

Catalonia: Carbon Tax



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The Catalan regional government first introduced a carbon tax on cars, vans and motorcycles in 2010 and developed it further in 2019: making Catalonia the first region in Spain to ask owners of fossil-fuel vehicles to pay a premium. Taxation is to be introduced retroactively for 2019 in November.

The carbon tax will initially apply to vehicles emitting 120 grams of CO₂ per kilometre or more before expanding to include vehicles that emit more than 95 g CO₂ per kilometre from 2020. In practice, this means that owners of a vehicle with CO₂ emissions of 265 g/km, for example, will have to pay tax of €127 for 2019 and €176 for the following year (2020).

Electric cars are exempt from this tax and have been excluded from road tolls in Catalonia since 2015. They also already bring other privileges for users, such as free parking or access to bus lanes. Using incentives such as these has enabled the Catalan government to show not just the environmental credentials of electric vehicles



Catalonia

Population: 7,600,065

GDP: \$286 billion



As the tax expands into 2021 and beyond it is projected to add about €150 million a year to the government's budgets and apply to 3.6 million cars and vans and nearly 500,000 motorcycles. Monies raised from the tax will go to a climate change fund for natural heritage, conservation and biodiversity projects.

but the economic benefits they can provide to consumers. This has led to an increase in uptake and more interest in the sector as a whole.

In 2019 the carbon tax generated revenues of around €40 million and this is expected to rise to around €80 million in 2020, with around 3,600 owners affected. As the tax expands into 2021 and beyond it is projected to add about €150 million a year to the government's budgets and apply to 3.6 million cars and vans and nearly 500,000 motorcycles. Monies raised from the tax will go to a climate change fund for natural heritage, conservation and biodiversity projects.

The Catalan executive has now approved the bill with some modifications and announced that it will process it in Parliament as an urgent priority before the end of 2020.

