

**SOFIA INITIATIVE ON ECONOMIC INSTRUMENTS**

**DATABASE OF ENVIRONMENTAL TAXES AND CHARGES**

**SLOVAKIA 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	unleaded petrol diesel	9,823 SKK/kl; 223 EUR/kl 7,614 SKK/kl; 173 EUR/kl		Ministry of Finance	central budget	Leaded petrol was completely phased-out in 1995. A reduced tax rate of 2800 SKK/ton (63.6 EUR/ton) is applied to special benzine.
VAT	revenue raising taxes	unleaded petrol diesel	23% 23%		Ministry of Finance	central budget	
<b>Other Energy Products</b>							
Excise tax	revenue raising taxes	mineral oils kerosene (and heating oils < 1% S) heating oils (>2% S) liquid natural gas pressed natural gas ecological fuel coal	14,400 SKK/t; 327 EUR/t 9500 SKK/t; 215.8 EUR/t  300 SKK/t; 6.8 EUR/t  2370 SKK/t; 53.8 EUR/t  2 SKK/m3; 0.05 EUR/m3  1000 SKK/t ; 204.4 EUR/t 0		Ministry of Finance	central budget	Ecological fuel is defined as a fuel mixture produced from estaracids of fats and oils that are at least 90% biodegradable within 21 days. The tax structure provides incentive for natural gas.

		natural gas electricity	0 0				
VAT	revenue raising taxes	coal natural gas electricity district heating bio-gas	10% 10% 10% 10% 10%		Ministry of Finance	central budget	Prior to August 1999, the reduced VAT rate for these energy products was 6%.
<b>Air Emission Charges</b>							
Emission charges	incentive/ earmarked environmental charge	Solid Particles SO2 NOx CO Total organic C (introduced in 2000) Other pollutants (120 in 4 classes) 1. (Cd, Hg, benzopyrene, ...) 2. (As, Sb, benzene,...) 3. (biphenyl, chloro-subst. HCN...) 4. (NH3, HCl...)	3000 SKK/t; 68.1 EUR/t 1000 SKK/t; 22.7 EUR/t 800 SKK/t; 18.2 EUR/t 600 SKK/t; 13.6 EUR/t 4000 SKK/t; 90.8 EUR/t      20,000 SKK/t; 454.2 EUR/t  10,000 SKK/t; 227.1 EUR/t  5000 SKK/t; 113.6 EUR/t  1000 SKK/t; 22.7 EUR/t	Total: 303 mil SKK; 6.9 mil EUR	Ministry of Environment district office issues decision on emission charges; revenue collection is enforced by environmental fund	environmental fund	Charge rates were phased in over several years (60% in 1996, 80% in 1997 and 100% in 1998-1999). From 2000, charge rates are further increased.
Emission non- compliance fee	compliance with Clean Air Act	violation of Clean Air Act	varies; max 10 mil SKK; 227,110 EUR	1,530,000 SKK; 35,000 EUR	Ministry of Environment District Office	environmental fund	
<b>Transport Related Taxation</b>							

Commercial vehicle annual tax	revenue raising taxes	commercial vehicle; based on engine size	1200 SKK - 4200 SKK; 27.3 EUR - 95.4 EUR		Ministry of Finance	70% central budget 30% state road fund	For private cars no road tax has to be paid. A provision that commercial vehicles equipped with catalytic converters, liquid propane gas, or compressed natural gas engines have a 50% reduction of the basic rates in the first two years was canceled in January 1997.
Import duty	revenue raising taxes	imported car	7% surcharge to normal custom tax rate of 3.42%		Ministry of Finance		Import of cars older than 5 years and those not equipped with catalytic converters is banned.
Registration charge	administration cost-recovery	all vehicles					
Road tolls	raise revenues for road development	annual highway sticker, based on vehicle engine size	400 SKK - 800 SKK; 9 EUR - 18 EUR		state road fund	state road fund	
Commuting							
Company car tax allowance							
<b>Agricultural Inputs</b>							
Pesticides tax / charge							
Fertilisers tax / charge							
<b>Waste Related Product Charges</b>							
Ozone depleting	incentive charge linked	production or import of	40 SKK - 1000 SKK; 0.90 EUR - 900 EUR	4.1 mil SKK; 93,100 EUR	environmental fund	environmental fund	

substances	to scheduled phase-out	ozone depleting substances					
Batteries / accumulator							
Carrier bags	by private initiative						
Disposable containers/ packaging							
Tyres							
Lights bulbs							
Lubricants							
Refrigerators							
<b>Waste</b>							
Municipal waste user charges	cost-recovery + reasonable profit	waste collection and disposal	based on negotiation between municipality and service provider range: 4.42 -33.3 SKK/110 liter; 0.10- 0.75 EUR/liter		service provider	service provider	Municipalities and/or service providers seek state grants to introduce separation programs. This activity is currently strongly supported by the Ministry of the Environment. Providers are usually firms with municipal share.
Waste disposal charge	earmarked environmental charge	industrial or municipal waste disposed at landfill: organic matter  municipal	1-3 SKK/t; 0.02-0.06 EUR/t 20-300 SKK/t; 0.45-6.8 EUR/t	1998: Industrial waste: 962.75 mil. SKK; 24 mil. ECU Municipal: 135.87 mil. SKK; 3.4 mil.	landfill operator	municipal budget and environment fund	Charge rates are divided into two categories: the basic rate for landfills that meet technical requirements and the higher rate for those landfills that do not meet these requirements. The Act allows for delayed payments

		special hazardous	40-480 SKK/t; 0.9-10.9 EUR/t; 250-3500 SKK/t; 5.7-79.5 EUR/t	ECU			if a generator undertakes measures to reduce volume or hazard category of waste.
Waste non-compliance fees	compliance	violation of waste management legislation	linked to violation	7.01 mil. SKK; 159,000 EUR	Ministry of Environment district office	environmental fund	
Deposit-refund schemes	incentive	glass/plastic bottles	5-10 SKK/bottle; 0.11-0.23 EUR/bottle				
Levies related to nuclear waste	cost-recovery for decommissioning and waste management	electricity produced by nuclear plants	10% surcharge	1997- 3896 mil SKK; 102.2 mil. ECU	Ministry of Economy	state fund for decommissioning	The National Environmental Fund receives a portion of the revenues received by landfills which do not meet the technical requirements. In 1998, this amount was 177.8 mil. SKK (4.5 mil EUR).
<b>Water</b>							
<b>Instruments for Managing Water Quality</b>							
Water user charge	cost-recovery for state owned water companies	drinking water: Household Industry: Average:	(1998 average) 5.66 SKK/m <sup>3</sup> ; 0.14 EUR/m <sup>3</sup> 15.98 SKK/m <sup>3</sup> ; 0.40 EUR/m <sup>3</sup> 9.40 SKK/m <sup>3</sup> ; 0.24 EUR/m <sup>3</sup> ;	1998: 2.96 bil. SKK; 75 mil. ECU	water works and sewerage companies	water works and sewerage companies	VAT is charged on water supply in addition to the rates above. Before July 1998, water prices for households are regulated by the Government. The price for commercial users is subject to contract arrangements between the supplier and user. The ratio of households and commercial consumers is approximately 60/40.

Sewage treatment charge	cost-recovery for state owned water companies	indirect water discharges: Household  Industry  Average	(1998 average) rates/m <sup>3</sup> : 3.77 SKK/m <sup>3</sup> ; 0.09 EUR/m <sup>3</sup> 11.36 SKK/m <sup>3</sup> ; 0.29 EUR/m <sup>3</sup> 7.58 SKK/m <sup>3</sup> ; 0.19 EUR/m <sup>3</sup>	1998: 2.26 bil. SKK; 57 mil. ECU	water works and sewerage companies	water works and sewerage companies	
Water effluent charge	earmarked environmental charge	based on permit; direct discharges by industry	determined per ton of pollutant for BOD5, oil substances, acidity or alkalinity, dissolved inorganic salts, non-polar extractable substances	198.7 mil SKK; 4.5 mil EUR	river basin authority	environmental fund	
Water pollution non-compliance fee	compliance	violation of law	varies	6.7 mil SKK; 152,000 EUR	river basin authority	environmental fund	
<b>Instruments for Managing Water Quantity</b>							
Water extraction charge	cost recovery; resource management	withdrawal of surface and ground water in excess of 15,000 m <sup>3</sup> /year or 1250 m <sup>3</sup> /month: -ground water for public supply -ground water for other -surface water	1998: 1 SKK/m <sup>3</sup> ; 0.02 EUR/m <sup>3</sup>  2 SKK/m <sup>3</sup> ; 0.5 EUR/m <sup>3</sup>  2 SKK/m <sup>3</sup> ; 0.5 EUR/m <sup>3</sup>	1998: 390.2 mil. SKK; 9.9 mil ECU (public and other) 1061 mil. SKK; 26.9 mil. ECU	river basin authority and state water management fund	river basin authority and state water management fund	Before 1996, public water supply was not subject to payments. Water extraction charges are regulated and the maximum charge from 1999 is 2.0 SK/m <sup>3</sup> for surface water (compared with 0.46 Sk/m <sup>3</sup> in 1991) and 2 Sk/m <sup>3</sup> for ground water. From August 1996, the charge for ground water used for public water supply is 1 Sk/m <sup>3</sup> and the revenue is collected by the State Water Management Fund. The charges are

							uniform across the country. From 2000, ground water for energy and health care will be subject to a charge of 0.2 SKK/m3.
<b>Natural Resource and Mining</b>							
Mining taxes	revenue raising taxes	area of land mined  minerals extracted	5000 SKK/km2/year; 114 EUR/km2/year  0.3 - 10% of current market value of extracted mineral	1998: 7 mil. SKK; 177,000 ECU  1998: 107 mil SKK; 2.7 mil. ECU	Ministry of Finance	central budget	
<b>Instruments for Biodiversity and Nature Protection</b>							
Charges for conversion of agricultural and forest land	incentive charge	use of agricultural and forest land for other purposes	based on quality and use of land: agriculture  forest	(1998)  538 mil. SKK; 13.6 mil ECU 46 mil. SKK; 1.2 mil. ECU	state fund for protection of agricultural (forest) lands	state fund for protection of agricultural (forest) lands	A 50% reduction of the base rate can be given for purposes of houses, garages, garden cottages, and other household construction. The withdrawal of agricultural land may be free of charge in case of the establishment of water reservoirs, protected zones for water reservoirs, protection against floods, waste water treatment plants, and landfills which meet technical conditions. The charge may be increased by 100% in the case of hop-fields, vineyards and orchards, and sub-standard landfills.
Hunting charges	resource management						

	by organisation						
Fishing charges	resource management by organisation						
Natural park entrance charges							
Nature protection non-compliance charges	compliance	violation of Act on Nature Protection	varies up to 500,000 SKK; 11,360 EUR	1.66 mil SKK; 37,700 EUR	Ministry of Environment district office or inspectorates	environment fund	
Tree cutting charges							