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**THE SENATE
OF THE PARLIAMENT OF THE CZECH REPUBLIC
8TH TERM**

442nd

RESOLUTION OF THE SENATE

delivered on the 14th meeting held on 8th December 2011

**on the Proposal for a Council Directive amending Directive 2003/96/EC restructuring the
Community framework for the taxation of energy products and electricity
(Senate Press no. N 053/08)**

The Senate

I.

1. Considers

the issue of taxation of energy products to be very fundamental with regard to its potential impact on the functioning of the internal market and on the competitiveness of the European economy in the global context;

2. Notes

that when looking for the right setup of taxation of energy products in the EU, it is crucial to take into account the needs of individual economies and their specific features;

3. Adds

in this context that it does not consider the submitted proposal as an appropriate and balanced compromise between the needs of the European economy on the one hand and the environmental and energy-related goals on the other, especially in the view of the following arguments;

II.

1. Points out

that setting a single CO₂-related tax rate at 20 EUR/t CO₂ is not fair, even after taking into account the proposed transition period, because it punishes primarily new Member States that still face higher energy intensity of their economies with a large share of classic fossil fuels, above all coal, compared to the rest of the EU;

2. Emphasizes

that the proposal contained in Art. 4 Paragraph 3, on the basis of which Member States would be obliged, starting from 1 Jan 2023, to set the same tax rate for energy products within a given use, constitutes a significant breach of the fiscal sovereignty of Member States, and so the Senate considers it unacceptable with regard to the principle of proportionality;

3. Warns

that the introduction of a uniform approach towards taxation of individual energy products based on the energy content will lead, in contrast to the current tax treatment of fuels in the Czech Republic, to a disproportionate increase in minimal rates primarily for LPG and natural gas, which may have repercussions for the efforts to increase consumption of these alternative fuels, the use of which is less damaging to the environment;

III.

Authorises

the President of the Senate to forward this Resolution to the European Commission.

Milan Štěch
sign manual
President of the Senate

Miluše Horská
sign manual
Senate Verifier