

Greening the Danish Tax System

Thomas LARSEN (*)

Head of Division, the Danish Ministry of Taxation

ABSTRACT

The aim of this short article is to give an overview of the development of the use of green taxes in the Danish tax system. The conclusions are that green taxes do play an important role in supplementing taxation of labour and capital. But it is very difficult to make very large shifts in taxation from for instance labour to green taxes due to the nature of most green taxes. Furthermore, green taxes can and do play an important role in reaching various environmental objectives in an efficient way. But green taxes should be used with care as they too distort economic behaviour.

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