

SOFIA INITIATIVE ON ECONOMIC INSTRUMENTS

DATABASE OF ENVIRONMENTAL TAXES AND CHARGES

ESTONIA 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 aircraft petrol aircraft benzene liquefied gas (propellant) compressed gas (propellant) lubricated motor oil | 3000 EEK/kl; 192 EUR/kl 3000 EEK/kl; 192 EUR/kl 1963 EEK/kl; 125 EUR/kl 1500 EEK/t; 96 EUR/t 3500 EEK/t; 220 EUR/t 1500 EEK/t; 96 EUR/t 1200 EEK/t; 77 EUR/t 380 EEK/t; 2.4 EUR/t | 1,519 mln EEK; 97 mln EUR | Customs Board or Tax Board | Central budget | Unleaded petrol accounted for 97% of petrol consumed in 1997. |
| VAT | Revenue raising taxes | all motor fuels | 18% | | | Central budget | |
| Other Energy Products | | | | | | | |
| Excise tax | Revenue raising taxes | light fuel oil | 227 EEK/kl; 14.5 EUR/kl | | | | |
| VAT | Revenue raising taxes | light fuel oil heavy fuel oil coal natural gas | 18% 18% 18% 18% | | | Central budget | |

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| | | electricity | 18% | | | | |
| Air Emission Charges | | | | | | | |
| Emission charges | earmarked environmental charge | SO2 NO2 CO Particulates VOC Mercaptans Heavy metals and compounds of heavy metal | 46 EEK/t; 2.9 EUR/t 105.4 EEK/t; 6.7 EUR/t 6.6 EEK/t; 0.42 EUR/t 46 EEK/t; 2.9 EUR/t 42.8 EEK/t; 2.7 EUR/t 113,842 EEK/t; 7274 EUR/t 1,995 EEK/t; 127.5 EUR/t | 12.974 mln EEK; 0.829 mln EUR | Environmental Department of County Government | Environmental Fund | Depending on the location of point-sources the rates are increased: for two larger air polluters - 1.2 times; for five larger towns - 1.5 times; for four resort towns - 2.5 times |
| Emission non-compliance fee | compliance/earmarked environmental charge | SO2 NO2 CO Particulates VOC Mercaptans Heavy metals and compounds of heavy metal | 460 EEK/t; 29.4 EUR/t 1,054 EEK/t; 67.4 EUR/t 33 EEK/t; 2.1 EUR/t 230 EEK/t; 14.7 EUR/t 428 EEK/t; 27.35 EUR/t 1,138,420 EEK/t; 72,742.5 EUR/t 199,550 EEK/t; 12,751 EUR/t | 1.5 mln EEK; 0.096 mln EUR | Environmental Department of County Government | Environmental Fund | |
| CO2 tax | | | | | | | |
| Transport Related Taxation | | | | | | | |
| Sales tax | | | | | | | |
| Import duty | Revenue raising taxes | Motor vehicle excise tax; imported motor vehicles | differentiated according to the age of the vehicle and the capacity of the engine | | Customs board | Central budget | |
| Motor vehicle excise tax | Revenue raising taxes | motor vehicles manufactured in Estonia | | 247.5 mln EEK; 15.8 mln EUR | Tax board | | |
| Registration | Revenue | State duty on | | 97.18 mln EEK; | Motor Vehicle | Central budget | |

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| charge state duty | raising taxes | motor vehicle registration proceedings | | 6.21 mln EUR | Registration Center | | |
| Commuting | | | | | | | |
| Company car tax allowance | | | | | | | |
| Waste Related Product Charges | | | | | | | |
| Package excise | Incentive | Glass and ceramics (package/liter) Plastic (package/liter) Metal (package/liter) Other (package/liter) | 0.5 EEK/p; 0.03 EUR/p 2 EEK/l; 0.13 EUR/l 1 EEK/p; 0.06 EUR/p 2 EEK/l; 0.13 EUR/l 0.75 EEK/p; 0.048 EUR/p 2 EEK/l; 0.13 EUR/l 0.25 EEK/p; 0.016 EUR/p 1 EEK/l; 0.064 EUR/l | 6.3 mln EEK; 0.403 mln EUR | Customs Board (imported drinks) Tax Board (manufactured drinks) | 50% National Env. Fund and 50% Central Budget | Exemption for importers or manufacturers on packages of which at least 60% will be reused. Exemption requirement increased (pre-announced) in 1999 from 40% recovery. |
| Waste | | | | | | | |
| Municipal waste user charges | cost recovery | Average for households | 110 EEK/t; 7.0 EUR/t | | | | |
| Waste disposal charge | earmarked environmental charge | 1) non-hazardous waste 2) mine waste including waste from mineral dressing 3) hazardous | 1.6 EEK/t; 0.1 EUR/t 0.6 EEK/t; 0.04 EUR/t 4.8 EEK/t; 0.31 EUR/t | 42.39 mln EEK; 2.71 mln EUR (total revenue) | Environmental Department of County Government | Environmental Fund | Rates shall be increased 3 times depending on allocation of the dump; 2 times if the disposal site does not meet environmental standards. |

¹ ...products, mineral oil or liquid products obtained from the controlled heating of solid fuel or other organic matter.

² ...tar formed by the pyrolysis of solid fuels or other inorganic matter, pitch, asphalt, inorganic pesticides

³ ..., cyanides, polychlorinated biphenyl's or polychlorinated terphenyls (PCBs, PCTs) or organic pesticides.

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| | | waste 4) waste which contains petroleum, petroleum... ¹ 5) waste which contains wood preservatives... ² 6) waste which contains mercury, cadmium... ³ 7) oil shale fly ash and oil shale bottom ash 8) oil shale semi-coke | 13.1 EEK/t; 0.84 EUR/t 131.8 EEK/t; 8.42 EUR/t 1317.4 EEK/t; 84.18 EUR/t 1.9 EEK/t; 0.12 EUR/t 5.2 EEK/t; 0.33 EUR/t | | | | |
| Waste non-compliance fees ⁶ | compliance | as above: 1) 2) 3) 4) 5) 6) 7) 8) | 8 EEK/t; 0.51 EUR/t 3 EEK/t; 0.19 EUR/t 24 EEK/t; 1.5 EUR/t 655 EEK/t; 42 EUR/t 13,180 EEK/t; 842 EUR/t 658,700 EEK/t; 42,089 EUR/t 9.5 EEK/t; 0.61 EUR/t 260 EEK/t; 16.61 EUR/t | 0.2 mln EEK; 0.013 mln EUR | Environmental Department of County Government | Environemntal Fund | |
| Water | | | | | | | |
| Instruments for Managing Water Quality | | | | | | | |
| Water consumption charge | Cost recovery | averages: user charge for households | 7.8 EEK/m ³ ; 0.5 EUR/m ³ 6.3 EEK/m ³ ; 0.4 EUR/m ³ | ----- 311,340 mln EEK; | Water company | service costs for water company | |

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| | | for companies | 11.7 EEK/m ³ ; 0.75 EUR/m ³ | 19,893 mln EUR 227,624 mln EEK; 14,544 mln EUR | | | |
| Sewage treatment user charge | Cost recovery | averages: user charge for households for companies | 8.6 EEK/m ³ ; 0.6 EUR/m ³ 7.2 EEK/m ³ ; 0.5 EUR/m ³ 11.95 EEK/m ³ ; 0.76 EUR/m ³ | ----- 355,446 mln EEK; 22,712 mln EUR 304,436 mln EEK; 19,452 mln EUR | Water company or Sewage company | service costs for provider | |
| Water effluent charge | Earmarked environmental charge | BOD ₇ Suspended solids Phosphorus Nitrogen Oil products Sulfates Phenols | per ton: 1,882 EEK; 120.26 EUR 952 EEK; 60.8 EUR 2,834 EEK; 181.1 EUR 1,636 EEK; 104.5 EUR 3,306 EEK; 211.2 EUR 22 EEK; 1.4 EUR 12,622 EEK; 806.5 EUR | 23,749 mln EEK; 1.5175 mln EUR | Environmental Department of County Government | Environmental Fund | The location of discharge of pollutants is expressed through special multipliers. If the pH of waste water directed into a water body is greater than 9.0 or less than 6.0, the pollution charge shall be paid at a rate 24 cents per each 0.1 pH unit by which the pH. |
| Water effluent non-compliance fee for emissions exceeding the permitted level | Compliance/earmarked environmental charge | BOD ₇ Suspended solids Phosphorus Nitrogen Oil products Sulfates Phenols | per ton: 18,820 EEK; 1,202 EUR 9,520 EEK; 608 EUR 28,340 EEK; 1,810 EUR 16,360 EEK; 1,045 EUR 33,060 EEK; 2,112 EUR 220 EEK; 14.1 EUR 126,220 EEK; 8,065 EUR | 3.825 mln EEK; 0.244 mln EUR | Environmental Department of County Government | Environmental Fund | |
| Water effluent | Compliance/earmarked | BOD ₇ | per ton: 28,230 EEK; 1,803 EUR | 1.175 mln EEK; 0.075 mln EUR | Environmental Department of | Environmental Fund | |

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| non-compliance fee for emissions without permit | environmental charge | Suspended solids Phosphorus Nitrogen Oil products Sulfates Phenols | 14,280 EEK; 912 EUR 42,510 EEK; 2,716 EUR 24,540 EEK; 1,568 EUR 49,590 EEK; 3,168 EUR 330 EEK; 21 EUR 189,330 EEK; 12,097EUR | | County Government | | |
| Instruments for Managing Water Quantity | | | | | | | |
| Water extraction charge/tax | resource management/revenue raising | Water Body type Surface water: 1) Water supply of Tallinn - drinking and technological water - cooling water 2) Other water bodies - drinking and technological water - cooling water Groundwater aquifer systems: Quaternary Cambrian-Vendian other | 0.2 EEK/m ³ ; 0.013 EUR/m ³ 0.025 EEK/m ³ ; 0.0016 EUR/m ³ 0.1 EEK/m ³ ; 0.0064 EUR/m ³ 0.02 EEK/m ³ ; 0.0013 EUR/m ³ 0.2 EEK/m ³ ; 0.013 EUR/m ³ 0.35 EEK/m ³ ; 0.022 EUR/m ³ 0.3 EEK/m ³ ; 0.019 | 47.95 mln EEK; 3.06 mln EUR | Environmental Department of County Government | Environmental Fund | |

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| | | Drinking water used for technological purposes | EUR/m ³ 0.7 EEK/m ³ ; 0.045 EUR/m ³ | | | | |
| | | Mineral water | 15 EEK; /m ³ 0.96 EUR/m ³ | | | | |
| | | Mineral water for bathwater | 1.5 EEK/m ³ ; 0.096 EUR/m ³ | | | | |
| | | Mine and open-cast drainage water | 0.03 EEK/m ³ ; 0.0019 EUR/m ³ | | | | |
| Natural Resource and Mining | | | | | | | |
| Mining charges/taxes | Revenue raising taxes | Oil shale | 4 EEK/ton; 0.26 EUR/ton | 63.2 mln EEK; 4.038 mln EUR | Environmental Department of the County Government | 30% National Env. Fund/ 70% Local budget | Total revenue: 73.01 mln EEK; 4.67 mln EUR |
| | | Construction sand | 3.25 EEK/m ³ ; 0.2 EUR/m ³ | 2.874 mln EEK; 0.183 mln EUR | | | |
| | | Technological sand | 3.9 EEK/m ³ ; 0.25 EUR/m ³ | 0.086 mln EEK; 0.005 mln EUR | | | |
| | | Constructional gravel | 5 EEK/m ³ ; 0.32 EUR/m ³ | 1.678 mln EEK; 0.107 mln EUR | | | |
| | | Cement clay | 1.6 EEK/m ³ ; 0.1 EUR/m ³ | 0.044 mln EEK; 0.003 mln EUR | | | |
| | | Ceramic clay | 0.95 EEK/m ³ ; 0.06 EUR/m ³ | 0.069 mln EEK; 0.004 mln EUR | | | |
| | | Cement limestone | 4.9 EEK/m ³ ; 0.31 EUR/m ³ | 2.264 mln EEK; 0.145 mln EUR | | | |
| | | Constructional and decorative dolomite | 3.25 EEK/m ³ ; 0.20 EUR/m ³ | 0.597 mln EEK; 0.038 mln EUR | | | |
| | | Low-decomposition peat | 1.5 EEK/m ³ ; 0.09 EUR/m ³ | 0.72 mln EEK; 0.046 mln EUR | | | |

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| | | High-decomposition peat | 2.5 EEK/m ³ ; 0.16 EUR/m ³ | 1.478 mln EEK; 0.094 mln EUR | | | |
| Instruments for Biodiversity and Nature Protection | | | | | | | |
| Hunting permit | resource management | per hectare: forest land other land | 0.9 EEK/ha; 0.058 EUR/ha 0.2 EEK/ha; 0.013 EUR/ha | 1.796 mln EEK; 0.115 mln EUR 0.347 mln EEK; 0.022 mln EUR | Environmental Department of the County Government | National Environmental Fund | |
| Hunting charges | resource management | Elk Red deer Roe deer Wild boar | 290 EEK; 18.5 EUR 250 EEK; 16 EUR 55 EEK; 3.5 EUR 85 EEK; 5.4 EUR | 0.695 mln EEK; 0.044 mln EUR 0.218 mln EEK; 0.014 mln EUR 0.203 mln EEK; 0.013 mln EUR 0.325 mln EEK; 0.021 mln EUR | Environmental Department of the County Government | National Environmental Fund | |
| Fishing charges | resource management | Baltic herring Sprat Cod Salmon Flounder Smelt | 40 EEK/t; 2.56 EUR/t 40 EEK/t; 2.56 EUR/t 500 EEK/t; 31.95 EUR/t 1000 EEK/t; 63.9 EUR/t 150 EEK/t; 9.6 EUR/t 40 EEK/t; 2,56 EUR/t | total: 5.632 mln EEK; 0.36 mln EUR | Environmental Department of the County Government | | The charge has two parts. First by the amount of catch, and the second part differs for different fishing gear, county and water body. |
| Nature protection non-compliance fees | Compliance/earmarked environmental charge | Mammals: - Brown bear, Lynx - Elk, Red deer - Grey seal, Ringed seal, mink, otter Invertebrates Protected birds | 15,000 EEK; 958 EUR 9,000 EEK; 575 EUR 6,000 EEK; 383.39 EUR 15-1,500 EEK; 0.96-95.8 EUR | | environmental inspector | Central Budget | |

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| | | Amphibians | 1,500-9,000 EEK; 95.8-575.08 EUR | | | | |
| | | Fish | 15-300 EEK; 0.96-19.17 EUR | | | | |
| | | - Atlantic Sturgeon wells, individual | double market price 3,000 EEK; 191.69 EUR | | | | |
| | | Plants (86 protected spp.) | 30-1500 EEK; 1.92-95.85 EUR | | | | |
| Direct Tax Provisions/Other | | | | | | | |
| Investments grants, etc. | | General budget and Environmental Fund, - waste protection projects - waste management projects | | total sum: 150.1 mln EEK; 9.6 mln EUR | | | |
| | | Foreign assistance, - water protection projects - waste management projects | | 116 mln EEK; 7.41 mln EUR | | | |
| | | | | 34.1 mln EEK; 2.2 mln EUR | | | |
| | | | | total sum: 151.3 mln EEK; 9.7 mln EUR | | | |
| | | | | 140 mln EEK; 8.9 mln EUR | | | |
| | | | | 11.3 mln EEK; 0.722 mln EUR | | | |
| VAT Tax | | | | | | | VAT exemptions for: - goods and services sold for |

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| | | | | | | | dangerous waste treatment (5%) - goods imported to Estonia within the framework of projects financed by loans taken or guaranteed by the Estonian Government (0%) - environmental equipment and technology imported by MoE (0%) |
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Environmental Fund of Estonia

Until June 1999, revenues from pollution charges in Estonia were administered by the Environmental Fund. In June 1999, the Estonian Government dissolved the Fund, effective October 1999. The Fund's revenues at that time, as well as revenues from existing pollution charges continue to be earmarked for environmental protection purposes. The former extra-budgetary Fund has now been replaced with the Environmental Investment Center, allocated within the Ministry of Finances, which is intended to follow the principles of the former Environmental Fund.