fiscal and financial support measures; - voluntary commitments by business; and - WTO regulations in order to encourage the reduction of CO<sub>2</sub> emissions and energy consumption. On the other hand, the Committee recommends a coordinated approach by those Member States which are ready to introduce a CO<sub>2</sub>/energy tax on the basis of the draft Commission Directive. This would require the adoption of a common policy by an appropriate group of Member States. The Committee is, however, opposed to an intergovernmental agreement along the lines of the Schengen Agreement. The Committee suggests that, pursuant to the recommendation of the EU White Paper, an eco-tax be introduced in the form of a CO<sub>2</sub>/energy tax and that "non-wage" employment costs be reduced so as to give a further boost to employment or reduce unemployment somewhat.?

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This proposal, in accordance with Article 185 of the European Parliament's Rules of Procedure, was deemed to have lapsed. It will be the subject of consideration by the new Parliament (5th legislature).?

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The Directorates General or responsible departments have asked for this proposal to be withdrawn. The reasons are indicated as follows: A) for objective reasons (change of de facto situation, objectives already achieved by other means, etc) B) because the Commission has now adopted another approach : - the proposal is replaced implicitly, - a new proposal is in preparation, - no planned replacement.?