

SOFIA INITIATIVE ON ECONOMIC INSTRUMENTS

DATABASE OF ENVIRONMENTAL TAXES AND CHARGES

CZECH REPUBLIC 1999

| Instrument | Objective of tax / charge | Tax base | Tax Rate | Total Revenue | Revenue collection authority | Use of Revenue | Comments |
|---------------------------------|---------------------------|--|--|------------------------------|------------------------------|----------------|--|
| Energy taxes/charges | | | | | | | |
| Motor fuel taxes/charges | | | | | | | |
| Excise tax | revenue raising taxes | Leaded petrol Unleaded petrol Diesel LPG (prop.) | 10,840 CZK/kl; 294 EUR/kl 10,840 CZK/kl; 294 EUR/kl 8,150 CZK/kl; 221 EUR/kl 5,592 CZK/t; 151 EUR/t | 44.7 bln CZK; 1.2 bln EUR | Ministry of Finance | central budget | of total revenue about 40% is from diesel and 60% from petrol |
| VAT | revenue raising taxes | Leaded petrol Unleaded petrol Diesel LPG | 22% 22% 22% 22% | | Ministry of Finance | central budget | bio-gas and bio-diesel subject to a 5% rate |
| Other Energy Products | | | | | | | |
| Excise tax | revenue raising taxes | Light fuel oil Heavy fuel oil Coal Natural gas Electricity District heating | 8,150 CZK/kl; 221 EUR/kl 0 0 0 0 0 | | Ministry of Finance | central budget | Excise tax on light fuel is nominal. In practice, the excise is zero, as the tax is refunded if light fuel is used for heating production. |
| VAT | revenue raising taxes | Light fuel oil Heavy fuel oil Coal Natural gas Electricity | 22% 22% 22% 22% 22% | | Ministry of Finance | central budget | |

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| | | District heating | 22% | | | | |
| | | Bio-gas and bio-diesel | 5% | | | | |
| Air Emission Charges | | | | | | | |
| Charges on emissions from large and medium sources | incentive/ earmarked environmental charge | Sulfur dioxide Nitrogen oxides CO Hydrocarbons Solid emissions Other polluting substances: - class I - class II - class III | 1,000 CZK/ton; 27 EUR/ton 800 CZK/ton; 22 EUR/ton 600 CZK/ton; 16 EUR/ton 2,000 CZK/ton; 54 EUR/ton 3,000 CZK/ton; 81EUR/ton 20,000 CZK/ton; 542 EUR/ton 10,000 CZK/ton; 271 EUR/ton 1,000 CZK/ton; 27 EUR/ton | 1100 mil. CZK; 29.8 mil. EUR | Ministry of Environment | environmental fund | 85% of total revenue came from large source polluters; 15% from medium sources. Revenue generated from small source polluters is negligible. Air emission charges represented 33% of the national environmental fund revenues in 1999. |
| Charges on air pollution from small scale business polluters | incentive | fixed fees according to fuel type | differentiated according to fuel type | negligible | | municipal budget | |
| Emission non-compliance fee | compliance/ earmarked environmental charge | Pollutants as above | Rate is multiplied by a factor of 1.5 | | | environment fund | |
| Burning coal mines, other mines or dumps | revenue raising taxes | m ² of burning area | 200 CZK/m ² ; 5.4 EUR/m ² | negligible | | environment fund | |
| Transport Related Taxation | | | | | | | |
| Highway toll | revenue raising taxes | vehicles >12 tons vehicles 3.5-12 | 12,000 CZK/year; 325 EUR/year 6,000 CZK/year; 162 | | Ministry of Finance | central budget | |

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| | | tons vehicles < 3.5 tons | EUR/year 800 CZK/year; 22 EUR/year | | | | |
| Road tax | revenue raising taxes | Engines up to 800cm ³ Vehicles over 6 tons Tax rate also depends on number of axles. | 800-1200 CZK/year; 22-32 EUR/year 50,400 CZK/year; 1365 EUR/year | | Ministry of Finance | central budget | exempt from road tax: vehicles regularly used for public transportation; vehicles used exclusively for combined transportation when the distance by road is no more than 100km; vehicles meeting the conditions of special international regulations; electrically powered vehicles, exempt since December 31, 1998. |
| Import duty | | | | | | | |
| Registration charge | | | | | | | |
| Commuting | | | | | | | |
| Company car tax allowance | | | | | | | |
| Agricultural Inputs | | | | | | | |
| Pesticides | | | | | | | |
| Fertilisers | | | | | | | |
| Waste Related Product Charges | | | | | | | |
| Ozone depleting substances | incentive charge linked to scheduled phase-out | production or import of ozone depleting substances | 200,000 CZK/ton; 5416 EUR/ton | 1998: 38.5 mil CZK; 1.04 mil EUR | environment fund | environment fund | |
| Batteries/ accumulator | | | | | | | |
| Carrier bags | | | | | | | |
| Disposable containers/ | | | | | | | |

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| packaging | | | | | | | |
| Tires | | | | | | | |
| Light Bulbs | | | | | | | |
| Lubricants | | | | | | | |
| Refrigerator | | | | | | | |
| Waste | | | | | | | |
| Municipal waste user charges | cost recovery | Waste (for disposal or incineration), on per capita basis | Tax rates are set by individual municipalities | | | municipal budget | |
| Solid waste disposal charge | cost recovery | <u>Basic charge</u> Municipal waste: 1999-2000 2001-2002 up to 2003 Hazardous waste: 1999-2000 2001-2002 up to 2003 | 30 CZK/ton; 0.8 EUR/ton 50 CZK/ton; 1.4 EUR/ton 80 CZK/ton; 2.2 EUR/ton 200 CZK/ton; 5.4 EUR/ton 250 CZK/ton; 6.8 EUR/ton 450 CZK/ton; 12.2 EUR/ton | | | municipal budget where dump is located | |
| Hazardous waste risk charge | earmarked environmental charge | <u>Risk charge</u> Hazardous waste: 1999-2000 2001-2002 up to 2003 | 500 CZK/ton; 13.5 EUR/ton 750 CZK/ton; 20.3 EUR/ton 1000 CZLK/ton; 27 EUR/t | 1998: 194.6 mil CZK; 5.38 mil EUR | | environment fund | |
| Deposit-refund schemes | | beverage containers | there is no universal rate | | | | |
| Levy on | cost recovery | Electricity | 50 CZK/MWh; | 1998: 632 mil | | nuclear waste | |

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| nuclear account | | produced in nuclear power plant | 1.35 EUR/MWh | CZK;17.5 mil EUR | | deposit management service | |
| Water | | | | | | | |
| Instruments for Managing Water Quality | | | | | | | |
| Water user charge | | | | | | | included in sewage charge |
| Sewage charge | cost recovery | water supply and treatment services | determined at municipal level by public water companies | | public water company | public water company | charges are intended to cover the real cost of water services |
| Water effluent charge | earmarked environmental charge | Non-treated waste water: COD Treated waste water: COD COD (from paper and pulp) Dissolved inorganic salts Non-dissolved substances phosphorus nitrogen Anorganic nitrogen organically bound halogens Mercury Cadmium volume of waste water exceeding | 16 CZK/kg; 0.43 EUR/kg 8 CZK/kg; 0.21 EUR/kg 3 CZK/kg; 0.08 EUR/kg 0.5 CZK/kg; 0.01 EUR/kg 2 CZK/kg; 0.05 EUR/kg 70 CZK/kg; 1.9 EUR/kg 40 CZK/kg; 1.1 EUR/kg 30 CZK/kg; 0.8 EUR/kg 300 CZK/kg; 8.1 EUR/kg 20,000 CZK/kg; 541 EUR/kg 4,000 CZK/kg; 108.3 EUR/kg 0.1 CZK/kg; 0.003 EUR/kg | | | environment fund | charges are paid when polluter exceeds both mass and concentration limits set for each pollutant. Pollution is calculated by annual average concentration multiplied by annual volume of waste water. Polluters pays 60% of charge rate in 1999, 80% in 2000, and full rate from 2001. |

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| | | 30,000 m ³ /yr | | | | | |
| Extraction from surface water sources | earmarked environmental charge | extraction of water above permitted levels (15,000 m ³ /yr or 1250 m ³ /mo) | rates are set by a river basin management company | 1998: 953 mil CZK; 26.35 mil EUR | | environment fund | water extracted for public water supply is not subject to charge |
| Extraction from ground water sources | earmarked environmental charge | extraction of water above permitted levels (15,000 m ³ /yr or 1250 m ³ /mo) | 2 CZK/m ³ ; 0.05 EUR/m ³ | | | environment fund | water extracted for public water supply is not subject to charge |
| Natural Resource and Mining | | | | | | | |
| Mining | revenue raising tax | km ² of mining | 10,000 CZK/year; 270.8 EUR/year | | mining office | municipal budget | for smaller areas (less than 2 hectares) a charge of 2000 CZK is levied per year. An additional tax on certain raw materials is levied (up to 10% of market price) and the revenue is split between the municipal and central budget |
| Instruments for Biodiversity and Nature Protection | | | | | | | |
| Alternative Land Use Charges | environmental incentive | agricultural or forest land to be converted for other use | agricultural: based on soil quality and environmental factors forest: based on type of forest, price of wood and environmental factors | | soil protection administr. | 60 % environment fund 40% municipal budget | introduced in 1995, charge system has not been modified. |
| Hunting charges | | | | | | | |
| Fishing charges | | | | | | | |
| Natural park entrance | | | | | | | |

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| charges | | | | | | | |
| Nature protection non-compliance charges | | | | | | | |
| Tree cutting charges/taxes | | | | | | | |
| Air Transport | | | | | | | |
| Flight transportation tax | | Airplanes are divided into 4 categories according to their weight and engine quality: I. II. III. IV. | 17 CZK/t; 0.46 EUR/t 34 CZK/t; 0.92 EUR/t 69 CZK/t; 1.87 EUR/t 103 CZK/t; 2.79 EUR/t | | | | |
| Other Instruments | | | | | | | |
| Allowances in Value Added Tax | environmental subsidy | environmentally friendly products | 5% tax rate | | financial offices | central budget | see below |

VAT (reduced rate) is applied to the following products:

- Coatings and lacquers (including enamel and fine lacquers) based on synthetic polymers or chemically-modified natural polymers, dispersed or dissolved in an aqueous medium;
- Bio-gas; Bio-diesel
- Polyvinyl alcohol polymer foils;
- Saw dust, residues and waste, also agglomerates in the form of blocks, briquettes, pellets and similar shapes;
- Paper, carton, cardboard and products manufactured from them in the Czech Republic, on the condition that the certificate indicating production from more than 70% recycled paper is issued by a Branch Certificate Center;

- Water and wind turbines with outputs respectively up to 100 kW and 75 kVA
- Heat pumps;
- Solar facilities;
- Household appliances for water purification and small waste treatment plants for family houses, and any parts and components for them, fillings for the appliances and plants;
- Machinery and instruments for air filtering and purifying;
- Automobile catalytic converters;
- Passenger cars and other primarily passenger motor vehicles with electric motors;
- Economical light sources (fluorescent and discharge tubes and their components);
- Thermostat valves;
- Flow meters;
- Heat consumption meters and hydrometers for households.