



ISSUES ON FINANCING SOURCES OF ENVIRONMENTAL FUND IN ROMANIA

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Abstract:

Environmental taxation has been developing for decades and it started to gain its importance, especially with the European Union extending. The usage of taxes as a part of environmental policy has been known for some time in Romania and developments in this area continued year by year. The present paper explores the current system of environmental taxes in Romania. It highlights the importance of car pollution tax in financing Environmental Fund and the existence of many tax liabilities irrelevant as financial importance.

Key words: *environment fund, public resources, public budget, environmental taxes*

1. Introduction

Environmental taxes are increasingly considered a useful and important part of the policy mix. When carefully designed such instruments can provide economic incentives which can encourage dynamic innovation, change the business case for investment, and inform consumer choice; thus helping to deliver economic, social and environmental benefits. Progress is often held back by various obstacles including some concerns over competitiveness impacts, public resistance to new taxes and the political costs of action (Withana, S et all, 2014). If the right level of taxation can be found, the social costs of pollution can be internalised to the agent, but knowing the correct tax rate is extremely difficult, particularly for large-scale problems such as global warming and atmospheric pollution (Etheridge B., Leicester A., 2007)

Environmental taxes have been widely introduced across Europe and elsewhere. The main purpose of green taxes is to reduce pollution or conserve natural resources. Taxes can reliably raise revenues and change behaviour at the same time. The argument for environmental taxes is that, if a product or activity is made more expensive, people will respectively buy or do less of it. If the activity is associated with excessive environmental damage, this will reduce the environmental damage. [Green Fiscal Commission, 2009]

Eurostat has argued that an environmental tax is 'a tax whose tax base is a physical unit (or a proxy of it) of something that has a proven, specific negative impact

on the environment'. [Eurostat, 2001] Environmental taxes are those that meet all of the following three principles: [European Environment Agency, 2016] 1. the tax is explicitly linked to the government's environmental objectives; 2. the primary objective of the tax is to encourage environmentally positive behaviour change; 3. the tax is structured in relation to environmental objectives, for example: the more polluting the behaviour, the greater the tax levied.

The five main reasons for using environmental taxes are summarised below [European Environment Agency, 1996]:

1. Bringing „externalities” into prices - the main economic reason for using taxes in environmental policy is to bring the costs of pollution and other costs of using the environment called externalities- into the prices of the goods and services produced by economic activity

2. Incentive effect - an environmental tax provides an incentive to avoid the tax by using, or generating less of, the substance being taxed.

3. Minimising pollution control costs - a regulation on pollution control usually expects all polluters to reduce their pollution by the same extent, irrespective of their costs of doing so; an environmental tax allows each polluter to decide whether its cheaper to pay the tax or to reduce pollution.

4. Encouraging innovation - if the prices of some goods are increased through environmental taxes then this can encourage new ways of meeting our needs.

5. Raising revenue - given that producers and consumers will probably not cease entirely the activities that are being taxed, the taxes and charges will raise revenues.

There are some condition that can be use to pattern a design for environmental taxes: environmental tax bases should be targeted to the pollutant or polluting behaviour, with few (if any) exceptions; the scope of an environmental tax should ideally be as broad as the scope of the environmental damage; the tax rate should be commensurate with the environmental damage; the tax must be credible and its rate predictable in order to motivate environmental improvements; environmental tax revenues can assist fiscal consolidation or help to reduce other taxes; distributional impacts can, and generally should, be addressed through other policy instruments; clear communication is critical to public acceptance of environmental taxation; environmental taxes may need to be combined with other policy instruments to address certain issues. [OECD, 2011]

Given the convincing economic and environmental justification for using environmental taxes, one can ask why they are not used more intensively. The reason a general perception of a high tax burden within the EU which leads to a resistance against further increases, unless crisis situations make them unavoidable. [Rosenstock M., 2014]

The paper proceeds as follows: the first section discusses briefly some introductory issues regarding environmental taxation, the second section details the current system of environmental taxes and revenues in Romania and the last section concludes.

2. Analysis of environmental fund resources during 2009 – 2016

Environmental Fund is an economic-financial instrument designed to support and implementation of projects and programs for environmental protection and to achieve the EU's objectives in the field of environment and climate change in accordance with the law. [OUG nr. 31/2013] It was originally established by Law no. 73/2000 as a special fund outside the budget, with own incomes and expenditures. Environment Fund in Romania is established under the European principles of "polluter pays" and "producer responsibility" to implement environmental protection legislation, harmonized with the *acquis communautaire*, being regulated by Emergency Ordinance no. 196/2005 regarding the Environmental Fund, as amended and supplemented. The institutions responsible for managing the Environment Fund is the Environment Fund Administration (EFA). It is a public institution with legal personality, fully financed from own funds. The budget of the Environment Fund and the EFA is annually approved by Government decision on a proposal from the central public authority for environmental protection. Environmental funding is done through a series of own revenues regulated by Law no. 196/2005, updated in December 2016 and collected from households, businesses and public institutions.

As it can be seen in the figure below, the amount of financial resources available to fund environmental projects varies every year, without allowing the identification of an evolutionary trend. Although funding sources are relatively constant over the period under review, budgetary provisions shows considerable annual variations due to frequent changes of legislation and methodology for calculating cars' pollution taxation (e.g. three times in 9 years!). Therefore, the trend of Environmental Fund incomes is given by the trend of revenues from taxing the pollution made by vehicles.

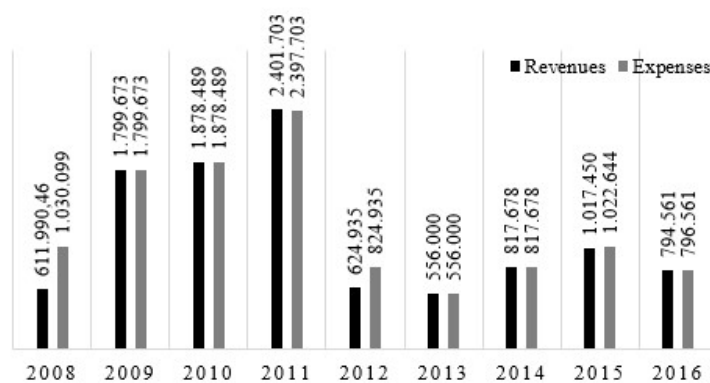


Figure 1: Revenues and expenses of Environment Fund in Romania (thousands lei)

Source: Author according to Environment Fund Budget (www.afm.ro)

It can be highlighted the lack of surpluses / deficits worrisome for this budget, the principle of budgetary balance is respected in 2009, 2010, 2013 and 2014. In 2016 Environment Fund budget deficit stood at 2 millions lei, generating a need of additional funding of 2.5%. EFA has access to nearly 0.1% of Romania's GDP in 2016 to fulfill the tasks incumbent by law. The figures indicate almost a tripling of financial resources of the Environment Fund in 2009 compared to 2008 due to the introduction of car pollution taxation in 1st of July, 2008. The next three years are characterized by the most important money collections to the Environment Fund, instead changing legislation in 2012 generated a revenue drop for the environment by 74%. Budgetary provisions for 2016 indicate financial resources representing 1/3 of 2011, down by 22% compared to 2015.

As it can be seen in the following figure, it is obvious that the main source of funding to the Environment Fund in Romania is based on fees according to law. Tax revenues accounted 90% of total revenues over the years, non-tax revenues are insignificant.

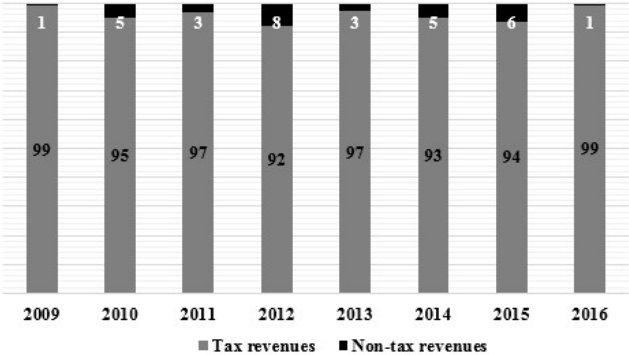


Figure 2: Types of revenues of Environment Fund (%)
 Source: Author according to Environment Fund Budget (www.afm.ro)

The main source of non-tax revenues is represented by the interests paid to the Environment Fund, except for 2014 and 2015 when were recorded revenues from the sale of greenhouse gas emissions certificates. 2014 customizes by budgetary provisions amounting to 13.3 million lei, representing funds received from the EU to finance environmental programs.

Car use shows an undeniable advantage to humanity, but besides that they are noisy, they heavily pollute the environment. For these reasons it started a national program of replacing older and more polluting cars with newer and less polluting cars. To finance this key project, Law no. 343/2006 amending and supplementing the Law no. 571/2003 (regarding the Fiscal Code) has introduced a special tax for motor vehicles, applicable since 1st of January, 2007 and due for the first registration of a vehicle in Romania. Vehemently challenged by civil society, the special tax was eliminated, but the Government Emergency Ordinance no. 50/2008 imposed a

pollution tax for cars and it entered into force on 1st of July, 2008. This new motor vehicle tax is designed to tax the pollution produced by a vehicle first registered in Romania. This tax known many changes over time due to the opening of infringement procedures by the European Commission against Romania. With all these changes, it can be seen in the chart below that the revenues from this tax exceed revenues from other sources.

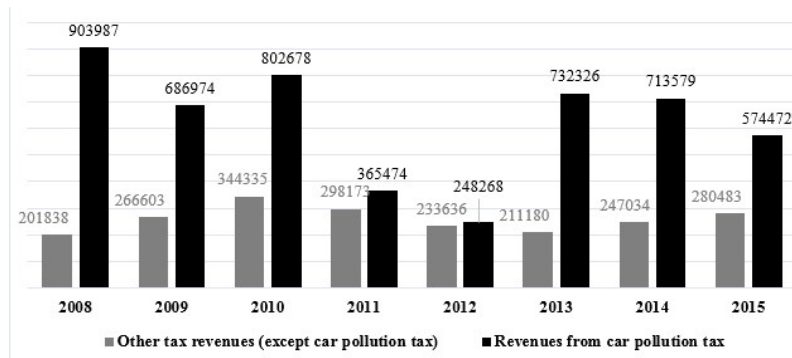


Figure 3: Revenues from vehicle pollution tax in Romania (thousand lei)

Source: Author according to Environment Fund Budget (www.afm.ro)

Since its establishment in 2008 as tax on car pollution [OUG nr. 50/2008], it generated considerable sums in the budget of Environment Fund, about 904 millions lei, over 4 times more than the tax revenues from other sources. Bulky collections were maintained in the 2008-2010 period when the calculation of tax liabilities take into account: Euro category, the quantity of carbon dioxide in g/km, vehicle's age by date of first registration, average annual tachometer expressed in kilometers, overall vehicle state, air conditioning equipment, airbags, ABS, engines equipped with particulate filter. [HG nr. 686/2008] The tax is expressed in euro / gram of CO₂. Calculation of tax was based initially on the following principles: tax is directly proportional to Euro category (quantity of CO₂ grams), the tax is directly proportional to the cubic capacity of the vehicle for each category, the tax is indirectly proportional to cars'age (an old vehicle is considered that pollute less time, opposite a new vehicle is deemed to pollute a longer period of time).

Challenged by citizens, the tax had a negative impact social standpoint and its high value led to partial blockage on market transaction with cars existing in Romania. The direct impact on the population was the one of repulsion. The amendment of Romanian legislation and illegal framing by European decision enabled the growth of taxpayers' applications for tax refund.

GEO no. 50/2008 was amended every year before being repealed by Law no. 9/2012 regarding the tax for pollutant emissions of motor vehicles, which came into force on 13th of January, 2012. This law replaced the pollution tax with a new tax, a

kind of fee for emissions made by cars. In this case, the obligation to pay the tax arise not only the first registration of a vehicle in Romania, but also, under certain conditions, with the first transcript in Romania of a second-hand vehicle. Regulation regarding second-hand vehicles seems to not be in compliance with art. 110 of the Treaty on the Functioning of U.E. regarding second hand cars imported from European Union member states to put into circulation in Romania. So, that duty in this case was discontinued by 1st of January, 2013. Amendment of 2012 brings the lowest revenues to the Environment Fund, namely 248 millions lei, an amount roughly equal to receipts from other sources.

The next step was given by Emergency Ordinance no. 9/2013. It establishes the legal framework for environmental stamp, which comes to replace the tax for pollutant emissions made by vehicles. The obligation to pay the environmental stamp occurs only once, when the first owner in Romania records ownership of a vehicle and he/she gets a certificate of registration and the registration number for the car. Therefore, the law reinstate a compulsory tax payment for second-hand car. Calculation of environmental stamp is in euro and it takes into account Euro category, the quantity of grams of CO₂/km, type of vehicle, engine capacity, the age of the vehicle, the type of ignition engine (spark / compression), value of tachometer expressed in km/year and the overall state of vehicle.[OUG nr. 9/2013]

It can be found a direct proportion between environmental stamp value and the quantity of CO₂ emissions and engine capacity vehicles, but environmental stamp is indirectly proportional to age of vehicle and the tachometer value. By introducing environmental stamp the Environment Fund receive considerable revenues, over 700 millions lei in 2013 and 2014, ie three times more than revenues from other sources. For 2015 it is seen a 20% decrease in revenues from environmental stamps even if they maintain their collections twice than other revenues.

The infringement procedure is initiated by the Commission against states that do not respect Community obligations, and this situation is always open because, under the guise of a tax or stamp environment (or other names used over time) is imposes a tax that distorts the common European market, creating discrimination. Specifically, it's not in the spirit of common free market to create competitive advantages of a certain category of vehicle over another, no matter who it is. There are ten years since the pollution car tax was first introduced, but the scenario repeats: at a certain stage of carrying out the infringement procedure initiated by the European Commission the Romanian government cancels the charge, then it is reinstated by changing the name. Car pollution tax soap continues with a new episode since 9th of June, 2016 when environmental stamp was declared illegal by a decision of the European Court of Justice.

The current legislation on the financing the Environment Fund in Romania includes 25 tax liabilities (exclusive environmental stamps for vehicles), whose value exceeds a cashed amount of money in the last 5 years of 200 mln lei, with a peak of 344.3 million lei in 2010. From an evolutionary standpoint it stands 2008-2010 when there is a significant increase of these revenues by 29-32% annually. After 2010, a

year of legislative changes, other tax revenues know a downward trend until 2013, with a maximum decrease of 21% in 2012 as compared to 2011. Since 2014 it is identified an increase in other tax revenues. Budget appropriations for 2016 predict an increase of approximately 30% of revenues from these sources.

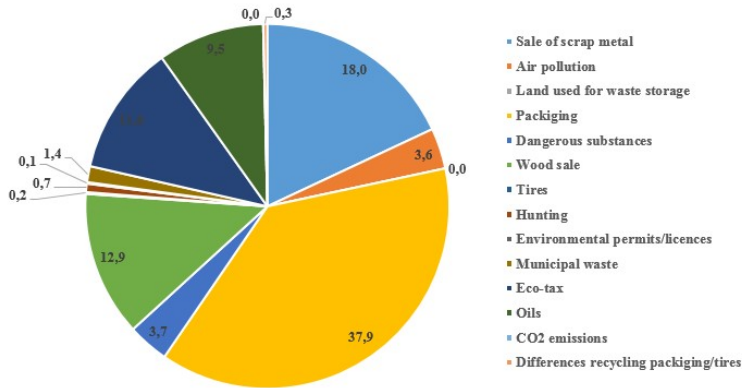


Figure 4: Structure of other revenues in 2016 (%)
 Source: Author according to Environment Fund Budget (www.afm.ro)

Regarding the structure, funding from other tax revenues is based on five sources of financing of the 25 stipulated by law. Thus, it can be seen in the chart above that the revenues from taxation the quantity of packaging placed on the national territory and non-recycled hold the largest share in 2016 (37.9%), although their share in the previous year does not exceed 7% of other tax revenues. Revenues from personal income taxation from selling scrap metal is ranked 2nd with a share of only 18% in 2016, although in previous years the share of these revenues stood around values of 30-40%. The next source of financing is represented by tax obligations paid by the hunting administrators, this represents 12.9% of total other tax revenues in 2016. The share of these revenues to the Environment Fund witnessed a decline after 2014 when it peaked 20%. Eco-tax paid for recyclable bags and nets are another important source of financial resources. With a budgeted amount of 43.6 million lei in 2016, the eco-tax is 11.6% of other tax revenues. Over the reviewed period, eco-tax provides about 10-12% of these revenues. Last basic revenues is given by taxes paid by economic entities that introduce in the national market with different types of oils. This type of revenue generates about 9.5% of other tax revenues in 2016. Introduced in 2012, it had not such an importance each year. For example, in 2014 it held a share of only 4.8%. The other categories of tax revenues do not show significant shares in other tax revenues.

The paper will treat more details on various sources of financing of the Environment Fund. The first type of income that you approach is represented by the contribution of 2 lei / kg due by economic operators who introduce packaged goods on the domestic market. The obligation to declare to the Environment Fund this tax

returns to entities which introduce on the national market packaged products, which wrap packaged goods, which distributes for the first time packages on the national market, which hire packaging. Entities are required to recycle or incinerate certain minimum quantities of packaging, according to the legislation. The objective is to recover and to harness some minimum quantities of used packaging. The tax is payable on the difference between the minimum quantities of packaging waste to be recycled / incinerated and actual quantities of packaging waste recycled or incinerated.

Table 1: Minimum targets for packaging recovery or incineration since 01/09/2013

| Objective to recover through recycling / material type (%) | | | | | | | Overall recovery target by recycling (%) | Global recovery target by incineration (%) |
|--|---------|------------------|-------|-------|-----------------|------|--|--|
| Paper | Plastic | | Glass | Metal | | Wood | | |
| | Total | Of which for PET | | Total | Of which for Al | | | |
| 60 | 22,5 | 55 | 60 | 50 | 21 | 15 | 55 | 60 |

Source: Appendix no. 3 Government Emergency Ordinance no. 196/2005 on the Environment Fund, updated 2013

Economic operators who introduce on the national market new tires and / or used tires for reuse have to pay a contribution of 2 lei/kg. The entities pay only if targets are not met. Specifically, the payment is done for the difference between the minimum quantities of tire to be managed according to law and the quantities actually managed according to the values set by legislation in 2010.

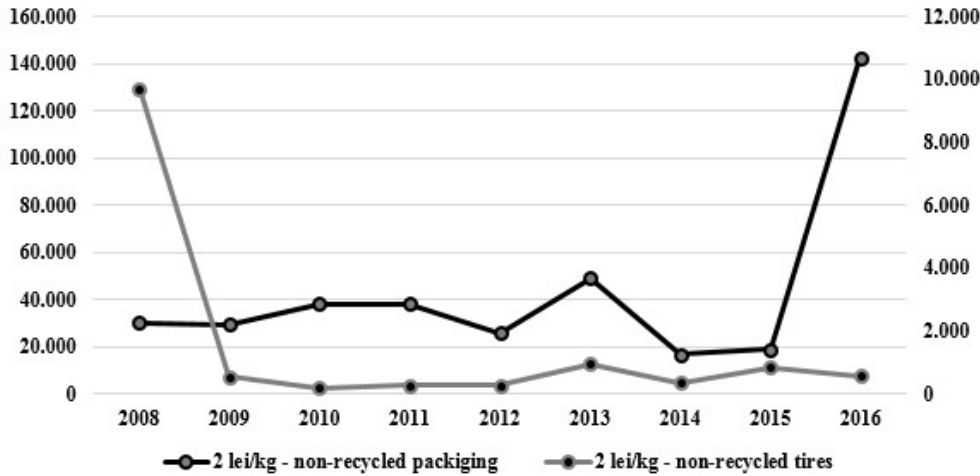


Figure 5: Taxes for quantities of packaging/tires introduced in Romania and non-recycled (thousands lei)

Source: Author according to Environment Fund Budget (www.afm.ro)

Tax revenues from non-fulfillment of packaging and tires recycling targets evolved relatively constant evolutions over the analyzed period. Money received for failure in packaging recycling amount to annual values between 20-40 millions lei, with a minimum of 16.6 millions lei in 2014 and a maximum of 142.5 millions lei budgeted for 2016, although the tax liability has not been amended during the analyzed period. Revenues from this contribution for failure in packaging recycling represents over 35% of revenues from other tax in 2016, knowing a considerable increase as compared to 2014 and 2015 when they held a share of 6.7%. Less significant are revenues from taxation of tires quantities which were not recycled. Their share in the period of 9 years is not greater than 0.5% of tax revenues (exclusive car pollution tax). The highest receipts were foreseen in the budget of 2013 (0.95 million lei), due to annual increases after 2010. Since 2016, a contribution of 2 lei/kg is charged for authorized entities to take over obligations of packaging or used tires recycling since 2014. The charge is paid for the difference between the quantities of waste (packages/tires), corresponding annual targets set by law, and the quantities actually recovered or managed on behalf of clients for which they took obligations. There are expected revenues of over 1 million lei from this source in 2016.

Another category of waste that generate financial resources for environmental programs is the contribution of 3% applied to income earned by the population and companies from selling ferrous and nonferrous scrap metal. The amounts are withheld at source by entities carrying out collection and / or recovery of waste, and subsequently transferred to the Environment Fund. Revenues from this source experienced a steady increase since 2008 until 2012, and their share in tax revenues (excluding car pollution tax) ranged from 33%-41% by 2014 although the absolute value experienced a decrease after 2014. 2016 budgetary provisions refer to revenues estimated at 67.8 milins lei, down by 10% from last year.

Woodland owners due to the Environment Fund to a contribution of 2% of the incomes from the sale of wood and / or wood materials. They are not considered sales of firewood, trees and ornamental shrubs, Christmas trees and willow saplings. The contribution is calculated on sales of the wood and / or wood materials. As it can be seen in figure no. 6, money paid by forest owners evidenced an increase each year during the nine years analyzed, except 2013, due to massive wood cuts in the last decade. The increase of receipts from wood sales is due to an increase in tax rate since 2009 from 1% to 2%. Since 2014 their volume has exceeded a threshold of 40 millions lei, given that before 2009 did not exceed 10 millions lei. From a structural point of view, the share of tax revenues from wood sales varies each year between 4.8% in 2010 and 19.9% in 2015 of tax revenues (excluding car pollution tax).

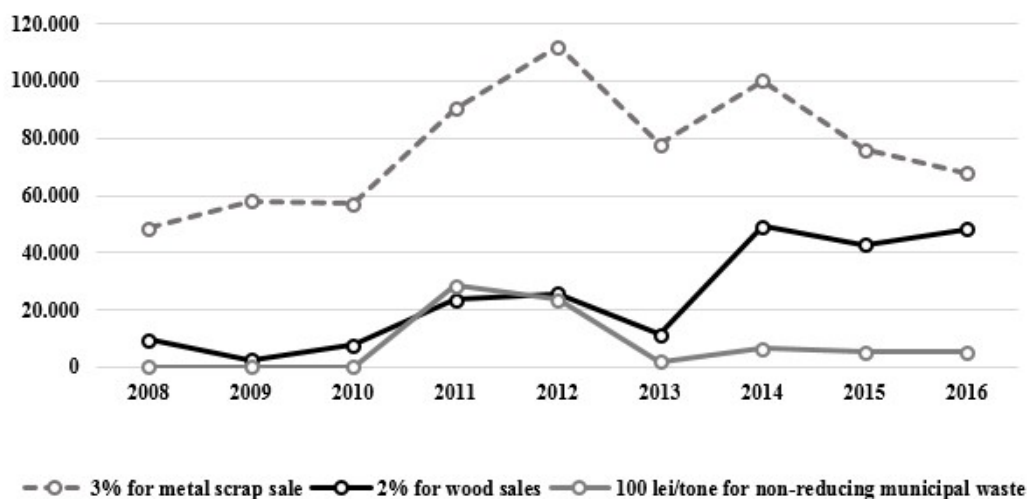


Figure 6: Taxes for selling waste / wood (thousands lei)

Source: Author according to Environment Fund Budget (www.afm.ro)

Since 2011, the administrative-territorial units are required to reduce by 15% the quantities of municipal waste disposed in landfills. In case of failure of this objective, they owe a contribution of 100 lei/t for the difference between the quantity actually stored and the quantity representing 85% of values recorded in the previous year. Revenues from the mayors originally recorded values of over 23 mln lei, which after 2013 have decreased by 70% reaching values of 5-6 mln lei in terms of their share in tax revenues (excluding car pollution tax). It decreased from 10% in 2011 to only 1.4% in 2016 according to the budget adopted by the Environment Fund Administration.

From issuing licenses, agreements and environmental permits the Environment Fund receive revenues that did not exceed 0.1-0.2% of tax revenues (exclusive car pollution tax). We can not identify a trend in the evolution of these revenues, although they have values below 0.5 mln lei throughout the analyzed period, as seen in the figure below.

There are some fees paid by entities that use new land for storage of recoverable waste. From this source were collected several thousands of lei annually, insignificant amounts as compared with other sources of funding to the Environment Fund. In the analyzed period the revenues from this source stands around 0.01% of total tax revenues (exclusive car pollution tax). The fee is set at maximum 4 lei / sqm / year and depends on the category of waste. Since 01.01.2017 the tax becomes a tax collected by the owners or managers of non-hazardous landfills for inert waste and entrusted by a third party to final disposal in landfills. Fees charged for non-hazardous inert waste in 2017 will be 80 lei / ton and from 2018 will be 100 lei / ton. [Legea nr. 384/2013]

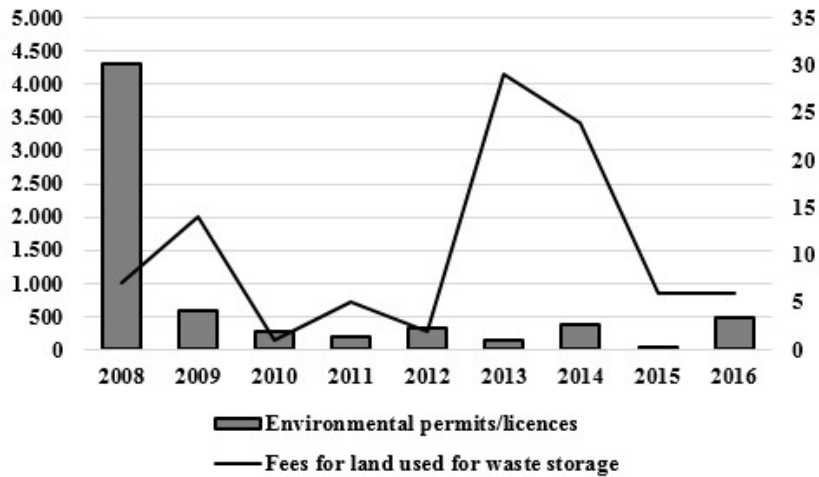


Figure 7: Other fees to Environment Fund (thousands lei)

Source: Author according to Environment Fund Budget (www.afm.ro)

Another income of the Environment Fund is given by fees for pollutant emissions into the atmosphere. These tax liabilities are owed by the operators of stationary sources holders whose use affects environmental factors. These charges have values depending on the type of emissions and they are established in lei/kilogram. Revenues from this source are not negligible, although it is impossible to identify a trend. It noted 2010 as the year when 33.2 mln lei were collected from taxes for air pollution. Starting with 2011 these type of revenues decreased considerably, reaching in 2015 to 40% of revenues collected in 2010. From a structural point of view, the share of revenues from taxation of air pollution varied from 20% of tax revenues in 2010 to 5% in 2015.

An important source of money is the eco-tax. Eco-tax generates revenues of several millions lei. It has a value of 0.1 lei / piece and it is applied to pouches and bags for shopping, with integrated or applied handle, made of materials derived from non-renewable resources. The fee is collected from operators who place on the national market such packages. Eco-tax is distinctly outlined on sales documents, and its value is displayed prominently at the point of sale to inform end users. There are considered non-renewable resources the following: polietilena, polystyrene, polyvinyl chloride, polypropylene, etc. Although until 2009 eco-tax value was 0.2 lei/piece, the revenues experienced an upward trend during 2008-2012, reaching the value of 38 millions lei, as it can be seen in the figure above. For 2016 revenues from eco-tax are expected to exceed 2012 values. From this source of funding it is ensured approximately 11% of tax revenues (excluding car pollution tax).

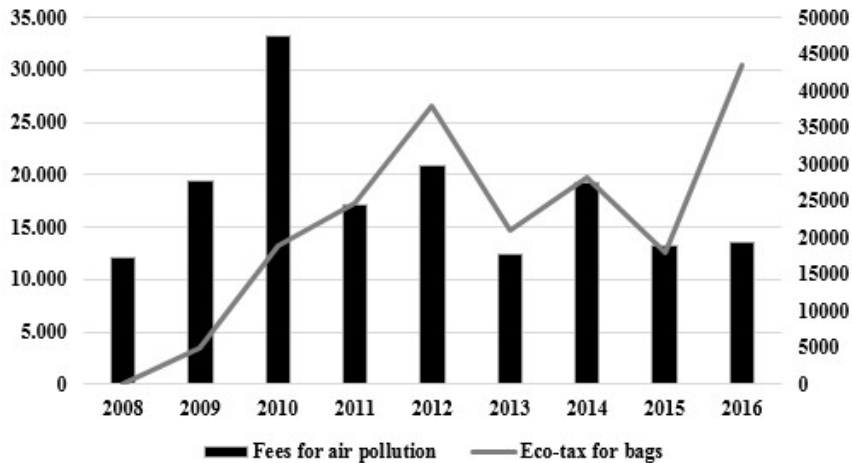


Figure 8: Taxation of air pollution and bags' pollution (thousands lei)

Source: Author according to Environment Fund Budget (www.afm.ro)

A 2%-3% percentage of tax revenues (exclusive car pollution tax) is represented by revenues from exploitation of hazardous substances. In case of economic operators who place on the national market environmentally hazardous substances is due a fee of 2% of their sales, excluding VAT. It can identify an annual increase of financial resources from this source in the nine years analyzed, the volume of receipts ranged from a minimum of 2.9 mln in 2009 and a peak of 13.7 million lei in 2016.

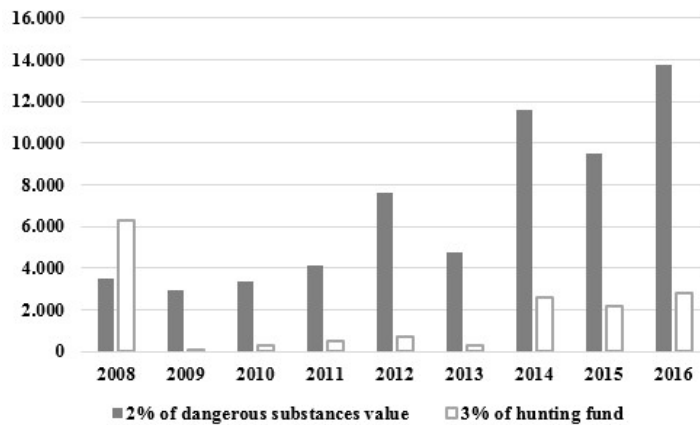


Figure 9: Taxes for dangerous substances introduces in Romania and for hunting (thousands lei)

Source: Author according to Environment Fund Budget (www.afm.ro)

From the above figure it can be seen an insignificant source of resources to the Environment Fund. Hunting fund managers pay a contribution of 3% of the amount received for hunting management. Amounts collected from them are around 0.2% of annual tax revenues (exclusive car pollution tax). The absolute amounts not exceed a few hundred lei annually, although the highest values were recorded in 2014-2016.

Other insignificant revenues to the Environment Fund include a fee of 0.3 lei / kg, applied to quantities of oil, mineral-based, semi-synthetic, synthetic, with or without additions. This fee is payable by operators who place such products on the national market. Although it generates revenues since 2012, in this form it is since 2014. Revenues of 2015 and 2016 are around 10% of tax revenues (excluding car pollution tax) and cash amounts estimated for 2016 exceed 30 mln lei in 2016.

There is a sporadic source of revenues. It is about revenues resulting from the application of 100 euro penalty per tonne of carbon dioxide equivalent emitted. The penalty is paid by companies that had not repaid allowances for greenhouse gas emissions corresponding to quantities from the previous year. This penalty increases annually by the European Index of Consumer Prices. Romanian legislation also provides a range of sources of funding for environmental projects, but authorities estimates some revenues in the recent years. In this category are included:

1. The amounts resulting from the sale of AAUs surplus [OUG nr. 29/2010]
2. The amount representing the value of green certificates not acquired [Legea nr. 220/2008]
3. The equivalent in lei of the amount obtained by auction of unused emissions' certificates and according to Romania's projects between 2008 and 2012 and under the scheme for trading emissions certificates of greenhouse [OUG nr. 115/2011]
4. A contribution of 4 lei/kg or 20 lei/kg, due by economic operators who place on the national electrical and electronic equipment; a contribution of 4 lei/kg for portable batteries and accumulators, payable by operators who place on the national market portable batteries and accumulators; [HG nr. 1.132/2008] These tax liability come into effect from 1.1.2017.

One issue facing the Environment Fund Administration is a considerable amount of outstanding tax obligations. So, in the period 2009-2015 were issued annually over 1000-2000 documents of execution with annual rates reaching up to 200 millions lei. Furthermore, EFA requested the opening of insolvency proceedings for entities having outstanding payments between 4 mln lei in 2015 and 411 mln lei in 2012. There were affected 21 economic entities in 2015 and 2084 economic entities in 2010. As a result of tax audits conducted to economic agents it were found differences regarding undeclared tax liabilities to the Environment Fund, ranging from 33 mln lei in 2010 to 164 mln lei in 2015. To these are added interests and penalties to a level between 27% in 2015 and 67% in 2012 of undeclared taxes to Environment Fund.

3. Conclusions

Environmental taxes are an efficient but controversial way for governments to raise revenue, and most policy makers now agree that making the polluter pay should be one of the principles of an effective modern tax system. For an environmental tax to work, it must punish the polluter and encourage less environmentally damaging behaviour. Environmental taxes should stimulate the development of new, less environmentally damaging products. [ACCA, 2012] Over the last decade, taxes have played a growing role in environmental policies.

The main source of revenues in the Environment Fund budget of Romania is represented by several types of fees established by law. Tax revenues accounted 90% of total revenues over the years and non-tax revenues are insignificant. Since its establishment in 2008 as tax on car pollution, it generated considerable revenues to the budget, over 4 times more than the tax revenues from other sources. Regarding the structure, funding from other tax revenues is based on five sources of financing of the 25 stipulated by law. These are: revenues from taxation of the quantity of packaging placed on the national territory and non-recycled, revenues from personal income taxation from selling scrap metal, tax obligations paid by the hunting administrators, eco-tax paid for recyclable bags, revenues paid by economic entities that introduce in the national market with different types of oils. Most environmentally related taxes do not raise significant revenues for governments. Most of the revenue from environmental bases is drawn from only a few taxes and charges. The choice of tax base and tax rate in particular depends on the specific context in which the tax will be used.

The environmental taxes can be a powerful device for changing behaviour. There has been a frail development in recent years, but there is also some uncertainty about the long-term structure of environmental taxes in Romania.

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