For the purposes of the survey conducted by BritainThinks, we described several potential green taxes that the government might implement in the following ways, and asked: Which of the following best describes your view on each of them?

a. I feel this is a very good idea

b. I feel this is a good idea

c. I feel neutral about this

d. I feel this is a bad idea

e. I feel this is a very bad idea

a. Don’t know

Options:

i. Carbon tax on producers:

- This tax puts a price on carbon emissions and is already paid by some producers but could be extended to more types of business. The price is set by the government in line with its environmental targets.
- The tax would be collected at the point of emission (i.e. making production more expensive for firms - businesses may or may not pass these costs on to consumers).

ii. Carbon Tax on consumers:

- This is a new tax, which, unlike a carbon tax on producers, ensures the environmental cost of a product is reflected in the price consumers see. The tax would make goods that emit more carbon in production more expensive and could make those that emit less carbon less expensive, encouraging more “green” purchases. It would be charged at the point of sale.
- The tax could work in a similar way to the Soft Drinks Levy which has the most sugary drink products paying a higher tax rate. Products in the highest ‘band’ of carbon emissions would be taxed the most, encouraging producers to seek more environmentally friendly production methods to keep prices low.

iii. Green VAT:

- This is an adjustment to the current VAT system, which already works to influence consumer decisions and purchases and is not a new tax. This tweak to VAT would increase the prices of environmentally harmful products for manufacturers and consumers and decrease the price of environmentally beneficial products.

- For example, new house building is currently taxed no VAT, but repairing and renovating existing houses is charged full VAT (20%). This could be reversed under Green VAT.

iv. Material tax:

- This puts an additional price on new materials such as steel or concrete. This makes it more expensive to extract and use new materials.
- This aims to reduce the need to extract more materials, encourage using alternative or recycled materials, as well as reducing the amount of materials that go to landfill or incineration.

v. Road pricing:

- Currently, fuel taxes and vehicle tax are charged on petrol and diesel cars because of the carbon emissions they produce. These taxes on driving amount to around £40 billion of revenue (or £1 in every £20 of tax revenue), but are not charged on electric vehicles. As more people begin to drive electric vehicles, this tax revenue will decrease.
- One potential way to replace this tax revenue could be road pricing, which would tax drivers when they enter areas of high congestion or based on the distance they drive. Aside from carbon, there are other negative impacts from driving, such as congestion, traffic noise, and environmental impacts like plastic pollution from vehicle tyres. Road pricing would tax these impacts and would also apply to electric vehicles as they contribute to these negative impacts too.