

## PROBLEMS OF ENVIRONMENTAL TAXATION AND WAYS TO SOLVE THEM

**Naydenko O.E.**

Candidate of Economic Sciences, Associate Professor,  
Head of Department of Taxation,  
Simon Kuznets Kharkiv National University of Economics

In modern terms, the environmental tax is one of the most important elements of the regulation of the environment. However, the current system of environmental taxation in Ukraine is not effective, as evidenced by the dependence of environmental tax revenue, primarily from economic cycles instead of the current tax laws.

Unlike in Ukraine, environmental problems are a priority issue of the EU, since pollution is the cause of increased mortality. The foundation of environmental policy in developed countries is to ensure maximum compliance with environmental standards at all stages of natural resources.

The purpose of this article is to study the existing problems in the field of environmental taxation and development solutions.

The study found that the share of environmental tax revenues in the budget ranged from 0.2 to 5.3%, in GDP – from 0.06 to 1.6%.

A sharp reduction in revenues from environmental tax for the years of 2014-2015 was due to reduction of emissions, discharges and placing pollutants, including due to: a decrease in production volumes; use of thermal coal with a lower content of sulphur compounds and as a result of the burning of which is formed fewer pollutants; introduction of environmental technologies that provide complete exclusion or reduction of air pollution and water bodies.

However, one of the main reasons for the environmental tax reduction in 2014-2015 is the disappearance from the list of environmental taxes of the tax on emissions of air pollutants by mobile sources of pollution and

for the disposal of discontinued operation of vehicles while increasing the excise tax on all types of motor fuel.

The world experience in environmental regulation shows that in order to protect interests of citizens and national manufacturers of each country the international community is trying to coordinate their actions in the field of environmental taxation.

The main feature of the EU environmental policy is that it aims to prevent pollution through proper environmental assessment.

In the EU there are kinds of environmental tax, which existence is not required by the law of Ukraine, which are characterized by efficiency and effectiveness. In addition, it is found that the improvement of the ecological situation is not possible on the basis of only the introduction of environmental tax.

Based on the experience of European countries on environmental taxation and the analysis of environmental tax of Ukraine, there are offered the following recommendations:

- introduce quarterly indexation of environmental tax rates;
- implement differentiation of the environmental tax rates for the regions of the country,
- introduction of correction coefficients applying to the most contaminated areas of Ukraine;
- establish a system limits using a progressive adjustment coefficients to tax rates for the implementation of above-limit emissions / discharges of pollutants into the air / water bodies;

- match the tax rate for emissions of pollutants into the atmosphere by name and hazard class of pollutants;
- introduce an environmental tax on production and imports fertilizers and pesticides.

These ways of improving the environmental tax should allow to solve the existing problems regarding the ineffectiveness of environmental taxation, which in turn will improve the environmental situation and improve the economic situation by increasing export potential.