

Environmentally related taxes by economic activity

Quality report for the 2018 data collection

Country Czech Republic

Date ...27.9.2018

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Please fill in this template and return it via EDAMIS web portal by 30 September 2018. Text in black is supposed to remain, while text in blue italics is for information and guidance, and it is not to be retained in the final report. Please write in English.

Some sections are pre-filled for your convenience. The most important and longest section for you to complete relates to comparability and coherence of ETEA data. In this section, you are requested to describe how the environmental tax statistics for your country are compiled.

Regulation (EU) No 691/2011 in article 7 requires that “Member States shall provide the Commission with a report on the quality of the data transmitted. The quality criteria as referred to in Article 12(1) of Regulation (EC) No 223/2009 shall be applied.” Those quality criteria are: relevance, accuracy, timeliness, punctuality, accessibility and clarity, comparability and coherence.

Relevance

The European Parliament and Council decided environmentally related taxes by economic activity shall be provided, through Regulation (EU) No 691/2011 on European environmental accounts adopted on 6 July 2011.

These environmentally related taxes are an important policy instrument to influence economic behaviour by “getting the prices right”.

These statistics are consistent with the System of Environmental-Economic Accounting (SEEA-CF) adopted the United Nations Statistical Commission as a world-level statistical standard in March 2012.

No special use in strategies at national level, data are published at CZSO web pages.

<https://www.czso.cz/csu/czso/environmental-accounts>

Data were used in the publications: Green growth in the Czech Republic – 2010

<https://www.czso.cz/csu/czso/green-growth-in-the-czech-republic-2010-a591berarf>

and Green growth in the Czech Republic selected indicators – 2013

<https://www.czso.cz/csu/czso/green-growth-in-the-czech-republic-selected-indicators-2013-whvt3a3q88>

Accuracy

[If data has been revised compared to a previous data transmission to Eurostat please inform us of the size of the revisions and the main reasons for them?]

No revisions

[Are you aware of specific problems with the quality of ETEA data reported? If yes, what steps do you take to improve the data quality?]

No specific problems with the quality

Timeliness and punctuality

The Regulation requires environmentally related taxes to be provided for the first time on 30 September 2013.

The Czech Republic transmitted the data to Eurostat on *27.9.2018* covering the years...
Energy taxes 2005 - 2016

Pollution taxes 2008 – 2016

Transport taxes 2008 - 2016

No resource taxes in the CR

[Are there more recent data on environmental tax revenues available in your country and not reported in the ETEA questionnaire (e.g. the data used for national policy purposes)?] No data on environmental tax revenues are prepared for the national purposes, data are published on the CZSO website after Eurostat's validating process

Accessibility and clarity

Data will be made available on Eurostat's web site as soon as possible after checking.

[Do you also publish this data nationally? - If yes, provide references. If the data are not disseminated at national level explain the reasons for it.]

Data on environmental tax revenues are published on the CZSO web site as soon as possible after Eurostat's checking

<https://www.czso.cz/csu/czso/environmental-accounts>

Comparability and coherence

[Please describe here the sources and methods used to compile the environmentally related tax statistics, specifying at least the information requested under the points below. This would typically require about 3-4 pages of text;

The starting point is the national accounts data on the taxes receivable by central, state and local governments. In which ways are source data used (presumably government cash receipts registered by the tax administration) adjusted to align with concepts of ESA?

Initial data source is the national accounts data, so we do not need to make any adjustment to comply this data with ESA, methods of the distribution by industries are in the text below

- Detailed data on government tax revenue by type of tax is submitted to Eurostat under the ESA transmission programme table 9. This includes the “national tax list”(‘NTL’) which identifies the taxes classified by the GFS data compilers as environmental. Did you review the list of environmental taxes for completeness?

The list of environmental taxes was reviewed in the framework of the Eurostat Grant Agreement No. 50304.2008.001 - 2008.327 finished in January 2011.

- How do you ensure that new taxes (or changes to the existing tax legislation) are added in a timely manner in the process of your data compilation?

The cooperation with the National accounts department is established and each new tax or changes in existing tax list are discussed.

- Please describe the methods and sources used to allocate the tax revenues by the tax payer.

1. Energy Taxes

Excise Duty on Mineral Oils, Tax on Natural Gas and Some Other Gases, Tax on Solid Fuels, and Tax on Electricity, Tax on emission allowances

1.1. Excise Duty on Mineral Oils, Tax on Natural Gas and Some Other Gases, Tax on Solid Fuels, and Tax on Electricity

Source Data

The following data sources were used:

- data on excise duties on mineral oils accruals from Ministry of Finance,
- data on tax on natural gas and some other gases, tax on solid fuels, and tax on electricity from Ministry of Finance,
- supply and use tables.

Estimation Procedure

First, commodities according to Classification of Product by Activity (CZ-CPA) were assigned to each tax:

- excise duty on mineral oils - CZ-CPA 192,
- tax on electricity - CZ-CPA 351,
- tax on natural gas and some other gases - CZ-CPA 352,
- tax on solid fuels - CZ-CPA 051, CZ-CPA 052, CZ-CPA 099 and CZ-CPA 192.

Energy taxes are levied on total consumption of these commodities with a few exceptions that are however negligible from the point of view tax revenue level. Next energy taxes based on supply and use tables were allocated to certain uses proportionally to uses in producer prices. The only exception was inventories where energy taxes aren't allocated.

Estimation Shortcomings

Acquired data on energy taxes broken down by NACE Rev. 2 represents the best possible estimation that meets all methodological requirements.

1.2. Tax on emission allowances (since 2011)

Source Data

The following data sources were used:

- accruals of tax on emission allowances from ESAP2GOV_NTL dataset

Estimation Procedure

2011 -2012 - This tax was related to the exclusive production of electricity. By changing the law on inheritance tax, gift tax and real estate transfer tax the gift tax on free transfer of emission allowances acquired by electricity producers was introduced in the years 2011 and 2012. The gift tax on free transfer of emission allowances was fully assigned to NACE code 35.

From 2013 - Tax on emission allowances covers government sales of emission allowances at stock market. The Czech government sell emission allowances at stock market (European Energy Exchange AG in Leipzig) and domestic enterprises buy some of them. This amount is determined according to the data on foreign trade. Only this part is D29. The record is based on the Eurostat methodology. From 2013 tax on emission allowances was fully assigned to not – allocated.

Estimation Shortcomings

Acquired data on tax on emission allowances represents the best possible estimation.

2. Transport Taxes

Road tax, Fee for Entry to Chosen Places on Motor Vehicle, Fee on car registration

2.1. Road Tax

Source Data

The following data sources were used:

- data from the Ministry of Finance on road taxes paid by natural and legal persons in 2016 broken down by NACE Rev. 2 economic classes (NACE code assigned by the Czech Statistical Office) and by institutional sectors,
- data on road tax accruals for 2016,
- data from P 5-01 surveys for 2016 item “Taxes and Fees” (part A025, row 19) broken down by NACE Rev. 2 in the sectors S.11 and S.14,
- total data of the item D.29 in the sectors S.12, S.13 and S.15.

Estimation Procedure

Road tax vector by legal persons from Ministry of Finance broken down by NACE Rev. 2 classes and sectors was allocated to sector S.11 – non-financial corporations (eventually S.12 – financial corporations, S.13 – general government and S.15 - non-profit institutions serving households) and natural persons’ vector was allocated to S.14 sector of households.

Since data from Ministry of Finance about road tax paid total broken down by NACE classes was not equal to 2016 road tax accruals the acquired vectors broken down by NACE Rev. 2 were used as distribution key of road tax accrual for 2016.

Methodology

The estimated vectors of paid road tax by NACE Rev. 2 classes in S.11 non-financial enterprises (resp. S.12, S.13 and S.15) and S.14 households sectors were compared with source data from D.29 other taxes on production group from P 5-01 survey containing road tax among others (resp. total data about D.29 in sectors S.12, S.13 and S.15). If estimated road tax was higher than D.29 in sectors S.12, S.13 and S.15, it was reduced and added to the sector S.11. After that, in the sector S.11, concerning classes where estimated tax level was higher, the tax value was reduced and the difference was added to the NACE 49.

Outcomes

Finally estimated road taxes for S.11 (eventually S.12 – financial corporations, S.13 – general government and S.15 - non-profit institutions serving households) and S.14 sectors were summed up. The values of the road taxes for the whole economy broken down by NACE Rev. 2 codes (120 classes) result from these calculations.

Estimation Shortcomings

Acquired data on road taxes paid by single NACE classes represent only estimations. Estimation shortcomings may be explained by the following facts:

- the data about road tax collected by the Ministry of Finance doesn’t equal to road tax accruals and the difference is distributed by the collected data,
- road tax estimations are limited to D.29 source data,

2.2. Fee for Entry to Chosen Places on Motor Vehicle

Source Data

The following data sources were used:

- accruals of fees for entry to chosen places and city districts on motor vehicle from ESAP2GOV_NTL dataset

Estimation Procedure

Fee for entry to chosen places and city districts on motor vehicle in ESAP2GOV_NTL dataset is divided into 2 tax groups:

- D.29 – Other taxes on production,
- D.59 – Other current taxes.

Data from D.59 was allocated to households. In case of data from D.29 an appropriate distributional key was not defined. That is why the whole sum was assigned to not allocated item. This approach was used for the whole time series.

Estimation Shortcomings

Acquired data represent only rough distribution of fees for entry to chosen places and city districts on motor vehicle between enterprises and households. With a view to fee nature one should expect that part of it is paid by non-residents. Since in 2008-2013 this fee has 0.02-0.03 percentage share within the total of environmentally related taxes and fees, the further distribution of this fee among NACE classes seems to be irrelevant.

2.3. Fee on car registration

Source Data

The following data sources were used:

- accruals of fees on car registration from ESAP2GOV_NTL dataset

Estimation Procedure

Owners of cars - households and companies - are obliged to pay administrative fee when a car is registered. Data on administrative fee on car registration is not available separately but is part of total amount of administrative fees. Therefore, car registration tax is estimated at National accounts department.

That is why the whole sum was assigned to not allocated item. This approach was used for the whole 2008-2016 time series.

3. Pollution Taxes

Water pollution fee, Underground water pollution fee, Air pollution fee, Fee for support of collection, processing, reuse and disposal of chosen automobile wrecks (since 2009)

3.1. Water pollution fee

Source Data

The following data sources were used:

- accruals of fees for water pollution fee from ESAP2GOV_NTL dataset
- data on fees for the water pollution fee, paid by enterprises (individual data) acquired from Customs Authority, the body which is responsible for collecting of fees

Estimation Procedure

Individual data from Customs Authority, the single payments of the fee by the entity. also contain ICO – identification number of the entity. For each company (ICO), we assigned NACE code in accordance with the classification of enterprise for the processing of national accounts. Then we calculate the proportion of the fee for each NACE code and these shares were used as the key for the distribution of the accrual amount from ESAP2GOV_NTL dataset.

Estimation Shortcomings

Acquired data on energy taxes broken down by NACE Rev. 2 represents the best possible estimation that meets all methodological requirements.

3.2. Underground water pollution fee

Source Data

The following data sources were used:

- accruals of fees for underground water pollution fee from ESAP2GOV_NTL dataset
- Estimation Procedure

The whole sum of fee was assigned to households, because taxpayers of this fee are predominantly households.

Estimation Shortcomings

Since in 2008-2015 this fee has 0.002-0.003 percentage share within the total of environmentally related taxes and fees, the further distribution of this fee among NACE classes seems to be irrelevant.

3.3. Air pollution fee

The following data sources were used:

- accruals of fees for air pollution fee from ESAP2GOV_NTL dataset
- data on fees for the air pollution fee paid by enterprises (individual data) acquired from Customs Authority, the body which is responsible for collecting of fees

Estimation Procedure

Individual data from Customs Authority, the single payments of the fee by the entity, also contain ICO – identification number of the entity. For each company (ICO), we assigned NACE code in accordance with the classification of enterprise for the processing of national accounts. Then we calculate the proportion of the fee for each NACE code and these shares were used as the key for the distribution of the accrual amount from ESAP2GOV_NTL dataset.

Estimation Shortcomings

Acquired data on energy taxes broken down by NACE Rev. 2 represents the best possible estimation that meets all methodological requirements.

3.4. Fee for support of collection, processing, reuse and disposal of chosen automobile wrecks (since 2009)

Source Data

The following data sources were used:

- accruals of fees for support of collection, processing, reuse and disposal of chosen automobile wrecks from ESAP2GOV_NTL dataset

Estimation Procedure

This fee relates to the registration of vehicles imported from abroad or first re-registration of the vehicle. With a view to fee nature we expect that taxpayers of this fee are predominantly households so the whole amount of fee was assigned to households. This approach was used for the whole time series.

Estimation Shortcomings

With a view to fee nature one should expect that part of it is paid by enterprises. Since in 2009 - 2013 this fee has 0.48-0.74 percentage share within the total of environmentally related taxes and fees and local government is responsible for the collection of fee, the further distribution of this fee among NACE classes seems to be irrelevant and considerably complicated.

- How do you estimate the taxes paid by non-residents?

Only excise duty on mineral fuels (energy tax) is paid by non – residents and this is allocated by consumption of mineral oils (fuels) to the category non residents.

- Data for the most recent year (t) shall be reported with the time lag of t+21 months, when some basic data (e.g. SUT for the NACE breakdown) may still not be available. How are the figures for the most recent year estimated in the absence of source data?

SUT tables are published in t+6 - preliminary version (CPA 2), t+18 semi definitive version (CPA 3) and this version is very close to definitive version. For the most recent year we came

out from semi definitive data, it is used for energy taxes and partly for transport taxes, distribution of pollution taxes is based on the tax payments of enterprises.

- Do you recalculate the breakdown by industry (NACE Rev. 2) for years before 2008? If yes, please specify the period for which the data are revised and the methods followed?

Before 2008 only data on energy taxes are recalculated, the distribution to industries is based on the supply and use tables, which are in NACE Rev.2.

There are no plans to recalculate any other data for years before 2008.

- Please indicate and comment on the completeness of ETEA questionnaire for your country, i.e., the percentage of observations requested in the questionnaire but not reported (“not available”) in the transmission to Eurostat.

0 percent

Metadata available at country level:

- Do you have national descriptions of the methodology you use? If yes, please provide them.

No national description of the methodology

- Do you have national quality reports already available? If yes, please provide them.

No national quality reports.