

**Carbon Taxes in Action:
Existing National and Subnational Jurisdictions Using a Direct Carbon Tax**

| Country/Jurisdiction | | Type | Year Adopted | Overview/Coverage | Tax Rate |
|----------------------|------------------|--------------|--------------|--|--------------------------------------|
| 1 | British Columbia | Sub-national | 2008 | The carbon tax applies to the purchase or use of fuels within the province. The carbon tax is revenue neutral; all funds generated by the tax are returned to citizens through reductions in other taxes. | CAD30 per tCO ₂ e (2012) |
| 2 | Chile | National | 2014 | Chile's carbon tax is part of legislation enacted in 2014. The carbon tax is expected to enter into force in 2017 (currently it is being debated in the Senate) and is envisioned to be designed as a tax on emissions from boilers and turbines with a thermal input equal or greater than 50 thermal megawatts (MWt). | USD5 per tCO ₂ e (2018) |
| 3 | Costa Rica | National | 1997 | In 1997, Costa Rica enacted a tax on carbon pollution, set at 3.5 percent of the market value of fossil fuels. The revenue generated by the tax goes toward the Payment for Environmental Services (PSA) program, which offers incentives to property owners to practice sustainable development and forest conservation. | 3.5% tax on hydrocarbon fossil fuels |
| 4 | Denmark | National | 1992 | The Danish carbon tax covers all consumption of fossil fuels (natural gas, oil, and coal), with partial exemption and refund provisions for sectors covered by the EU ETS, energy-intensive processes, exported goods, fuels in refineries and many transport-related activities. Fuels used for electricity production are also not taxed by the carbon tax, but instead a tax on electricity production applies. | USD31 per tCO ₂ e (2014) |
| 5 | Finland | National | 1990 | While originally based only on carbon content, Finland's carbon tax was subsequently changed to a combination carbon/energy tax. It initially covered only heat and electricity production but was later expanded to cover transportation and heating fuels. | EUR35 per tCO ₂ e (2013) |
| 6 | France | National | 2014 | In December 2013 the French parliament approved a domestic consumption tax on energy products based on the content of CO ₂ on fossil fuel consumption not covered by the EU ETS. A carbon tax was introduced from April 1, 2014 on the use of gas, heavy fuel oil, and coal, increasing to €14.5/tCO ₂ in 2015 and €22/tCO ₂ in 2016. From 2015 onwards the carbon tax will be extended to transport fuels and heating oil. | EUR7 per tCO ₂ e (2014) |
| 7 | Iceland | National | 2010 | All importers and importers of liquid fossil fuels (gas and diesel oils, petrol, aircraft and jet fuels and fuel oils) are liable for the carbon tax regardless of whether it is for retail or personal use. A carbon tax for liquid fossil fuels is paid to the treasury, with (since 2011) the rates reflecting a carbon price equivalent to 75 percent of the current price in the EU ETS scheme. | USD10 per tCO ₂ e (2014) |
| 8 | Ireland | National | 2010 | The carbon tax is limited to those sectors outside of the EU ETS, as well as excluding most emissions from farming. Instead, the tax applies to petrol, heavy oil, auto-diesel, kerosene, liquid petroleum | EUR 20 per tCO ₂ e (2013) |

**Carbon Taxes in Action:
Existing National and Subnational Jurisdictions Using a Direct Carbon Tax**

| Country/Jurisdiction | | Type | Year Adopted | Overview/Coverage | Tax Rate |
|----------------------|--------------|----------|--------------|---|--|
| | | | | gas (LPG), fuel oil, natural gas, coal and peat, as well as aviation gasoline. | |
| 9 | Japan | National | 2012 | Japan's Tax for Climate Change Mitigation covers the use of all fossil fuels such as oil, natural gas, and coal, depending on their CO ₂ emissions. In particular, by using a CO ₂ emission factor for each sector, the tax rate per unit quantity is set so that each tax burden is equal to US\$2/tCO ₂ (as of April 2014). | USD2 per tCO ₂ e (2014) |
| 10 | Mexico | National | 2012 | Mexico's carbon tax covers fossil fuel sales and imports by manufacturers, producers, and importers. It is not a tax on the full carbon content of fuels, but rather on the additional amount of emissions that would be generated if the fossil fuel were used instead of natural gas. Natural gas therefore is not subject to the carbon tax, though it could be in the future. The tax rate is capped at 3% of the sales price of the fuel. Companies liable to pay the tax may choose to pay the carbon tax with credits from CDM projects developed in Mexico, equivalent to the value of the credits at the time of paying the tax. | Mex\$ 10 -50 per tCO ₂ e (2014)* * Depending on fuel type |
| 11 | Norway | National | 1991 | About 55 percent of Norway's CO ₂ emissions are effectively taxed. Emissions not covered by a carbon tax are included in the country's ETS, which was linked to the European ETS in 2008. | USD 4-69 per tCO ₂ e (2014)* *Depending on fossil fuel type and usage |
| 12 | South Africa | National | 2016 | South Africa plans to introduce a carbon tax at R120 per ton of CO ₂ e, with annual increases starting in January 2016. The tax is envisioned to be a fuel input tax based on the carbon content of the fuel and cover all stationary direct GHG emissions from both fuel combustion and non-energy industrial process emissions, amounting to approximately 80% of the total GHG emissions. | R120/tCO ₂ (Proposed tax rate for 2016)* *Tax is proposed to increase by 10% per year until end-2019 |
| 13 | Sweden | National | 1991 | Sweden's carbon tax was predominantly introduced as part of energy sector reform, with the major taxed sectors including natural gas, gasoline, coal, light and heavy fuel oil, liquefied petroleum gas (LPG), and home heating oil. Over the years carbon tax exemptions have increased for installations under the EU ETS, with the most recent increase in exemption starting from 2014 for district heating plants participating in the EU ETS. | USD168 per tCO ₂ e (2014) |

**Carbon Taxes in Action:
Existing National and Subnational Jurisdictions Using a Direct Carbon Tax**

| Country/Jurisdiction | | Type | Year Adopted | Overview/Coverage | Tax Rate |
|----------------------|----------------|----------|--------------|---|--|
| 14 | Switzerland | National | 2008 | Switzerland's carbon tax covers all fossil fuels, unless they are used for energy. Swiss companies can be exempt from the tax if they participate in the country's ETS. | USD 68 per tCO ₂ e (2014) |
| 15 | United Kingdom | National | 2013 | The U.K.'s carbon price floor (CPF) is a tax on fossil fuels used to generate electricity. It came into effect in April 2013 and changed the previously existing Climate Change Levy (CCL) regime, by applying carbon price support (CPS) rates of CCL to gas, solid fuels, and liquefied petroleum gas (LPG) used in electricity generation. | USD15.75 per tCO ₂ e (2014) |