

**SOFIA INITIATIVE ON ECONOMIC INSTRUMENTS**

**DATABASE OF ENVIRONMENTAL TAXES AND CHARGES**

**CROATIA 1999**

Instrument	Objective of tax/charge	Tax base	Tax rate	Total Revenue	Revenue collection authority	Use of Revenue	Comments
<b>Energy taxes/charges</b>							
<b>Motor fuel taxes/charges</b>							
Excise tax	Revenue raising taxes	leaded petrol unleaded pet. Diesel aircraft fuels LPG (prop.)	1900 HRK/kl; 250 EUR/kl 1600 HRK/kl; 210 EUR/kl 1400 HRK/kl; 184 EUR/kl 0 100 HRK/kl; 13 EUR/kl	3,626 mil. HRK; 478 mil EUR (estimated)	Ministry of Finance	central budget	For year 2000: leaded rate: 2100 HRK/kl unleaded rate: 1800 HRK/kl
VAT	Revenue raising taxes	all motor fuels	22%				
<b>Other Energy Products</b>							
Excise tax	Revenue raising taxes	light fuel oil	300 HRK/kl; 40 EUR		Ministry of Finance	central budget	applied to extra light heating oils only
VAT	Revenue raising taxes	light fuel oil heavy fuel oil coal natural gas electricity	22% on all sources				
<b>Air Emission Charges</b>							
Emission charges							
Emission non-compliance	compliance/earmarked environment	SO2 NO2 CO2	60,000-100,000 HRK; 7905 - 13,175 EUR per violation of exceeding		Ministry of Finance	central budget	



			4 tons				
<b>Waste Related Product Charges</b>							
<b>Waste</b>							
Municipal waste user charges	cost recovery	size in m2 of residence/ business	determined by municipal service provider. Zagreb: households: 0.30 HRK/m2 0.04 EUR/m2 other: 0.78 HRK/m2; 0.10 EUR/m2		service provider	cost recovery	
Waste disposal charge	cost recovery	Volume	determined by service provider Zagreb: 295 HRK/t; 39 EUR/t		service provider	cost recovery	
Waste non-compliance fees	compliance	based on violation	30,000-400,000 HRK; 3952-52,700 EUR				
<b>Water</b>							
<b>Instruments for Managing Water Quality</b>							
Water consumption charge	Cost recovery	per m3 of water supplied – municipal rate	rate is set by the provider of the municipal service approved by the founder of municipal service rate for households - average rate is 2.48 HRK per m3; 0.35 EUR per m3 - range is between 0.9 HRK and 4.2 HRK per m3; 0.13 EUR and 0.6 EUR per m3 rate for industry: - average rate is 4.53 HRK per m3; 0.65 EUR per m3 - range is between 2.4		charge is collected by municipal service provider	municipal budget for financing water services	- municipal service charge is subject to VAT - full cost recovery is not achieved in the Republic of Croatia - the total water cost for household and industry is the sum of the following components: water consumption and sewerage costs, water protection charge, water use charge, concession rate and VAT: - average total household tariff is: 4.88 HRK per m3; 0.7 EUR

			HRK and 7.35 HRK per m3; 0.34 EUR and 1 EUR per m3				per m3; - range is between 2.44 HRK and 6.94 HRK per m3; 0.35 EUR and 0.99 EUR per m3; - average total industrial tariff is: 7.69 HRK per m3; 1.1 EUR per m3; - range is between 4.89 HRK and 11.88 HRK per m3; 0.7 EUR and 1.69 EUR per m3;
Sewage treatment user charge	Cost recovery	per m3 of water supplied – municipal rate	rate is set by the provider of the municipal service approved by the founder of municipal service - rate is included above		charge is collected by municipal service provider	municipal budget for financing water services	municipal service charge is subject to VAT
Water effluent charge – water protection charge	resource management / revenue raising	basis for the charge is 1 m3 of discharges polluted water	rate is 0.9 HRK per m3; 0.13 EUR per m3; the total amount to be paid depends on factors such as whether water was used for cooling processes and depending on BOD, COD and other hazardous substances concentration		the charge is collected on behalf of Hrvatske vode (Government agency for water management)		water protection charge is determined by a decree of Hrvatske vode; waste water discharged into sewerage and into natural recipient is subject to the charge
Water effluent non-compliance fee							
<b>Instruments for Managing Water Quantity</b>							
Water	resource	per m3 of	category I – 0.80 HRK/m3;		the charge is	revenue is used	charge rate for using water in

extraction charge/tax – water use charge	management / revenue raising	water extracted – rate depends on the water category	0.11 EUR/m3; category II – 0.72 HRK/m3; 0.1 EUR/m3; category II – 0.56 HRK/m3; 0.08 EUR/m3; category IV and V – 0.32 HRK/m3; 0.5 EUR/m3; mineral and thermal waters – 1.6 HRK/m3; 0.23 EUR/m3		collected on behalf of Hrvatske vode (Government agency for water management)	for financing water management – defined by the Water Management Financing Act	the process of generating electricity: 7.5% of the price per kWh; charge rate for the use of water for driving plants is 2 HRK per 1 kW; 0.28 EUR of total power plant; rate is determined by the Government of the Republic of Croatia
Concessions on water and water estate	resource management / revenue raising	per m3 of water – paid for use of water (water abstraction, generation of electricity, industrial use, etc.)	Setting of the rate differs between usage – for example: - water abstraction for public water supply: 10% of water user charge (i.e. 0.08 HRK per m3; 0.01 EUR per m3) - water abstraction: 2.5% of revenues from water sale - mineral and thermal waters: 10% of water user charge (0.16 HRK per m3; 0.02 EUR per m3) - irrigation: 10% of water user charge - fish-farming: 15% of estimated fish caught in one year - electricity generation: 1% of actual average price of electricity			central budget (agreement is done by State Water Directorate) or county budget (agreement is done by Hrvatske vode)	concession provides the right of use of water and water-related estate; concession agreement is made either by State Water Directorate or Hrvatske vode
<b>Natural Resource and Mining</b>							
Sand.gravel	user fee	m3	sand: 3.50 HRK/m3; 0.5	663,000 EUR	Water Company	Revenue	

extraction from renewable bed			EUR/m3 gravel: 2.0 HRK/m3; 0.3 EUR/m3			collected for financing of water management activities	
Mining taxes	Revenue raising taxes	raw natural resources	2.5 % of sales price		central budget— directed to municipality	economic development and environmental protection at local level; not earmarked	geothermal water charged at 1%; in specially regulated areas oil and gas are charged at 1% and geothermal waters at 0.5%
<b>Instruments for Biodiversity and Nature Protection</b>							
Agricultural land conversion	conservation of agricultural land	based on quality and type of land	base unit charge: 0.15 HRK/m2; 0.02 EUR/m2	12,839,479 HRK; 1.7 million EUR			
forest user charges	user fee/ forest management	charge for non-wood forest function	0.7 % of revenues from activity		Public Forest Management Enterprise		
		tax on forest wood products	2.5% of sales price		Local Gov't		
		charge for transfer of forest rights	varies with type of forest		Public Forest Management Enterprise		
		reforestation charge	15-20% of revenue; varies by type of forest		Public Forest Management Enterprise		
		afforestation charge	3% of revenue		Public Forest Management Enterprise		

Concession charge for hunting rights	user fee/ resource management						Concession is granted by tender for a period of 20-40 years. Concession fee is defined as market value of 50% of game within first 10 years.
Commercial fishing charges	user fee/ resource management	annual permit	adult: 700 HRK; 92 EUR pensioner: 350 HRK; 46 EUR veteran: 100 HRK; 13 EUR		Ministry of Finance	central budget	
Recreational fishing charges	user fee/ resource management	annual permit	adult: 200 HRK; 26 EUR pensioner: 50 HRK; 6.5 EUR veteran: 10 HRK; 1.3 EUR		Ministry of Finance	central budget	
National Park Entrance Fees	user fee/ resource management	user fees are prescribed in 3 National Parks since 1997	10-45 HRK/person; 1.3-6 EUR/person		Public Institute responsible for park management	Public Institute responsible for park management	