

**Department of Energy & Climate Change**  
3 Whitehall Place  
London SW1A 2AW  
www.gov.uk /decc  
22 August 2013

Ref no: 13/1031

Thank you for your email of 31 July 2013 where you requested the following information:

*Under which act of parliament was green taxes enacted.  
From the first year that green taxes were imposed how much was raised each year and what were these taxes used for.*

#### **Freedom of Information Act 2000**

Your request has been handled under the Freedom of Information Act 2000 ('the Act'). Under the Act you have the right to:

- know whether we hold the information you have requested and;
- be provided with that information (subject to any exemptions under the Act which may apply).

The Department of Energy and Climate Change (DECC) was created in October 2008, to bring together energy policy (previously with BERR, which is now BIS - the Department for Business, Innovation and Skills), and climate change mitigation policy (previously with DEFRA - the Department for Environment, Food and Rural Affairs). Therefore no records exist prior to that date.

#### **Green taxes**

Last July, the Government published its definition of “environmental taxes”, which includes energy and carbon taxes aimed at helping the UK shift to a low carbon economy. The Government classifies environmental taxes as those that meet all of the following three principles:

- The tax is explicitly linked to the Government’s environmental objectives; and
- The primary objective of the tax is to encourage environmentally positive behaviour change; and
- The tax is structured in relation to environmental objectives (for example: the more polluting the behaviour, the greater the tax levied).

The Government has defined the following as environmental taxes based on these principles:

- Climate Change Levy
- Aggregates Levy
- Landfill Tax
- EU Emissions Trading System (EU ETS)
- CRC Energy Efficiency Scheme
- Carbon Price Floor

As with other taxes, environmental taxes are placed into law through the relevant Finance Act. This legislation is to grant certain duties, to alter other duties, and to amend the law relating to the National Debt and the Public Revenue, and to make further provision in connection with finance. Of those detailed above, the landfill tax was the first to be introduced in Finance Act 1996. Further details outlining of the passage of the Finance Bill into law is available from the Parliament website: <http://services.parliament.uk/bills/2013-14/finance.html>

Details of “environmental taxes”, including the actual revenue raised and revenue forecast, are publically available and can be found at:

<http://www.parliament.uk/documents/commons-vote-office/March-2013/26-3-13/2.CHANCELLOR-Environmental-taxation.pdf>

You also requested information on how the money from “green” taxes is spent. The Government does not hold the information you have requested. The Government's spending priorities are not, in general, determined by the way in which the money is raised. Ring-fencing (“hypothecating”) revenues to particular spending programmes leads to inflexibility in spending decisions and can result in a misallocation of resources, including limiting the amount of spend on a particular issue, with reduced value-for-money for taxpayers.

Direct spending, however, makes an important contribution to meeting the Government's environmental objectives in a cost-effective way, such as through key programmes like Green Deal or the Green Investment Bank.

If you are dissatisfied with the handling of your request, you have the right to ask for an internal review. Internal review requests should be submitted within two months of the date of receipt of the response to your original letter and should be addressed to the DECC Information Rights Unit ([foi@decc.gsi.gov.uk](mailto:foi@decc.gsi.gov.uk)). Please remember to quote the reference number above in any future communications.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.