



- (7) implicit tax rates on energy and transport;
- (8) effective carbon rates on CO<sub>2</sub>.

A conclusion from the analysis of the revenue-based indicators is that the total revenues from environmentally related taxes (in real terms) has hardly changed in the past fifteen years. Within the EU, this means that Flanders and Belgium have always been laggards in terms of the use of green taxation, and this conclusion has not changed recently. Thanks to a number of newly taken measures, such as the increased contribution Energy Fund and the road pricing system for heavy goods vehicles, the revenue-based indicators can be expected to go up in the next few years.

Another observation is that households pay about 53 % of all environmentally related taxes in Belgium, and companies pay 45 %. Since 2010, a small shift of the tax pressure to the disadvantage of the households has taken place.

The analysis of the tax rate-based indicators tells us that it is particularly the increased contribution Energy Fund (the so-called 'Turtel tax') has considerably increased the tax rates on energy use (by households). The tax rate-based indicator for transport shows a small increase in 2016 due to the introduction of the road pricing system for heavy goods vehicles

If we look at the percentage of the tax in the final price of the product, again the increased contribution Energy Fund is the eye-catcher, as it has increased the percentage for electricity for households from 3.5 % to 16.3 % of the final price. Although still much lower than the transport fuel tax rates, this change can be considered as a major deviation of the trend.

Next to the two types of indicators, this study also maps the so-called 'tax expenditures', which are reductions and exemptions that apply for environmentally related taxes and which potentially hollow out their environmental impact. We have made up an comprehensive inventory of all reductions and exemptions that apply in Flanders, and we present a separate sheet for each tax and each tax expenditure.

The conclusion of the study on the greening of the tax system in Flanders is different from the previous editions. For the first time, we can conclude that Flanders has gone through a wave of fiscal greening in the period 2015-2016. Part of the tax measures were decided because of budgetary necessity (Increased Contribution Energy Fund), but in most cases the green reforms were implemented because of environmental reasons. This could be an indication that Belgium and Flanders are finally responding to the persistent calls from international organisations to green the fiscal system.

