



9 October 2023

Environmentally related taxes and fees
2022

ENVIRONMENTALLY RELATED TAXES REACHED 4.6 BILLION EURO IN 2022

In 2022, the value of environmentally related taxes was approximately 4.6 billion euro, representing 5.3% of revenue from taxes and social contributions (6.6% in 2020). That value corresponds to a decrease of 7.5% compared to 2021, whereas total revenue from taxes and social contributions increased by 14.8%.

According to information available for 2021, in Portugal, the share of environmentally related taxes in total revenue from taxes and social contributions was higher (6.6%) than the EU27 average (5.5%).

Statistics Portugal publishes data for environmentally related taxes and fees for the year 2022. “Environmentally related tax” means a tax whose tax base is a physical unit (or a proxy of a physical unit) of something that has a proven negative impact on the environment, and which is identified in ESA 2010 as a tax.

This information is consistent with the Portuguese National Accounts (Base 2016) and is transmitted annually to Eurostat under the Regulation (EU) No 691/2011 of the European Parliament and of the Council, of 6 July 2011, on European environmental economic accounts.

International comparability is presented at the European level for 2021, the latest year for which this information is available.

This press release is organized into two distinct parts: environmentally related taxes and environmentally related fees.

Environmentally related taxes

In 2022, the value of these taxes was approximately 4.6 billion euro, registering a decrease of 7.5% comparing to 2021, reflecting mainly the implementation of tax measures, which reduced the price of fuels to consumers, to mitigate the impacts of the geopolitical shock and inflation in Portuguese economy. This decrease, however, compares to the growth of 14.8% for total revenue from taxes and social contributions, which caused a steep fall in the share of this kind of taxes in the Portuguese tax system.

Between 2021 and 2022, tax on oil and energy products lost share in total revenue from environmentally related taxes (from 70.7% to 60.1%) due to measures, as stated earlier, to reduce the price of fuels to consumers.



The loss of revenues from tax on oil and energy products had a positive impact on the relative importance of the remainder environmentally related taxes. The share of other energy taxes, which includes carbon trading rights, increased from 5.9% to 12%. Within the category of taxes on transports, the tax on motor vehicle sales rose its share from 8.6% to 9.8% and the same happened to the unified circulation tax (from 13.8% to 16.3%, in 2022).

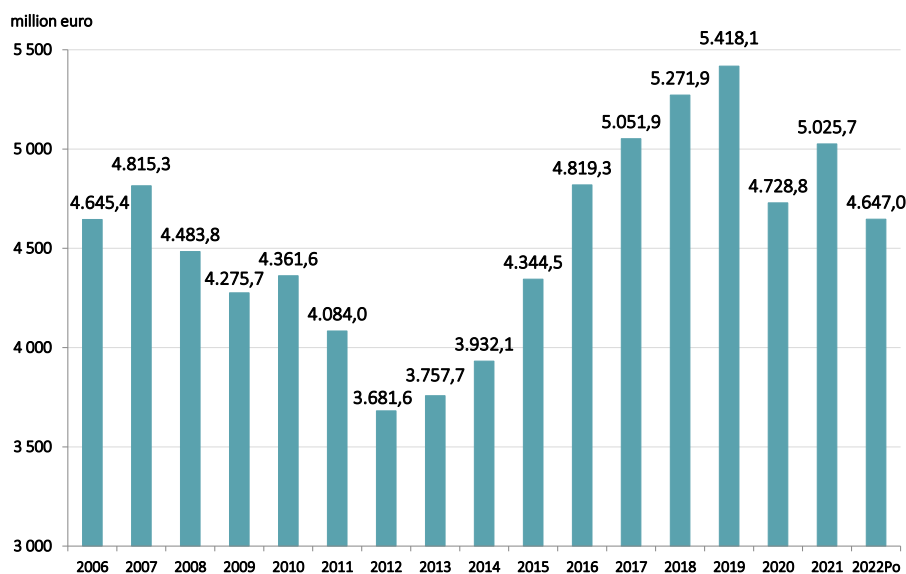
The revenue from taxes related to the acquisition and use of motor vehicles (tax on oil and energy products, tax on motor vehicle sales and the unified circulation tax) represented, in 2022, around 86.2% of all environmentally related taxes, a figure quite inferior to the previous year (93.1%).

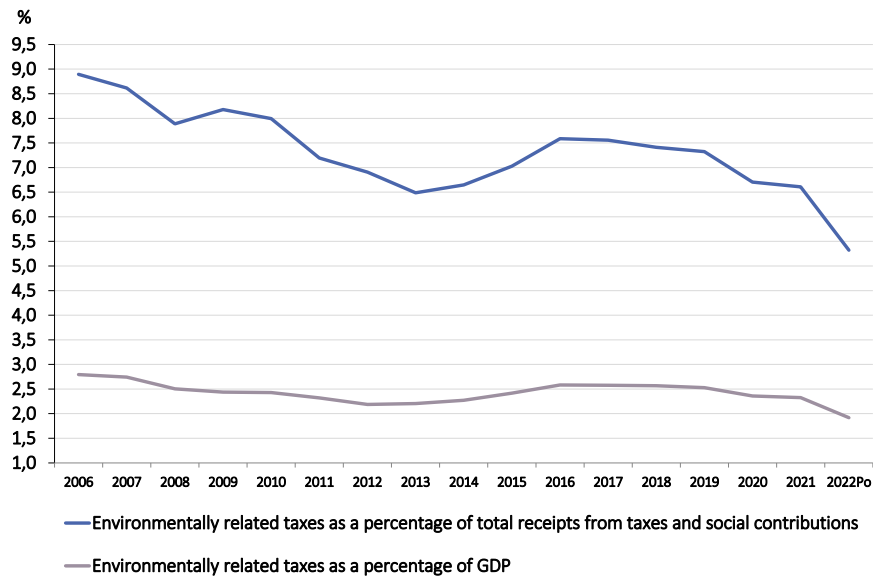
The revenue from carbon trading rights continued to rise, reaching in 2022 a value higher than 500 million euro. It is also worth mentioning the new carbon tax on air and sea travel, which reached an amount of 38.8 million euro in 2022, with its full implementation.

By categories, in 2022, energy taxes accounted for 72.1% of total environmentally related taxes. Transport taxes had a relative weight of 26.1%. The remaining categories – Pollution taxes and Resource taxes – were insignificant in the structure of environmentally related taxes (1.3% and 0.5%, respectively).

A final note to the fact that, since 2016, environmentally related taxes are losing share in GDP (1.9%) and total revenue from taxes and social contributions (5.3%). In fact, in 2022, that share reached its minimal value since 1995, for both indicators.

Figure 1. Total environmentally related taxes



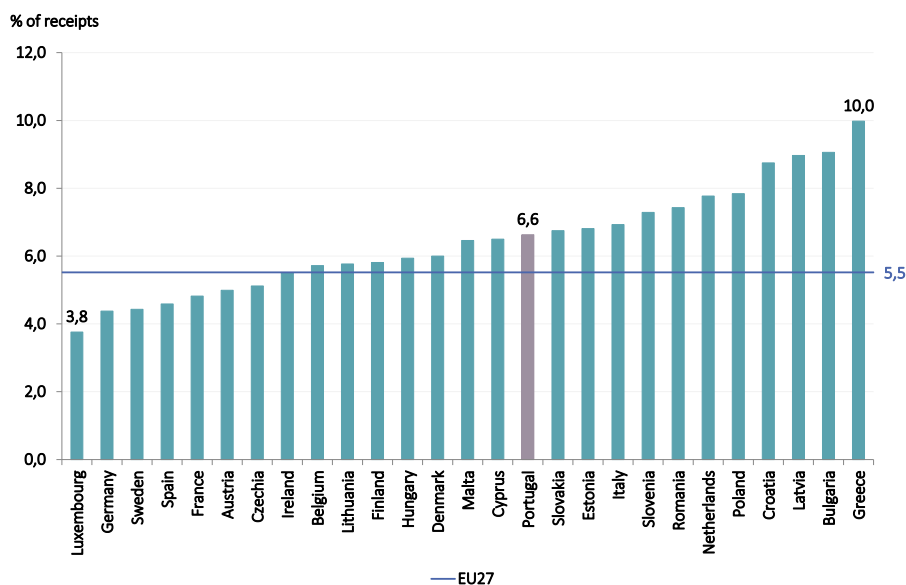


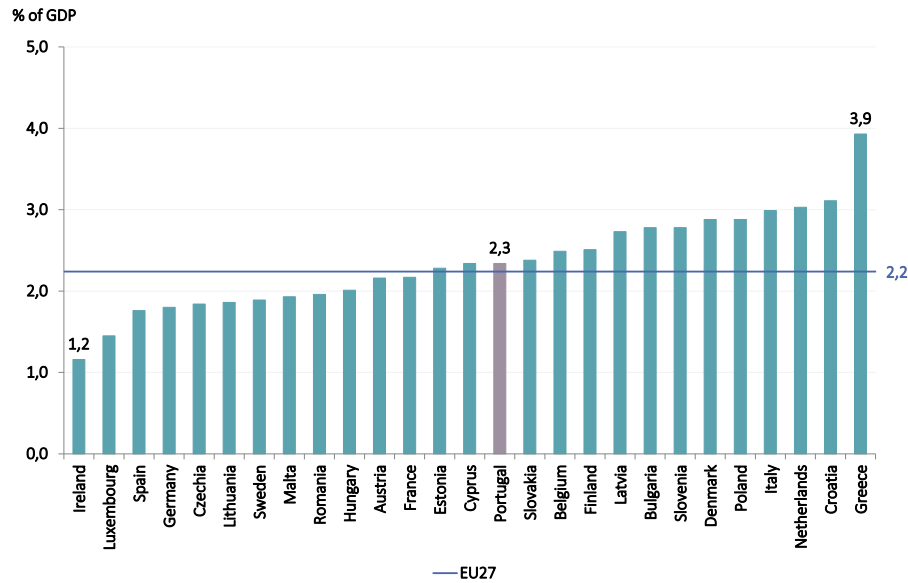
Source: Statistics Portugal, Tax Revenue Statistics

Comparing with other European Union countries, in 2021, “Environmentally related taxes as a percentage of total revenue from taxes and social contributions”, in Portugal, registered a value of 6.6%, which is higher than the EU27 average of 5.5%.

Regarding “Environmentally related taxes as a percentage of GDP”, Portugal registered a value of 2.3%, which was also higher than the EU27 average (2.2%).

Figure 2. Environmentally related taxes as a percentage of total receipts from taxes and social contributions and as a percentage of GDP, in European Union countries, in 2021

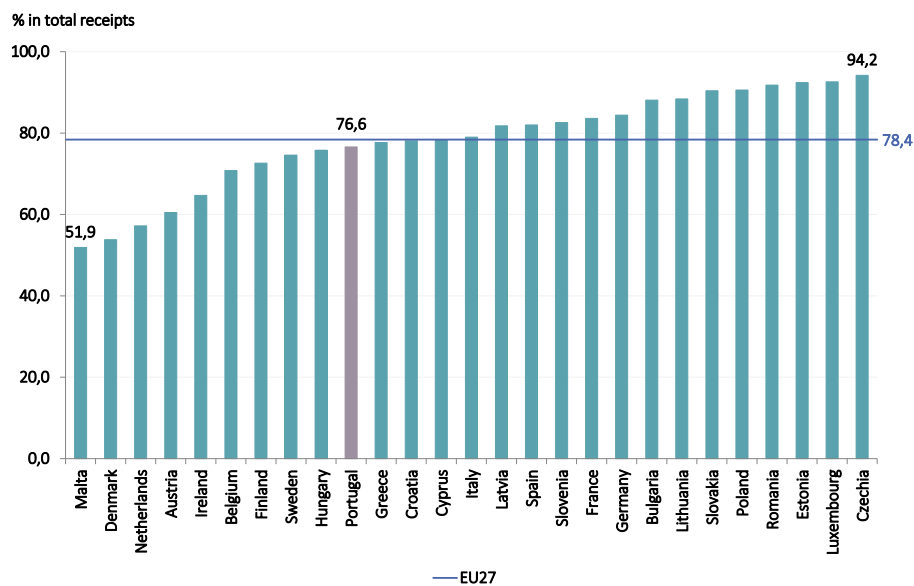




Source: Statistics Portugal, Tax Revenue Statistics; Eurostat

Like Portugal, most EU countries have a higher relative weight of energy taxes in total environmentally related taxes. In 2021, that weight (76.6%) was lower than the EU27 average (78.4%).

Figure 3. Energy taxes as a percentage of total environmentally related taxes, in European Union countries, in 2021



Source: Statistics Portugal, Tax Revenue Statistics; Eurostat



Environmentally related fees

In 2021, the most recent year for which this information is available, environmentally related fees amounted to 1.74 billion euro (0.8% of GDP), representing an increase of 5.1% compared to 2020, mainly explained by higher revenues from fees for solid waste collection, treatment and disposal (4.0%), from fees for wastewater collection, treatment and management (2.8%) and from waste management fee (34.8%).

The fees from the system of recycling and disposal of packages (glass, cardboard, plastic, metal and wood) rose 9.1%, reflecting the entry into full operation of the three collection systems for this type of waste that exists in the country.

Fees for solid waste collection, treatment and disposal and for wastewater collection, treatment and management still account for 86.8% of total revenue collected from environmentally related fees.

Table 1. Environmentally related fees, between 2012 and 2021

FEE DESCRIPTION	unit: 10 ⁶ euro									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pollution fees	1 247,892	1 260,771	1 294,014	1 391,553	1 361,392	1 421,854	1 487,323	1 545,561	1 633,957	1 712,264
Fees for solid waste collection, treatment and disposal	542,629	532,459	547,364	613,201	585,907	587,275	613,116	640,852	666,047	692,519
Fees for wastewater collection, treatment and management	600,366	629,160	642,470	676,765	665,292	700,688	735,269	754,812	796,022	818,627
Fee for the recycling and disposal of packages (glass, cardboard, plastic, metal and wood)	55,477	50,528	55,366	50,386	54,694	70,992	69,261	70,850	84,556	92,236
Fee for the recycling and disposal of pharmaceutical and plant protection products	2,054	1,984	2,043	2,118	2,224	1,975	2,159	2,119	2,213	2,260
Fee for the recycling and disposal of used lubricating oils	3,878	3,997	4,202	3,502	3,357	5,652	5,636	4,845	5,780	6,539
Fee for the recycling and disposal of tyres	8,235	9,994	11,266	11,760	12,654	12,564	11,244	11,832	10,160	11,266
Fee for the recycling and disposal of old motor vehicles	0,416	0,417	0,436	0,425	0,399	0,396	0,559	0,572	0,632	0,735
Fee for the recycling and disposal of electrical and electronic equipments	11,521	10,285	9,378	8,744	7,968	8,033	8,386	12,245	13,087	13,315
Fee for the recycling and disposal of batteries and accumulators	1,569	1,579	1,548	1,472	1,393	1,522	1,617	1,778	1,863	2,502
Waste management fee	17,301	15,889	15,966	19,124	24,101	29,013	35,532	41,187	49,820	67,163
Fee for collection of corpses of dead animals on the farm	4,446	4,479	3,975	4,056	3,403	3,744	4,544	4,469	3,777	5,102
Resource fees	22,289	18,195	23,177	16,502	15,785	18,104	19,788	24,500	22,572	27,976
Fee for the use of water resources	22,289	18,195	23,177	16,502	15,785	18,104	19,788	24,500	22,572	27,976
Fee for boiling springs management	//	//	//	//	//	//	//	//	//	//
Total environmental related fees	1 270,181	1 278,966	1 317,191	1 408,055	1 377,177	1 439,958	1 507,111	1 570,061	1 656,529	1 740,240

Source: Statistics Portugal, Tax Revenue Statistics and National Accounts



METHODOLOGICAL NOTES

Taxes consist of compulsory, unrequited payments, which are levied by general government. The term “unrequited” means in this context that government provides nothing directly in return to the individual unit making the payment, although they might use the funds to provide goods and services to other units or to the community as a whole.

ENVIRONMENTALLY RELATED TAXES

Environmentally related tax statistics record data on revenues raised by governments from taxation on products and services with a negative impact on the environment. Thus, all taxes levied on these tax bases are environmentally related taxes (this definition is in agreement with Eurostat’s publication – [Environmental taxes – A statistical guide](#), from 2013).

The value added tax (VAT) is excluded from the definition of environmentally related tax. This is mainly because VAT is a neutral tax (with few exceptions) since it is deductible for industries but not for households. Therefore, it does not influence relative prices in the same way as an environmentally related tax does.

Alcohol, tobacco and similar consumption taxes should also not be included in environmental tax statistics, since they are not considered to be specifically negative for the environment.

The source of information is table 9 of the national accounts (ESA 2010) transmission programme – Regulation (EC) n. 5492/2013 of the European Parliament and of the Council, of 21 May 2013, which details tax and social contribution receipts by type of tax and social contribution and receiving sub-sector.

According to ESA 2010, there are three main categories of taxes:

- Taxes on production and imports (D.2);
- Current taxes on income, wealth, etc. (D.5);
- Capital taxes (D.91).

For analytical purposes, the environmentally related taxes can be classified into four main categories:

- Energy taxes – this group includes taxes on energy products (petrol, diesel, fuel oil, natural gas, coal and electricity), as well the proceeds from emission permits recorded as taxes in the national accounts.
- Transport taxes – this group mainly includes taxes related to the ownership and use of motor vehicles. Taxes on other transport equipment – planes or ships – are also included here, when they conform to the general definition of environmentally related taxes. The transport taxes may be a single tax related to imports or sales of the equipment or recurrent taxes such as an annual road tax.
- Pollution taxes – this group includes taxes on measured or estimated emissions to air and water, management of solid waste and noise.



- Resource taxes – this group includes taxes linked to the extraction or to the use of natural resources, such as oil and gas, water, forests, wild flora and fauna, etc., as these activities deplete natural resources.

ENVIRONMENTALLY RELATED FEES

The difference between a tax and a fee is on the way General Government uses the receipts. If the amounts collected are used to issue licences to organise some proper regulatory function (such as checking the competence or qualifications of the entity concerned or the promotion of management systems in areas that have a tendency to generate negative externalities), these payments should be treated as purchases of services from government (P.11 – Market output, in ESA 2010) rather than payment of taxes, unless the payments are clearly out of all proportion to the cost of providing the services. Some examples are garbage disposal fees or wastewater collection, treatment and management fees.

Generally, the value of the fees is determined by the revenue charged by the entity that is legally responsible for the assessment and collection of the fee. However, given the complexity of waste and wastewater management activities, the amount of revenue collected from fees for solid waste collection, treatment and disposal and from fees for wastewater collection, treatment and management is indirectly obtained from National Accounts' data for entities belonging to subsectors "S11001 - Public non-financial corporations" and "S13 - General government". It should be noticed that several integrated waste management systems operating in the country are managed by entities that do not belong to the General Government sector. However, these entities are licensed by the Portuguese Environmental Agency, where they were given a mandate to assume a role that should be the responsibility of the Government. Thus, the revenues collected for the management of each system by those entities are considered to be an environmentally related fee.

Regarding the fees for solid waste collection, treatment and disposal and for wastewater collection, treatment and management collected by entities outside general government sector, those were now included in the current exercise which determined changes in the whole series for environmentally related fees.

In the specific case of fees for solid waste collection, treatment and disposal, these are determined taking into account the revenue of CPA product 38 (Waste collection, treatment and disposal services; materials recovery services) obtained by entities classified in NACE 36 (Water collection, treatment and supply), in NACE 37-38-39 (Sewerage; Waste collection, treatment and disposal activities; materials recovery; Remediation activities and other waste management services) and in NACE 841 (Administration of the State and the economic and social policy of the community).

Regarding the fees for wastewater collection, treatment and management, these are determined considering the revenue of CPA product 37 (Sewerage services; sewage sludge) obtained by entities classified in NACE 36 (Water collection, treatment and supply), in NACE 37-38-39 (Sewerage; Waste collection, treatment and disposal activities; materials recovery; Remediation activities and other waste management services) and in NACE 841 (Administration of the State and the economic and social policy of the community).



INSTITUTO NACIONAL DE ESTATÍSTICA
STATISTICS PORTUGAL

press release



DIISTAQUE

ACRONYMS AND DESIGNATIONS

CO₂ – Carbon Dioxide

CPA – Statistical classification of products by activity

ESA2010 – European system of accounts - 2010

EU – European Union

EU27 – All the 27 countries (Member states) that belong to the European Union, since 31 January 2020

GDP – Gross Domestic Product

NACE – Statistical classification of economic activities in the European Community