



Committee of Experts on International Cooperation in Tax Matters

Thirtieth Session (New York)

Item 3(g) Environmental Taxation *Tuesday, 25 March 2025*

CRP.21 and its Annex

Outline of Presentation

- Update on progress of work
- Specific item for guidance by the Committee – final paper
- Suggestions for consideration by the next Membership of the Committee on potential future work on environmental taxation

Update on Progress of Work

Workstream title & parts	Status
1: Interaction of carbon taxation with other national measures in the context of a broader tax reform and particular attention to fossil fuel subsidies	
Part A: Interaction between carbon taxes and other environmental measures (emissions trading and climate policy)	Approved – 27 th Session
Part B: Assessing the Interaction of Carbon Taxation with Excise Duties, VAT, and Income Taxation	Proposed for final approval – 30th Session
Part C: Phasing out fossil fuel subsidies	Approved – 29 th Session
2: The role of carbon taxes and other measures in supporting energy transition	Approved – 28 th Session
3: The interaction between carbon taxes and carbon offsetting programs	Approved – 28 th Session
4: Border Carbon Adjustments: Impact and relevance for developing countries	
Part A: Carbon leakage and ways to address it	Approved – 27 th Session
Part B: Border carbon adjustment measures	Approved – 27 th Session
Part C: Potential responses to border carbon adjustments	Approved – 29 th Session
5: Other environmental measures other than carbon taxes	
Main paper: Environmental taxation (Other than Carbon Taxes)	Approved – 29 th Session
Appendix: Inventory of Select Environmental Taxes and other Measures	Approved – 29 th Session

Specific item for guidance by the Committee – final paper

➤ Action Requested:

- **Part B** of Workstream 1, which is the final paper by the Subcommittee, is presented for **final approval** by the Committee. The paper is presented as **ANNEX to CRP.21**

➤ Part B Paper deals with:

- The Interaction between carbon taxation and excise duties, VAT, personal income tax and corporate income taxes
- Explores practical implications and provides key takeaways for consideration by developing countries
- The current version has been refined following feedback received at the 29th Session

Suggestions for Consideration by the Next Membership

- **General considerations (see *further* Appendix to CRP.21):**
 - Focusing on a cross-cutting challenge for environmental tax reforms: addressing administrative and implementation challenges
 - Encouraging a comprehensive approach that integrates different environmental taxes within broader fiscal reforms
 - Building on existing tax systems to foster simpler, more growth-friendly tax systems, yielding societal benefits
 - Strengthening the role of environmental taxation
 - Identifying new sources of tax revenue
 - Building on existing tax administration to cater to needs of countries with low level of administrative capacity
 - Addressing administrative and implementation challenges
 - Examining key administrative considerations for implementing and enforcing environmental tax measures
 - Advancing sector-specific environmental taxation
 - Examine how taxation in deforestation-linked industries can be structured to promote sustainable resource management at the same time as contributing to economic growth

Subcommittee on Environmental Taxation - Participants

CO-COORDINATORS:

- Muhammad Ashfaq AHMED (Committee Member)
- Susanne ÅKERFELDT (Government Observer, Sweden, temporarily seconded to the World Bank Group)

PARTICIPANTS IN THE SUBCOMMITTEE:

- Ji CHEN (Global Institute of China International Capital Corporation, People's Republic of China)
- Kurt VAN DENDER (OECD)
- Tatiana FALCAO (World Bank Group)
- Armin MONOSTORI-HARTMANN (Federal University of Rio de Janeiro, Brazil)
- Dirk HEINE (World Bank Group)
- Sharlin HEMRAJ (National Treasury, South Africa)
- Angela CHURIE KALLHAUGE (Environmental Defense Fund)
- Lena HIORT AF ORNÄS LEIJON (Swedish Tax Agency)
- Ezera MADZIVANYIKA (ATAF)
- Janel MILNE (Vermont Law School, USA)
- Christopher MORGAN (KPMG, UK)
- Hira NAZIR (Federal Board of Revenue, Pakistan)
- Egwuatu Ifeanyi OBIORA (Federal Inland Revenue Service, Nigeria)
- Pande Putu OKA KUSUMAWARDANI (Committee Member)

Subcommittee on Environmental Taxation – Participants cont'd

- Rodrigo PIZZARO GARIAZZO (OECD)
- Mandy RAMBHAROS (Verra)
- Jim ROBERTSON (International Tax and Investment Center)
- Maria Amparo GRAU RUIZ (Complutense University of Madrid, Spain and Northwestern University, Chicago, USA)
- Aleksandr SMIRNOV (Committee Member)
- Abid Qaiyum SULERI (Sustainable Development Policy Institute, Pakistan)
- Smarak SWAIN (Ministry of Finance, India)
- Anna THEEUWES (Shell, the Netherlands)
- Christian THOMANN (Royal Institute of Technology, Sweden)
- Stefan WEISHAAR (Groningen University, The Netherlands)
- Ingela WILLFORS (Committee Member)
- Stefan WOLTERS (European Commission)
- Yan XIONG (Committee Member)

FOCAL POINT:

Emily Muyaa - Chief, Capacity Development Unit, International Tax and Development Cooperation Branch, FSDO

- **Recognize contribution** by Sameera KHAN (in previous role at ATAF) and Gordon Dardey, KPMG Ghana to the workstream on energy transition

Special Acknowledgement to Lead Drafters

- **Workstream 1:** Stefan WEISHAAR
- **Workstream 2:** Anna THEEUWES and Jim ROBERTSON
- **Workstream 3:** Maria Amparo GRAU RUIZ
- **Workstream 4:** Christopher MORGAN
- **Workstream 5:** Armin MONOSTORI-HARTMANN and Hira NAZIR

Summary – Matters for Committee's Guidance

- **Final Approval:** The remaining document ([Annex to CRP.21](#)) is presented for final approval

Thank you!

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