

EURELECTRIC Calls For Harmonised Energy Taxation Rates

20 November 2012

Energy taxation rates should be harmonised at EU level to ensure a level playing field among EU member states and among energies in competition, EURELECTRIC has said ahead of the discussions on the Energy Taxation Directive, which are due to take place in the Council's working party on tax questions on 22 November. EURELECTRIC expressed its concerns over "the lack of ambition shown by the Council" in this regard.

In the statement, published today, the electricity industry association also regrets that the introduction of a CO₂ tax component for sectors outside the EU Emissions Trading Scheme (EU ETS) no longer appears to be on the cards. European power generators must buy CO₂ permits to cover their emissions, and EURELECTRIC believes that the introduction of a CO₂ tax component for non-ETS sectors can contribute to a level playing field between CO₂-emitting industries and to an overall least cost approach to reducing CO₂ emissions.

EURELECTRIC notes that the multitude of national taxes and levies on fossil fuels used for power generation hampers market integration and distorts competition. Taxes and public charges on electricity as an end product are also on the rise. The statement calls on the European Commission and member states to limit the tax burden on electricity and to apply only such taxes and levies that are proportionate and directly related to electricity, in the interest of keeping electricity affordable for consumers and businesses.

The full statement can be found [here](#).

Background:

On 13 April 2011, the European Commission published a proposal to overhaul outdated rules on the taxation of energy products and electricity in the EU by modifying the existing Energy Taxation Directive. The proposal includes plans to restructure the way energy products are taxed to remove current imbalances and take into account both their CO₂ emissions and energy content. EURELECTRIC supports the Commission's initiative as a means of aligning taxation rules more closely with the EU's energy and climate policy objectives and avoiding distortions of competition in the Single Market.