

**The Environmental Tax Policy for Sustainable Eco-Economic
Development of Ukraine**

The market participants sent their activity to the receipt of maximal income, without regarding harmful influence on an environment, that resulted in the unsustainable use of natural resources last years in Ukraine (there is three times more energy are used in Ukraine for production goods on average than in Europe [1]), destruction of minerals, the chemical and environmental pollution. According to many scholars, including Academician of NAS of Ukraine Danylyshyn, environmental component was absent in the implementation of various economic, social and political concepts lately. As a result of these activities, we received a negative impact not only on environmental, but also on social and economic state side. The economy, which is available in the country, is environmentally unsafe, its structure does not satisfy any of the principles of environmental management.

The research aim is to analyze the environmental situation in Ukraine and to evaluate the possible ways of its improvement by the input of the self-weighted tax policy in the sphere of the use and guard of natural-resource potential

The problem of tax policy in industry of the use and guard of naturally-resource potential considered in the works of many scientists, including both foreign and domestic: O. Veklich, B. Danylyshyn I. Dragan, Y. Zarapin, D. Zerkalov, N. Kryuchkov, Y. Kurazhkovskyy, A. Kucher, J. Nazarkevych, P. Nyzhkamp, E. Pels, D. Slezhytsky, M. Reis, M. Reimers, M. Hvesyuk, O. Fomychova.

The plight of the environmental situation in Ukraine is possible to trace through the analysis of technogenic loading indicators on the environment (see Table.1.). 11 tons emitted pollutants and 22 000 tons available in spot removal falls on a 1 square kilometer today according to the State Statistics Committee of Ukraine [2]. The world's carbon dioxide emissions totaled 20,284,154,532 tons by the state on in 8.08.2012 from data of World statistics web-site [3].

Basic indexes of the technogenic loading on a natural environment
of Ukraine in 2007 – 2011

Indexes	Emissions of pollutants to air, thousand t.	Emissions of carbon dioxide, million t.	Formation of wastes I-IV of classes of danger, thousand t	including I-III of classes of danger	Part of the wastes accommodated in the special taken places or objects, all, %	including I-III of classes of danger
2007	7380,0	218,1	—	2585,2	—	38,3
2008	7210,3	209,4	—	2301,2	—	46,3
2009	6442,9	185,2	—	1230,3	—	27,1
2010	6678,0	198,2	419191,7	1659,8	80,38	18,5
2011	6877,3	236,0	447641,2	1434,5	61,9	9,66

*A table is worked out by an author from data of State Committee of statistics

Also, special attention should be paid to the fact that by 2010 less than 50% of waste housed in specially designated areas, and only in 2010 this indicator reached 80.38% and in 2011 - 61.9%.

According to international estimates annual losses from environmental degradation are: 0.4% - 2% of GDP - in developed countries (U.S., UK, Japan), and 3% - 5% of GDP - in Eastern Europe, 6% - 15% of GDP - in the CIS countries, 6-18% of GDP - in the countries of the "third world." In Ukraine, the figure is 10-15% of GDP [4].

The instrument of tax policy in the sphere of the use and guard of natural-resource potential is a natural resource payment.

They present the form of realization of the economic rent relations between the proprietor of natural resources and nature user, levied in the form of collections, taxes for a right for using natural resources or harm the environment, with the aim of forming the centralized funds of monetary resources that is needed for realization of state nature protection activity, in the person of public authorities.

Naturally-resource payments embrace taxes and collections related to:

- the use of natural resources;

- the use of natural terms;
- the influence on natural resources and terms.

But, if we appeal to Law of Ukraine "On the guard of environment", then the pattern of natural-resource payments, that we gave coming from natural-resource payments determinations of many scientists, will broaden. As, in accordance with the article 38 of this Law, "in order of the special use of natural resources by citizens, enterprises, establishments and organizations, natural resources are gotten in possession, use or lease founding on special permissions registered in the set order, after pay for realization of productive and other activity, and in cases envisaged by the legislation of Ukraine, - on the favorable terms [5] " thus, resource payments are celebrated not only for the use, but also for possession and lease.

Thus there are taxes penalty of that, necessarily that or it is by another character related to influence on an environment: natural resources or natural terms. If the basis of these taxes impose just such a characterization, it is natural-resource payments are comparable and in some parts equated with ecological taxes. So I. Synyakevych examines natural-resource payments and ecological payments in single unit [6].

According to international standards of the European Union, namely by definition, the Directorate of Taxes and customs duties of the European Commission ecological taxes are including "all taxes, a base of maintenance of that, carries out specific negative influence on an environment".

Directorate of Taxes and customs duties of the European Commission distinguishes seven groups of ecological taxes, to that takes: energy taxes; transport taxes; pollution charges; payments for placing wastes; taxes on emissions that lead to change; the tax on noise effect; payments for the use of natural resources..

To the categories of taxes attributed to ecological taxes Directorate of Taxes and Customs Duties European Commission classifies as transport taxes that in our view, it is not expedient to take natural-resource payments in our country. It is

connected with several factors. There is missed connections between collection for the first vehicle transport registration and firstly volume of the used fuel; secondly the amount of contaminants gotten in an environment from the use of transport vehicle in Ukraine.

Thus, in our view, collection for the first registration of transport vehicle, and also excise tax for transport vehicles is not needed in attributing to the taxes connected with the use of natural-resource potential. Unfortunately, as by the movable sources of contamination, transport vehicles motion of that is accompanied by extras in the atmosphere of contaminants [7], the considerable extras of contaminants come true in atmospheric air behave to that.

Part of emissions pollutants by the movable sources of contamination in the general volume of extras of contaminants from 2000 for 2011 ranges from 31.38% to 39.03%, indicating a significant amount of emission vehicles and the need to consider this when vehicle tax is calculated.

If transport tax is the only eliminated category from seven ones then in accordance with Tax Code of Ukraine natural resources (environmental) payments should be classified as:

- payment for a right to use natural resources;
- an ecological tax.

Aim, that is as a base for penalty of natural-resource payments generates functions that represent the specific character of natural-resource payments:

- 1) fiscal - aimed at forming of profitable part of budget;
- 2) regulative - focused on rational nature management;
- 3) stimulating - aimed at improving the efficiency of economic activity;
- 4) controlling - directed to timely and in full receipt of taxes and collections to the corresponding budgets or having a special purpose funds;
- 5) resource saving - directed to limitation of the excessive use of natural resources;
- 6) compensative - major in the mechanism of paying for contamination of environment. Corresponding payments must be accumulated in the having a

special purpose funds of natural environment guard and provide financing of measures with negative consequences of contamination on the man-stay environment removal [8];

7) preventive (prophylactic) - directed to the rational use of natural resources and stabilizing and recreation of environment.

Examining the functions of natural-resource payments most authors distinguish fiscal, regulative and stimulant functions only.

But considering essence of natural-resource payments and their setting in detail we came to the conclusion, that an inherent reproductive function, must be naturally-resource payments and it will be focused at to the recreation of those natural resources that were used as a result of entity activity, must be naturally-resource payments, as a process of recreation of environment is one of major tasks that is fixed on natural - resource payments.

The strategy of tax policy in the use of natural resources, in our opinion, should be:

The first block aimed to the ecological side:

- 1) naturally-resource economy;
- 2) minimization of harmful influence on a natural environment

The second block directed to the economic side:

- 1) sufficient financial providing of recreation of naturally-resource potential of Ukraine;
- 2) transition from "consumer" conception of society to newest resource-saving one.

For the achievement of strategic aim, the next tasks of tax policy that must be realized in the sphere of the use of naturally-resource potential of Ukraine are:

- 1) achievement of harmonization of ecological and economic aims of country;
- 2) enforcement State and Local budgets plan by incomes of naturally-resource payments;

3) creations of off-budget funds, sufficient for financing of naturally-resource potential recreation, and also reduction of harmful influence on a natural environment;

4) use of tax instruments that create conditions for efficient and resource-saving use of natural resources;

5) incentives for businesses to introduce new resource-saving technologies;

6) to carry out the tax loading shift from labor taxes and capital taxes on naturally-resource payments;

7) to carry out structural perfection of production process with the aim of orientation it to the natural-keeping component;

8) to create the effective system of the rent relations.

The important step in realization of major aim of society is an eco-tax reform inputting, which was developed by foreign scientists in the 70-ies of the last century [9]. In various foreign scientists we can meet the next names of this reform, namely: ecological tax reform, green tax reform, ecological financial reform, green tax shifting [10].

There is the name "eco-labor tax reform" in Ukraine that successfully enough specifies on essence of this reform. Eco-tax reform has already been successfully implemented in many countries, first of all, in the early 90's it was realized in the Nordic countries, namely - in Finland, Sweden, Denmark, Norway. Next it was successfully implemented in the following OECD countries: Netherlands, Italy, Germany, Great Britain, Switzerland. Also Austria, Belgium, Poland, Czech Republic, Russia enter this reform [9].

The impetus for the introduction of eco-tax reform is a "double dividend", firstly the theory of that was offered by the American economist Gordon Tullock in 1967 in his work "Excess of benefit". According to his opinion, the first benefit (dividend) consisted in perfection of natural environment, and the second is in the decline of curvatures in the profits increase of the tax system [11]. But, unfortunately, this theory did not get further development in 70-80th.

Only in the early 90s, this theory got further development in works of scientist-environmentalist D. Pyrsu. This theory got distribution due to the change of climate.

The effect of the first dividend was investigated and shown by reducing emissions of carbon dioxide (CO₂) in Sweden and Norway. So due to introduction of carbon taxes in Norway for period from 1991 for 1993 extras of carbon dioxide by the stationary sources of contamination (sphere of production and services) and stationary and movable sources of contamination households decreased by 40% [10].

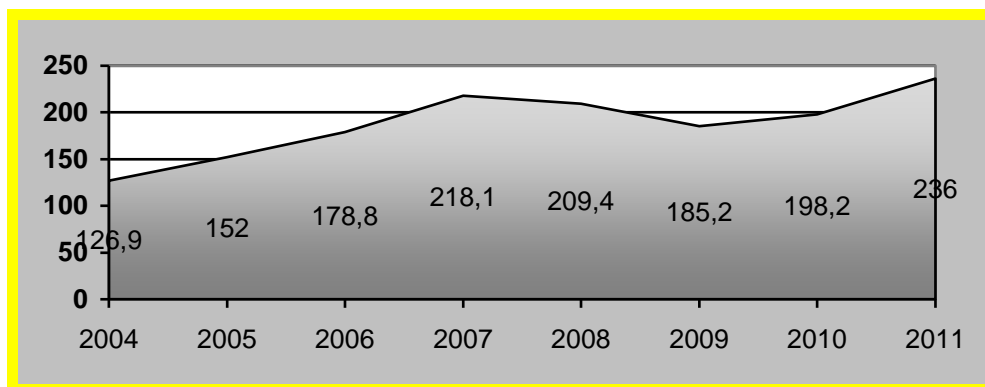
It should be noted, that nowadays in Norway CO₂ - tax on mineral products and tax of on of CO₂ of emissions in petroleum activities on the continental shelf, are existed (operated from 1991) and the last revisions of these taxes were carried out in January, 2012. A profit from these taxes considerably grew from 1994 for 2011, namely from the 620,9 million dollars of the USA in 1994 to 1252 dollars of the USA in 2011.

It also should be noted, that about 65% of CO₂ emissions in Norway are subject to taxation which plays an important role in controlling and preventing the emission of CO₂ into the environment. There is a sulfur dioxide tax (SO₂) except a carbon dioxide in Norway, introduction of that resulted in reduction of contamination on 3-4% [12].

The tax on carbon dioxide was introduced into the world to reduce carbon dioxide emissions. The first countries on the way of reduction of harmful influence of carbon dioxide on a natural environment are: Finland, Norway, Sweden. Farther this tax was entered in such countries, as: Netherlands, Denmark, Great Britain, Quebec, British Colombia (Canada), Switzerland, Ireland, Australia. It costs to notice that in every of this tax entered countries such occurrences are present:

- firstly, a reduction of CO₂ emissions into the environment;
- secondly, increase of tax revenues in a budget;
- thirdly, reduction of labor taxes and capital taxes, that testifies to the input an eco-tax reform the positive consequences of that we have already investigated.

Introduction of carbon dioxide tax in Ukraine would bring to many positive consequences over, among that: reduction of negative influence on atmospheric air, increase of tax receivables in the budget of country. As for today, there is observed an increase in carbon dioxide emissions into the environment in Ukraine only (see Figure 1).



Rice. 1. Dynamics of carbon dioxide emissions into the environment in Ukraine, million tonnes

Carbon dioxide emissions increased by 109, 1 million tons (85.97%) in 2011 compared with 2004 that demonstrates the need to introduce a carbon dioxide tax. Certainly, positive changes in our country are present as for this question, as since the adoption of the Tax Code and the introduction of environmental tax pollutants carbon dioxide was introduced, with a rate of 0.2 hryvnia per ton

The dividend of economic improvement, that is named also a "blue" dividend, is equated first of all with such occurrences as employment and prosperity increase, as well as increased consumption, GDP and financial benefits. It can be achieved by reducing labor tax rates and taxes on labor, which as a result, in our opinion, will lead to: an increase of money amount for an employer, due to reduction of extra charges on the labor remuneration fund, an employer can hire additional workers and as a result of that reduction of unemployment rate; an increase of monetary resources, that remains at disposal of physical person and as a result solvent demand and consumption will increase; reduction of the tax loading on a legal entity, at the same time the reduction of level to shadow economy.

Every implemented an eco-tax reform country got positive developments in both the environmental and the economic spheres. Certainly defects are possible at first times such as losses in profitable part of state budget, but at the years countries got substantial improvements both in the ecological situation of country and in financial.

Application of eco-tax reform does not mean just: transfer the tax load from taxes on man power and capital taxes relating to the use of natural resources and environmental protection, financing measures. There are other important instruments in this reform, namely: financing owing to the money, gotten from naturally-resource payments, measures focused to the increase of education, thus promoting human potential of country (Sweden); return of part of the prepaid taxes (part the NO₂ tax to the enterprises in Sweden or SO₂ tax in Denmark); financing of important activity directions, with the aim of stimulation of development and attractive investment climate creation (Austria).

The use of different methods and instruments in totality that is offered by eco-tax reform will give possibility to work out ecological and economic problems that exist in a country, and attain the tax policy strategic aim in the sphere of the natural- resource potential of Ukraine use and guard.

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