Question for written answer E-015688/2015 to the Commission Rule 130 Fredrick Federley (ALDE)

Subject: Sweden's application of a carbon tax and reduction of tax on biofuels

At the ongoing COP-21 in Paris, the countries of the world are trying to reach agreement on a climate agreement to limit global warming. In Sweden's case, this entails continued reductions in emissions from transport.

An effective instrument to use in this connection is taxes which seek to influence behaviour that will affect the climate, and since 1991 Sweden has applied the principle that only fossil fuels should be subject to a carbon tax. This makes it cheaper to opt for renewable fuels and more expensive to use fossil fuels, which has played a major role in reducing emissions. It is the incentive that is required for conversion to a sustainable vehicle park.

However, Sweden has a State aid permit from the EU, and has therefore been able to apply a lower rate of taxation to biofuels. On the other hand, Sweden's derogation from energy tax and carbon tax will expire at the end of the year, and the Commission has not yet indicated whether it will be extended.

- 1. What view does the Commission take of the Swedish principle that a carbon tax should only be levied on fossil fuels?
- 2. What is the Commission's assessment of the scope for Sweden to continue to use effective methods of influencing behaviour which affects the climate, such as carbon tax and exemption from it, and to apply this as a guiding principle without the Commission's regarding this as State aid?
- 3. Does the Commission consider that it should be possible to reward the use of renewable alternatives to fossil fuels by means of economic incentives without this being regarded as overcompensation of the more climate-efficient alternative?

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