

THE USAGE OF THE ENERGY EXCISE TAXES FOR STIMULATING THE INVESTMENTS IN TO THE ENERGY SAVING TECHNOLOGIES AND REDUCING GREENHOUSE GAS EMISSIONS IN UKRAINE

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The problems of environmental pollution, usage of comprehensive resources, and the solutions of those problems start to gain more and more importance in the politics of different countries. Daily increasing in carbon dioxide gas in the atmosphere affects Climate Change, and those methods, which are used on the large power plants for reducing carbon dioxide emissions, are not valid in the case of transport vehicles. The high Ukrainian economy energy intensity consumption level, which nowadays in 2.6 times exceeds world average level – is the another big problem.

Therefore, the necessity to create an additional mechanism for regulation the Ukrainian environmental policy has been appeared, the usage of which would assist to decrease the greenhouse gas emissions; stimulate the economical usage of the energy, at the same time would assist to decrease energy capacity of the GDP and provide us with the opportunity to increase investment into the energy saving technologies.

Tax system - the most active tool of the governmental social-economic development regulation, investment activity, foreign economic activities, structural changes in production and accelerate the development of the priorities sectors.

Using the experience of developed world countries, we can conclude that excise tax takes one of the prominent places in the tax system. Thus, in Poland, Czech Republic and Hungary the excise income is equal to 10-15% from all tax incomes; in Canada - 9.9; in Japan - 7.3; in the USA - 6.8 %. In the European Union countries, particularly in Belgium for the last four years period the excise tax was 5% of the all country budget income; in Greece - 22%; in the UK, Ireland, Finland and Portugal this figure was at 12,2%-13,3%; in Germany and France - respectively, 8.4% and 6.4%. The most important source of income for those stays excise tax on energy.

General European countries tax energy products system is based on Council Directive 92/81/EEC and Council Directive 92/82/EEC, but, taking into consideration that fact that the Directives were accepted in 1992, in the practice excise rates are higher than it was proposed and they are differs between countries.

The analysis of the Ukrainian existing excise taxation system shows a significant distinction between the practical approaches which are applied for excise duty and theoretical bases of it's operations in the tax systems of the countries with the market economies, which is the main reason of permanent destabilization of the markets excisable goods due to random and frequent changes of the correspondent legislative field.

In Ukraine, excise rates are determined by the Law of Ukraine "The excise duty rates and import duty on some goods (products)" dated from 11 July 1996 N 313/96-V, projects of the Tax Code, developed by deputies of Ukraine M. Katerinchuk and K. Lyapina and Tax Code of the Ministry of finance of Ukraine dated from 31.05.2007. Both of them consider 2 areas for taxations, which are

related to environmental policy, - excise on petroleum products and excise on vehicles. Mentioned codes have different rates of excise duties on some petroleum products.

In accordance to the all mentioned above, the main aim of the research is to investigate the possibilities of usage of the excise taxes on the energy sources for the further investment stimulation into the energy saving technologies, reduction of the greenhouse gas emissions volumes in Ukraine.

In the energy sector the priority directions are: fuel combustion (called sectoral approach) and indirect costs. The indirect costs (expenses) impose tax on the emissions of carbon dioxide. In the fuel combustion the excise duty is imposed on the following industries:

- Energy:

- 1) production of the heat and power;
- 2) oil purification process;
- 3) production of solid fuels and other energy products.

- Transport.

Taking into consideration that fact that the rates, which have been proposed in the projects of the Ukrainian Tax Code, are low, and also examining the experience of the European countries, the increasing of the tax rates on the energy resources and oil (petroleum) products could be recommended.

The proposal to increase the excise rates was brought forward by Interpolation method, which should bring Ukraine closely to the recommended rates by the EU Directive till the 2030 year.

The excise duty implementation was proposed and the next excise rates were recommended and approved for the next energy sources till the 2030 year: natural gas (0,15 Euro / gigajoule), oil (15 Euro/tons), coal (0,15 Euro/gigajoule); in addition, the new excise rates for those energy sources, the collection of which have been foreseed by the Ukraine Tax System: petrol (359 Euro/ton) diesel fuel (302 Euro/ton), jet fuel (302 Euro/ton).

Having all those proposed increasing of the excise rates and also the quantity of the each energy sources, which is consumed by the certain field according to proposed excise duty, the hypothetical potential incomings for the government budget could be calculated. Potential incomes from the usage of petroleum excise rates, which are proposed in the project Tax Code are (in percentage of GDP): 0.8% in 2005 year, 1.09% in 2010 year, 0.99% in 2020 year, 0.63% in 2030 year, and are low in comparison with incomings from petroleum products, the excise rates of which were proposed in our research in accordance with EU Directives (2.47% in 2010 year, 5.04% in 2020 year, 5.05% in 2030 year in percentage from GDP). The potential incomings to the government budget from energy recourses as a percentage of GDP are following: 0.09% in 2010, 0.19 in 2015, 0.22% in 2020 and 0.11% in 2030.

After receiving the results, we saw that the potential incomings from energy sources excise duties to the government budget are pretty significant. But, it is important to noted, that the excise rate is too high as for Ukraine, that's why the compensation system is justified and necessary. Therefore, the money refund may be realized as grants for further modernization of the current technologies. Under current situation the businesses will be stimulated to develop plans for upgrading technologies or launching innovations in order to reduce carbon emissions. Introducing the privileges (benefits) on the consumption, for instance in thermal energy, will allow stimulating the customer on its own to conduct energy saving actions in his (her) apartment or

even in the whole house. In addition it is proposed to attract the government investments (funds) into the development of the infrastructure - building and maintenance of roads, bridges, airports, railway lines, development and distribution of the electricity. Also it is possible to use the funds in the form of investments for expansion and modernization of public transport. Introduction of the privileges (benefits) for the high quality fuel consumption will stimulate the consumers for reducing the usage of diesel as a dirty fuel.

Thus, the international experience is a good example for Ukraine in the process of tax system reforming. As it is could be seem from the research, there is possibility to increase the excise tax rates in Ukraine in order to increase the incomings into the governmental budget. As a result of the excise tax usage the new opportunities are opened in order to decrease the greenhouse gas emissions, increase investment into the energy efficient technologies and alternative energy sources in Ukraine.