

## *Taxing Energy Use 2018*

### **Belgium**

This note describes the taxation of energy use in Belgium. It contains the country's energy tax profiles, followed by country-specific information to complement the general discussion in *Taxing Energy Use 2018* (OECD, 2018). The note contains four energy tax profiles for Belgium:

Figure 1: Effective tax rates on energy use in EUR/GJ, 2015, including electricity output taxes and energy use from biomass

Figure 2: Effective tax rates on energy use in EUR/tCO<sub>2</sub>, 2015, including electricity output taxes and energy use from biomass

Figure 3: Effective tax rates on energy use in EUR/tCO<sub>2</sub>, 2015, excluding taxes on electricity output, including carbon emissions from biomass

Figure 4: Effective tax rates on energy in EUR/tCO<sub>2</sub>, 2015, excluding taxes on electricity output and carbon emissions from biomass

The main insights from the second vintage of the *Taxing Energy Use* database, including a systematic comparison of patterns of the taxation of energy use across countries, sectors and fuels are available in *Taxing Energy Use 2018* (OECD, 2018) at: <http://oe.cd/TEU2018>.

### 1. Energy tax profiles for Belgium

Figure 1. Effective tax rates on energy use in EUR/GJ, 2015, including electricity output taxes and energy use from biomass

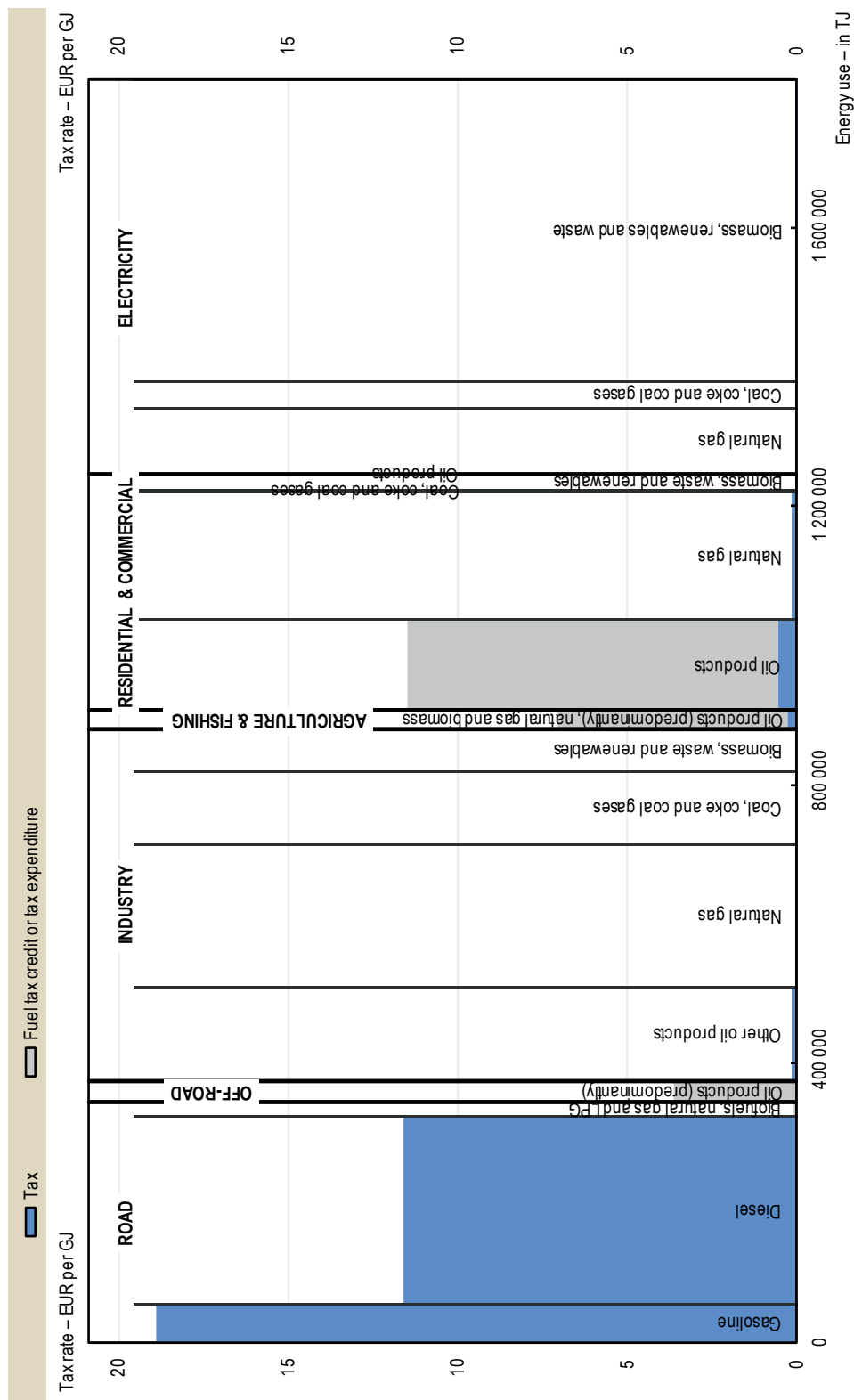


Figure 2. Effective tax rates on energy use in EUR/tCO<sub>2</sub>, 2015, including electricity output taxes and carbon emissions from biomass

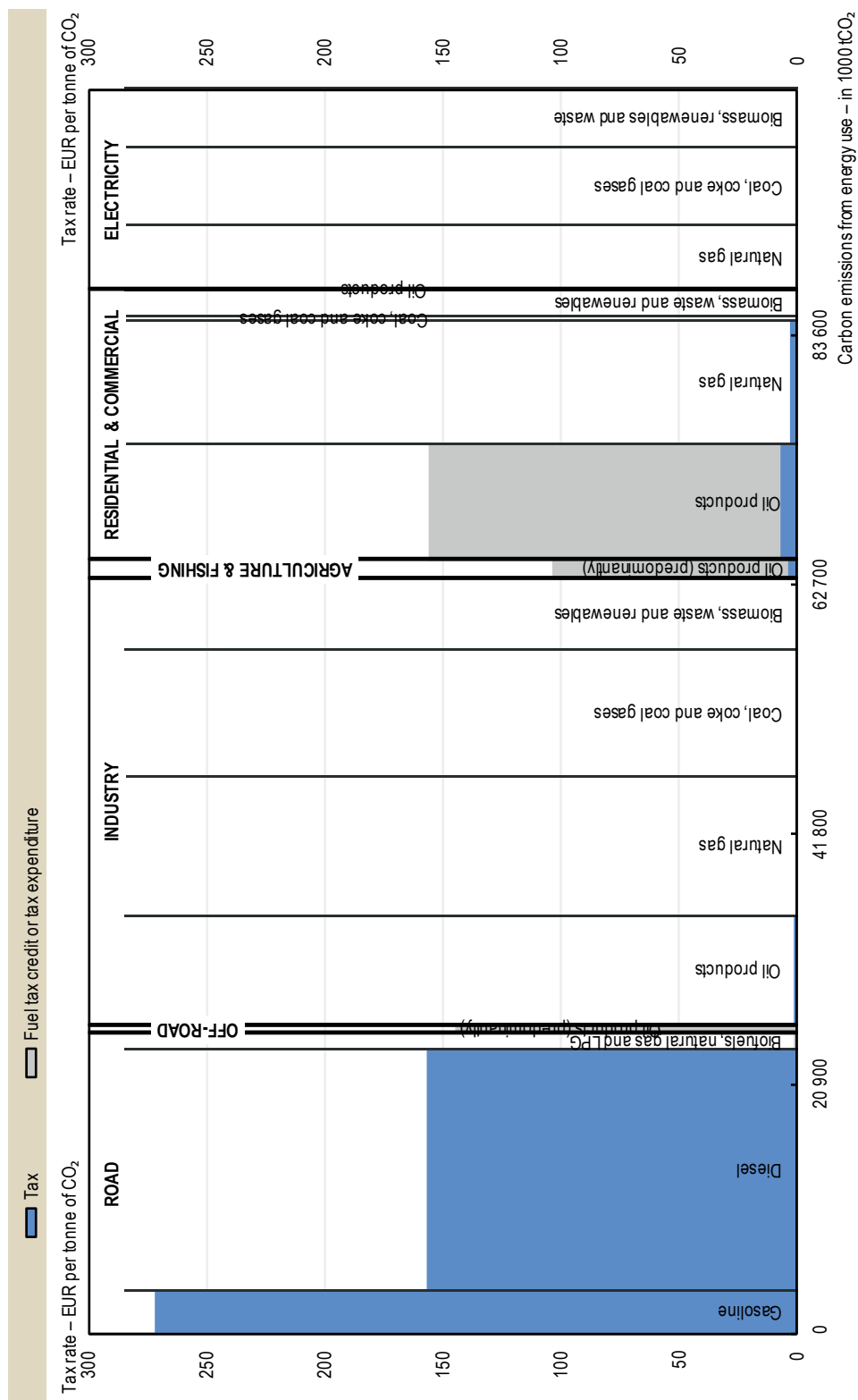


Figure 3. Effective tax rates on energy use EUR/tCO<sub>2</sub>, 2015, excluding taxes on electricity output, including carbon emissions from biomass

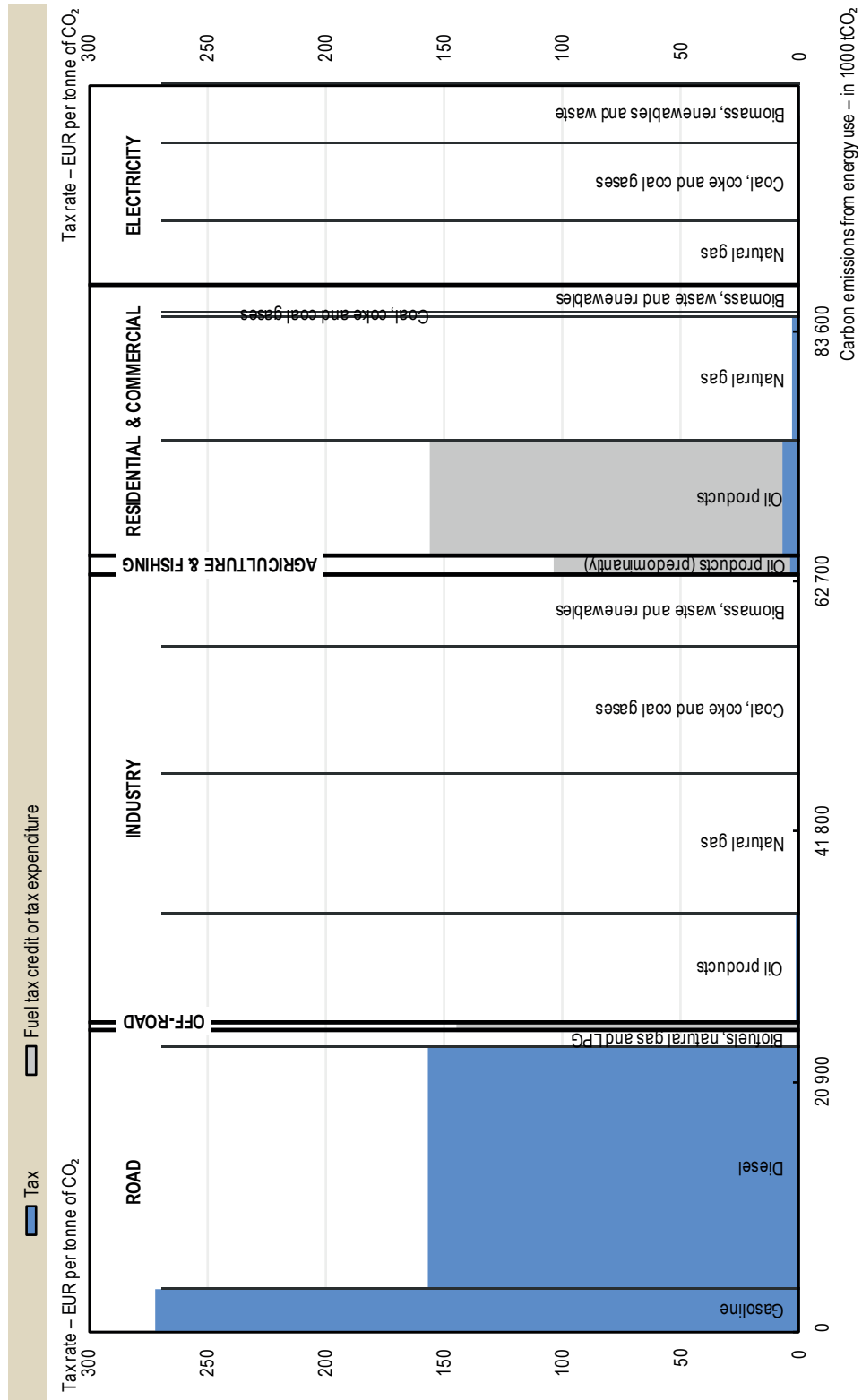
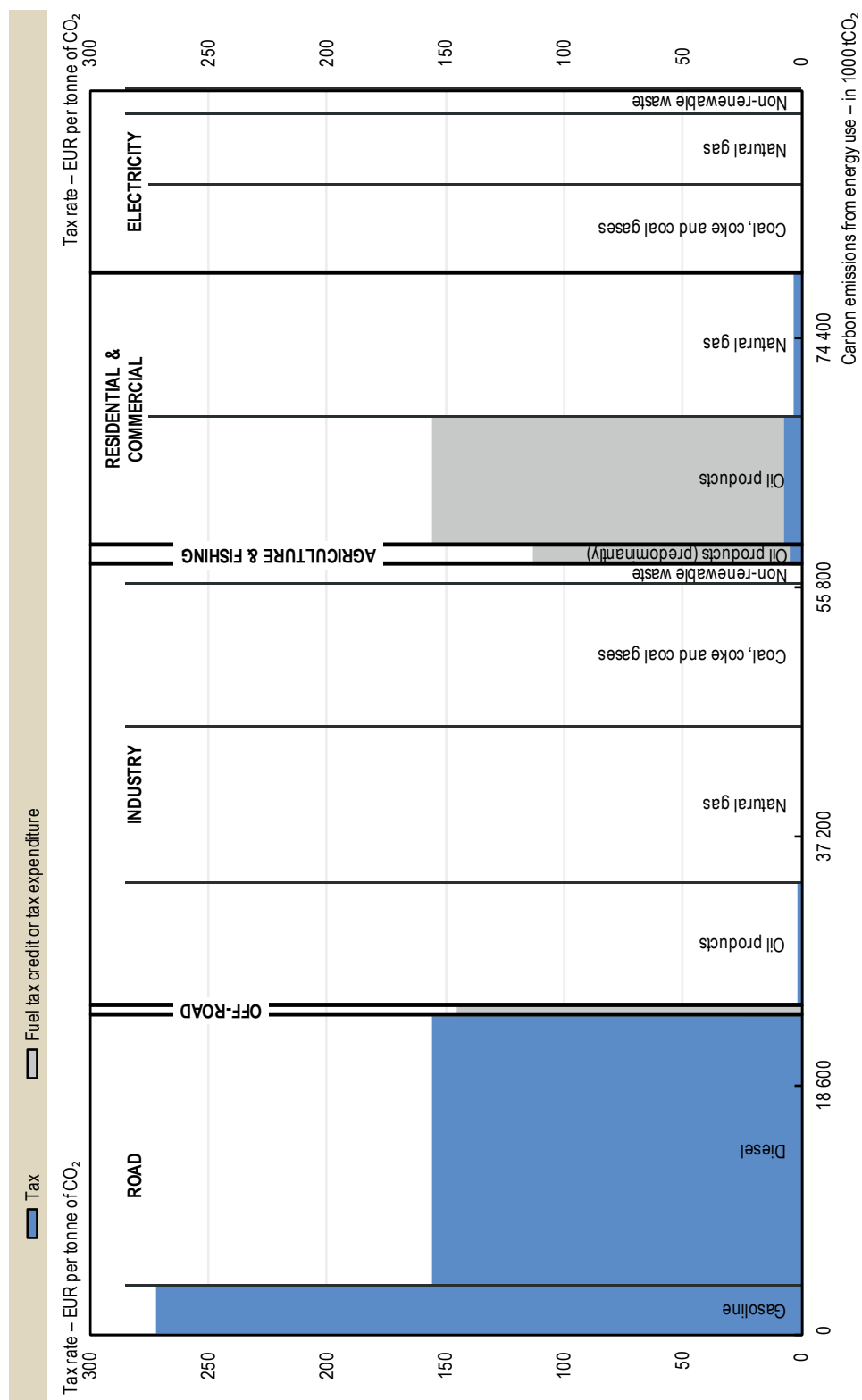


Figure 4. Effective tax rates on energy use EUR/tCO<sub>2</sub>, 2015, excluding taxes on electricity output and carbon emissions from biomass



## 2. Country-specific notes

This note describes the taxation of energy use in Belgium. It contains the country's energy tax profiles, accompanied by country-specific information to complement the general discussion in *Taxing Energy Use 2018* (OECD, 2018). Tax rates are those applicable in April 2015, energy use data are for 2014.

The data shown in the energy tax profiles is from the OECD's *Taxing Energy Use* (TEU) Database. More detail on the TEU Database, the calculation of effective tax rates on energy use and the interpretation of the energy tax profiles can be found in *Taxing Energy Use 2018* (OECD, 2018).

Belgium participates in the European Union emissions trading system (ETS), not shown in the energy tax profiles.<sup>1</sup>

### *Energy and carbon taxes*

Energy and carbon taxes in Belgium are levied within the framework of the 2003 EU Energy Tax Directive, which sets minimum rates for the taxation of energy products in member states. Within this framework, the main taxes on energy use in Belgium are the following:

- An energy tax applies to oil products, natural gas and coal and coke consumption, including to fuel oil and coal and coke used for electricity generation;
- Electricity output is taxed (per MWh).

The rates at which these taxes apply can differ across fuels and different users, as described below.

These taxes are included in the energy tax profiles of Belgium, but the tax on electricity output is only included when separately indicated (see below). Where more than one tax rate applies to an energy user or fuel, the energy tax profile shows their sum.

### *Effective tax rates on energy use for different fuels and users*

The tax rates on different fuels and uses are linked to Belgium's energy use<sup>2</sup> to calculate effective tax rates on energy use (in EUR/TJ) or CO<sub>2</sub> emissions from energy use (in EUR/tCO<sub>2</sub>). Energy use and the CO<sub>2</sub> emissions associated with it are shown for six economic sectors: road transport, domestic offroad transport, industry, agriculture and fishing, residential and commercial, and electricity.

The Belgian energy tax profiles (Figures 1 and 2) show effective tax rates for different fuels and uses in terms of the fuels' energy and carbon content, respectively. Figures 1 and 2 include energy use and carbon emissions from biomass and they show output taxes on electricity. Figure 3 excludes carbon emissions from biomass but is otherwise identical to Figure 2. Figure 4 is identical to Figure 2, except that taxes on electricity output are excluded.

- Of the six economic sectors, the **road** sector is taxed at the highest rates, both in terms of the fuels' energy and carbon content. Within the road sector, gasoline is taxed at the highest effective tax rate, diesel is taxed at a lower effective rate

1. The OECD's [Effective Carbon Rates](#) contains information on emissions trading systems.

2. Data on energy use is taken from the IEA's *Extended World Energy Balances*, see Chapter 1 of *Taxing Energy Use 2018* (OECD, 2018) for additional detail.

in terms of TJ and in terms of CO<sub>2</sub>. Diesel used in professional road transport (i.e. taxis, buses and trucks) is taxed at a lower rate. Natural gas, LPG and biofuels used for transport are untaxed.

- Fuels used in domestic **off-road** transport are untaxed.
- Fossil fuels used in the **industry** and **residential and commercial** sectors are generally taxed, but at lower statutory and effective rates than in road transport. Natural gas is not taxed when used in the industry and commercial sector, it is only taxed if used for residential heating purposes. Coal and coke products consumed by households are untaxed.
- All fuels used in **agriculture and fishing** are untaxed.
- Fuel oil and coal and coke used to generate **electricity** are taxed, and electricity output is taxed if used for non-business purposes. Electricity used in agriculture, fishing and transport is untaxed.

### *Assumptions and caveats*

- Diesel used in professional road transport (i.e. taxis, buses and trucks) is taxed at a lower rate. Professional road transport is assumed to represent 15% of total diesel consumption.
- A federal contribution of EUR 0.2211 per kWh applies to natural gas used in the transport sector, and of EUR 2.5310 per kWh to electricity output used by business.<sup>3</sup> Since this instrument is more akin to a user or network charge than to a specific tax on energy use, it is not included in the data.
- All electricity output by businesses is assumed to be supplied at above 1kV and is shown as untaxed.

Where not separately indicated, these assumptions have been arrived at in consultation with national officials, or otherwise are based on previous *Taxing Energy Use* publications.

### *Reported tax expenditures and rebates*

The following tax expenditures are included in the *Taxing Energy Use* data for Belgium:

- All fuels used in agriculture, as well as LPG and natural gas used as motor fuels, and all fuels used for domestic navigation, domestic railways and rail transport are untaxed.
- Coal and coke products consumed by the residential sector are untaxed.
- Tax rate reductions are applied to diesel and LPG used for heating purposes across all users; as well as to kerosene used in the industry, commercial and residential sector.

Reported tax expenditures or rebates might be averaged with tax rates on other energy uses, in which cases they are not visibly identifiable in the graphical profile. Additional detail on the treatment of tax expenditures is available in Chapter 1 of *Taxing Energy Use 2018*.

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3. Revenues from these surcharges applied to natural gas and electricity output are earmarked to fund the costs related to the monitoring and regulation of the electricity and gas markets, as well as certain public service obligations (Federal Public Service, 2013).

## *Sources*

The main insights from the second vintage of the *Taxing Energy Use* database are analysed in:

OECD (2018), *Taxing Energy Use 2018 – Companion to the Taxing Energy Use Database*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264289635-en>.

In addition to the sources included in *Taxing Energy Use 2018* (OECD, 2018), and consultation with national delegates, the following country-specific source was used:

Federal Public Service (2013), “Federal contributions for electricity and natural gas (CREG)”, [https://diplomatie.belgium.be/sites/default/files/downloads/creg\\_en.pdf](https://diplomatie.belgium.be/sites/default/files/downloads/creg_en.pdf).