

## 22 – The Different Tax Possibilities of Reaching the Environmental Challenges in a Post-Coronavirus Era

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The health crisis originated by the COVID-19 outbreak has led to the subsequent economic shock. Even if the effects of the pandemic will vary from country to country, a virus that does not know borders is globally creating social and economic costs, so coordinated actions are necessary. The OECD and the EU are considering new and existing ideas, especially in the area of environmental taxation. This is because environmental taxes (as well as consumption taxes) are regarded as less detrimental to growth than other type of taxes (especially, labour taxes).

The containment measures undertaken by the different countries and the uncertain situation generated have implied a reduction in consumption and in the investor confidence. Thus, a significant decrease of revenues is expected for the following years, so new tax measures may be considered. However, if ensuring a robust demand for consumption and investment is key to recovery from the COVID-19 outbreak (as the OECD has stated) stimulus tax measures may also be considered.

With the aim to mitigate the impact of the pandemic and to turn into a more resilient economy for future crises, environmental taxation appears then as one of the options to be explored at the same time that environmental-related objectives are attained. In Europe, as the Commission has recently stated, the green transition is a challenge even more important than before the crisis. In other words, such challenge has been accentuated with the crisis.

This paper will explore the different tax possibilities of reaching the environmental challenges in a post-coronavirus era where the generation of new revenue will be necessary to cope with the fiscal demands. On the one hand, environmental taxes can be a way to generate new resources, but the environmental goal should be clearly present. For this purpose, the proposals of introducing carbon taxes and taxes on non-recycled plastics will be assessed. On the other hand, tax incentives to foster environment protection may have a positive effect on taxpayers (e.g. to support environment-friendly investments) but a negative impact on the tax revenue.

The author will analyse both perspectives of environmental taxation taking into account the balance between the need to generate new resources as well as the need to stimulate environment-friendly consumptions and investments.

### Biographical note

Elizabeth Gil García is an Assistant Professor at the Tax Law Department of the University of Alicante. She received her Law degree and LL.M. (with honours) from the U. Alicante in 2012 and 2013, respectively. She finished her Ph.D. at the U. Alicante in 2016, with the additional title of International Doctor. She is an IFA member and a member of the YIN Committee. In her research, she focuses on the taxation of R&D&I, environmental taxation, international taxation and EU tax law, having published around 40 papers in national and international books and journals. She has been a visiting lecturer at the Autònoma University of Madrid and a visiting researcher at the International Bureau of Fiscal Documentation, the Max Planck Institute of Tax Law and Public Finance and the Institute for Austrian and International Tax Law. Moreover, she has presented in several conferences both at the national and international level.