

## TAX REVENUE RELATED TO WASTE MANAGEMENT

Taxation is one of the tools frequently used by public authorities for preventing the generation of waste. By implementing the tax decree of 22/03/2007, Wallonia opted for a hierarchical waste tax system based on the following principle: the more an operator valorises its waste, the less they are subject to taxation.

### A hierarchical waste management policy

The tax decree of 22/03/2007 aims to prevent the production of waste and promote its recovery through the establishment of eight tax systems:

- tax on deposits of waste in technical landfill sites (*centre d'enfouissement technique - CET*);
- tax on waste incineration;
- tax on co-incineration of hazardous waste;
- subsidiary tax on waste collection and management;
- tax on waste subject to a take-back obligation;
- tax promoting the separate collection of household waste;
- tax on illegal possession of waste;
- tax on fly tipping.

With this taxation system, Wallonia is undoubtedly promoting hierarchical waste management:

- non-taxed management: prevention and recycling;
- low-taxed management: incineration and co-incineration;
- highly-taxed management: depositing in CET.

### Six effective tax systems

Of the eight tax systems in force in Wallonia over the period 2008-2015, six entailed the payment of a tax. No amount was collected by the Public Service of Wallonia (DG03) under the tax on fly tipping (it is difficult to apply as prescribed by the decree) and the tax on waste subject to a take-back obligation<sup>1</sup> (no natural or legal person subject to a take-back obligation was identified as liable for the tax).

### Operators increasingly aware

In 2015, the total amount collected for waste taxation in Wallonia was €25.6 million. Nearly 60% of this amount came from depositing in CET. Analysis of the different management methods shows a shift in taxation from depositing in CET to incineration. The objective pursued by the legislator through this decree therefore seems to have been integrated by operators: research into low-taxed management methods (incineration) or non-taxed management methods (recycling) and depositing in CET<sup>2</sup> as a last resort.

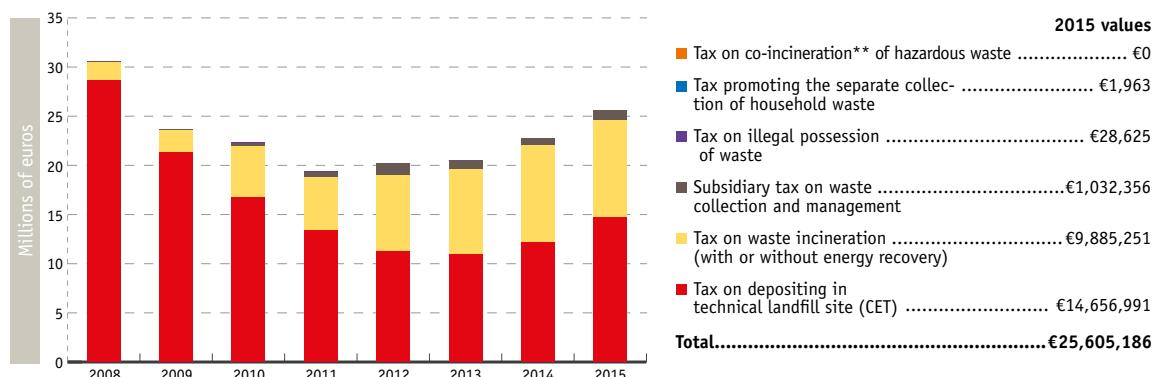
### Future challenges

As part of the next Walloon Waste-Resources Plan<sup>3</sup> (*Plan wallon des déchets-ressources*), Wallonia intends to strengthen its fiscal policy. The Plan envisages in particular:

- a study of the feasibility of introducing a tax on co-incineration of non-hazardous waste;
- considering taxation on embankments;
- assessing the relevance of maintaining reduced rates which are applied to the treatment of certain waste in the light of the latest technological developments;
- reorienting the Walloon tax policy on waste towards penalising products identified as less sustainable (short-life, pollution-generating, not recoverable and impacting public cleanliness).

<sup>[1]</sup> → WASTE 3 | <sup>[2]</sup> → WASTE 4 | <sup>[3]</sup> PWD-R: enacted by the Walloon Government on 16/06/2016

Fig. WASTE 11-1 Total amount collected for waste taxation in Wallonia, by taxation regime\*



\* No amount collected in the period 2008-2015 for the fly tipping tax and the tax on waste subject to a take-back obligation.

\*\* Operators who incur an economic charge equivalent to the payment of the tax in the context of co-incineration services of general interest (charter mechanism) are exempted from the tax.