

**SOFIA INITIATIVE ON ECONOMIC INSTRUMENTS**

**DATABASE OF ENVIRONMENTAL TAXES AND CHARGES**

**POLAND 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 petrol diesel  LPG	1219 PLN/kl; 288 EUR/kl 1127 PLN/kl; 266 EUR/kl 761-828 PLN/kl;180-196 EUR/kl 0	11200 mln PLN; 2648 mln EUR estimation MF (total all fuels)	Tax Office	central/ local budgets 30% is earmarked for road maintenance	
CO2 tax							
VAT	revenue raising taxes	leaded petrol unleaded petrol diesel LPG	22% 22% 22% 22%		Tax Office	central budget	
<b>Other Energy Products</b>							
Excise tax	revenue raising taxes	light fuel oil heavy fuel oil coal natural gas electricity district heating	100 PLN/kl; 24 EUR/kl 100 PLN/kl; 24 EUR/kl 0 0 0 0				
VAT	revenue raising taxes	light fuel oil heavy fuel oil	7% 7%		Tax Office	central budget	standard VAT rate is 22%

		coal	7%				
		natural gas	7%				
		electricity	7%				
		district heating	7%				
<b>Air Emission Charges</b>							
Emission charges	earmarked environmental charge	SO <sub>2</sub> NO <sub>2</sub> CO <sub>2</sub> particulates  lead	330 PLN/kg; 80 EUR/t 330 PLN/kg; 80 EUR/t 0.17PLN/t; 0.04 EUR/t 220 – 900 PLN/t; 50-210 EUR/t (depending on origin) 26,400 PLN/t; 6240 EUR/t		regional administrators	environmental funds	SO2 and NO2 are accounted for separately and represent the major sources of revenues
Emission non-compliance fee	compliance/earmarked charge	as above	10 times the regular fee	n.a.	regional environmental protection inspectorates	environmental funds	polluters can apply for postponed payment of the penalty, payment in instalments, and allowances of fine payments equal to environmental investment outlays
<b>Transport Related Taxation</b>							
Excise tax	Revenue raising taxes	vehicle value: engine capacity > 2000 cm <sup>3</sup>  engine capacity < 2000 cm <sup>3</sup>	11.1%  2.3%	471.8 mln PLN; 111.5 mln EUR			
Import duty	revenue raising taxes	passenger cars (up to 4 years old)  older cars	for EU countries 15%, min. 535.7 EUR  for EU 15%, min 1071.4 EUR				import duties differ according to country of origin; modified annually; tariffs established by the Main Office on Import Duties

VAT	Revenue raising taxes	vehicle value	22%			central budget	
Annual vehicle tax	revenue raising taxes	based on load capacity: Capacity >12 t  Capacity 2-12 t, buses	1952.53 PLN/y; 461.59 EUR/y  1509.79 PLN; 356.92 EUR/y		local authority	local environmental funds	this tax is imposed only on trucks; fuel taxes on passenger cars are intended to play a similar role; local authorities set the charge level not exceeding upper limits given
Vehicle registration charges	administration cost recovery	registration certificate registration plates Vehicle registration	30 PLN; 7.1 EUR  36 PLN; 8.5 EUR  50 PLN; 11.8 EUR				Charges on cars registered permanently or temporarily (temporary registration is approximately 50% cheaper than values cited)
Company car tax allowance							Private firms often offer cars to their employees as a form of non-wage benefit. Another measure is granting additional lump sum of money to the employee every month for using her/his private car for business-related purposes.
Toll roads							No toll roads exist in Poland; there are plans to introduce road pricing on one fragment of a highway between Krakow and Katowice some time during the year 2000
<b>Agricultural Inputs</b>							
Pesticides (VAT)	Revenue raising taxes		7%		Tax Office	central budget	
Fertilisers (VAT)	Revenue raising taxes		7%		Tax Office	central budget	
<b>Waste Related Product Charges</b>							

Batteries/ accumulators							
Carrier bags							
Disposable containers/ packaging							
Tires							
CFCs and/or halons							
Light bulbs							
Lubricants							
Refrigerants							
<b>Waste</b>							
Municipal waste user charges	cost recovery	volumetric charge or flat rate	0-49 PLN/m <sup>3</sup> ; 0-11.6 EUR/m <sup>3</sup>	confidential data of each service provider	waste service providers or municipality (in case when municipality provide the waste services)	for covering the costs connected with gathering, transport and disposal	volumetric rate is applied in case of single-family houses; flat rate is applied to multi-apartment houses; some municipalities cover full costs of the transport and utilisation
Waste disposal charge	earmarked environmental charge	industrial and hazardous waste only (not municipal waste); charge based on mass (kg, t) differentiated according to level of hazard	92 PLN/t; 21.7 EUR/t 35 PLN/t; 8.3 EUR/t 11 PLN/t; 2.6 EUR/t 7 PLN/t; 1.7 EUR/t	(1998: 82.3 mln PLN; 21.1 mln EUR)	regional administration	environmental funds	
Waste non- compliance fees	compliance/ earmarked environmental	mass (kg, t)	5% of disposal charge per day of unlawful disposal	(1998: 2.7 mln PLN; 0.692 mln EUR)	regional inspectorate for environment	environmental funds	

	charge				protection		
Deposit-refund schemes							Deposit-refund schemes exist for some glass and plastic bottles, they are based on specific agreements between the producers and retailers
Levies related to nuclear waste management							
<b>Water</b>							
<b>Instruments for Managing Water Quality</b>							
Water consumption charge	costs recovery	volumetric charge m <sup>3</sup> or flat rate	households: 0.73-2.40 PLN/m <sup>3</sup> ; 0.17-0.57 EUR/m <sup>3</sup> other: 0.80-3.40 PLN/m <sup>3</sup> ; 0.19-0.80 EUR/m <sup>3</sup>		water service provider or municipality (if municipality provides the water services)	water service provider or municipality	
Sewage treatment charge	cost recovery	volumetric charge m <sup>3</sup> or flat rate	households: 0.37-3.00 PLN/m <sup>3</sup> ; 0.09-0.71 EUR/m <sup>3</sup> others: 0,37-4,84 PLN/m <sup>3</sup> ; 0.09-1.14 EUR/m <sup>3</sup>		water service provider or municipality (if municipality provides the water services)	water service provider or municipality	modified 1 or 2 times per year
Water effluent charge	earmarked environmental charge	BOD5 COD suspended solids heavy metals chloride and sulfate ions	3700 PLN/t; 87 EUR/t 2070 PLN/t; 49EUR/t 31.7 PLN/y; 7.5 EUR/t  36,990 PLN/t; 8740 EUR/t 20.6 PLN/t; 4.9 EUR/t		regional administrators	environmental funds	these rates apply to discharges into surface waters and to the soil; fees for discharge into the sewerage system are based on individual arrangements between managers of municipal water companies and enterprises
Water pollution non-	compliance/earmarked	BOD5	(0.85) 1.70 PLN/kg O <sub>2</sub> ; (0.2) 0.4 EUR/kg O <sub>2</sub>		regional environmental	environmental funds	figures in parenthesis refer to charge rates from June 25 1999; second rate

compliance fee	environmental charge	COD  suspended solids  heavy metals (total mass)  chloride, sulfate	(0.57) 1.14 PLN/kg O; (0.13) 0.27 EUR/kg O  (0.85) 1.70 PLN/kg; (0.2) 0.4 EUR/kg  (1.42) 2.84 PLN/0.1kg; (0.34) 0.67 EUR/0.1kg  (0.29) 0.58 PLN/kg Cl or kg SO <sub>4</sub> ; (0.07) 0.14 EUR/kg Cl or kg SO <sub>4</sub>		protection inspectorates		given is valid from 2000
<b>Instruments for Managing Water Quantity</b>							
Water extraction charge	earmarked environmental charge	surface water  ground water	0.1126 PLN/m <sup>3</sup> ; 0.027 EUR/m <sup>3</sup>  0.3553 PLN/m <sup>3</sup> ; 0.08 EUR/m <sup>3</sup>		regional administrators	environmental funds	Charges are differentiated depending on region, goal (e.g. production, use in public institutions); relevant indicators set in the regulation apply
<b>Natural Resource and Mining</b>							
Mining charges/ Exploitation fees	earmarked environmental charge	Per price for 1 cubic meter of mineral - hard coal - brown coal - gas, methane and crude oil - metals excluding	2% 4% 6%;  3%;		local and National Environmental Fund	60% local (gmina) fund for env. protection and 40% National Fund; for minerals extracted at the sea the whole amount is transferred to the National Fund	the rate for resources extracted from waste products after mining works is equal to 50% of basic rate; the rate may be reduced or increased, depending on conditions of exploitation, by up to 50%, after consulting gmina authorities; the rate of exploration fee cannot be higher than 10% of sale price.

		precious metals - sulphur and other chemical resources - salt - mineral resources - traded therapeutic minerals - other minerals	3%;  4%; 6%;  2%;  10%.				
<b>Instruments for Biodiversity and Nature Protection</b>							
Hunting charges <sup>1</sup>							
Fishing charges – inland waters	administration cost recovery	Polish Association of Anglers Regular annual rate for non-member:	34 PLN; 8 EUR		Polish Association of Anglers	Polish Association of Anglers	Info source: Polish Association of Anglers
commercial fishing		License fees for boats	Fee rate per boat is equal to 25 SDR (based on		District inspectorates	central budget	

<sup>1</sup> Hunting is carried out either within the framework of local associations of hunters (90% of hunting districts), or supervised by institutions such as National Forests, Polish Association of Hunters, and research institutions. Each local association of hunters has its own statute, in accordance with the Act on Hunting (O.J. 95.147.713). Members pay annual fees (varying across the country) and are obliged to provide certain number of work days for maintenance of the district. Except for member fees, the associations can earn revenues on sale of meat to special commercial units. The revenues are spent on: rent for the land (paid to local authorities), maintenance of the district (feeding animals etc.), payment of damages to farmers for losses caused by wild animals. For non-members and for foreigners the associations can provide commercial-type services. Such services are mostly coordinated by private firms-concessionaires, both within districts supervised by the associations of hunters and by other entities, mainly by the National Forests. Unfortunately, no quantitative data is available for this type of activities. Information source: Polish Association of Hunters.

charges – Baltic Sea <sup>2</sup>			exchange rate listed by the IMF for the day of issuing a license)		for marine fishing		
Natural park entrance charges	user charge	Charge per person visiting the park	typically 2-3 PLN; 0.47-0.71 EUR		Natural Park authorities	central budget	Various rates applied in different parks, usually lower rates for groups, children, local inhabitants, sometimes weekly/monthly tickets available
Nature protection non-compliance charges							These charges are applied on a case-by-case basis, according to the Civil Code and individual trials at courts. At the area of Natural Parks the park authorities have rights to establish non-compliance fees for particular activities. Fines for trees and shrubs removal are given below.
Tree cutting charges/ Fines for removal of trees without a permit		Per tree by type; - group 1  - group 2  - group 3  - group 4	charge 9.35 - 50.5 PLN; 2.21-11.9 EUR fine 13-57.5 PLN; 3.07-13.59 EUR charge 25.4-97.2 PLN; 6-22.98 EUR fine 35.5-133 PLN; 8.39-31.44 EUR charge 61.7-629.2 PLN; 14.59- 148.75 EUR fine 89-888 PLN; 21- 210 EUR charge 323.4 - 1290.3	1998: 359,133 PLN; 92,000 EUR	local authority	local environmental fund	justified exemptions are common

<sup>2</sup> Each country around the Baltic Sea is assigned some fishing quota; licences are issued in such a way that this quota is not exceeded; Introduction of fee for catching salmon, depending on the amount caught is planned in 2000.

		Per area of shrubs	PLN; 76.45-305.04 EUR fine 444-1775 PLN; 105-420 EUR  - 119 PLN; 28 EUR charge per square meter of shrubs, 148 PLN; 35 EUR fine.				
<b>Air Transport</b>							
Flight transportation tax / noise charges / etc. <sup>3</sup>							
<b>Direct Tax Provisions</b>							
Income Tax/VAT allowances for env. Technology <sup>4</sup>							
Duty/tax allowance on import of env. Technology <sup>5</sup>							

<sup>3</sup> Polish airlines (LOT) do not pay emission charges on airplane gases because plane engines were not mentioned in the relevant environmental regulations; they do not pay noise charges because starosta (poviat authority) did not issue a decision for LOT on permissible level of noise; noise fees are paid only after receiving such a decision (Act on Protection and Shaping of the Environment with amendments, O.J. 94.49.196 Art. 51). Information obtained at Polish LOT airlines and “Przedsiębiorstwo Porty Lotnicze”, the airport enterprise.

<sup>4</sup> Possibility of deduction of capital investments actually incurred in a fiscal year for environmental protection-related purposes from income being the basis for the income tax; in the following year additional 50% of these investment outlays can be deducted (in addition to new deduction of full investment outlays in a given year).

<sup>5</sup> In 1997 and 1999 in relation to specific environmental protection equipment or other environment-related products some contingents were established with the Executive Orders of the Council of Ministers. Such contingents set preferential tax rates (e.g. 0%) for a limited number of products imported. The products covered with these

Other Instruments							
Environment provisions or allowances in Value Added Tax <sup>6</sup>							
Environment provisions or allowances in other excise taxes <sup>7</sup>							

#### Environmental Funds

The Polish environmental fund system is comprised of the National Fund for Environmental Protection and Water Management, regional (voivode) funds, county funds, and also local (gmina) funds. Where not specified, revenues from charges described above are distributed among these funds. In addition to these funds referenced above, the Polish EcoFund was established in 1991 based on debt-for-nature agreements with several countries.

The general rules for revenue distribution between environmental funds is as follows: local fund (gmina) receives 20%; county (poivat) receive 10%. The remaining 70% is divided between the regional (voivoda) and national environmental funds with the regional receiving 72% (or 50.4 of total) and the national fund 28% (or 19.6 of total). Waste charges, mining water charges, NOx and certain fees for biodiversity are allocated differently.

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regulations include, among others: environmental monitoring devices, equipment for wastewater treatment plants and for removal of air pollutants (e.g. electrostatic precipitators).

<sup>6</sup> 0% VAT rate applies to following environment-related products and services: forestry and hunting products, services related to forestry, services related to water provision and to wastewater management, removal and management of waste. Basic VAT rate is 22%; VAT incomes are not calculated separately for specific products.

<sup>7</sup> Excise tax on plastic containers is differentiated depending on type of substance and volume of the package; e.g. rates for PET containers are lower by 90% than for containers made of other, more harmful substances.

See also the categories referring to fuels and energy products at the beginning of the table.