

## Green Local Fiscal Autonomy in EU Member States – Tables and Appendixes

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Type LG*	Incl. tax measure(s)	Excl. tax measure(s)	Total
LG > 500k	25	14	39
LG 250k – 500k	24	3	27
LG 100k – 250k	34	32	66
<b>Total</b>	83	49	132
*LG = Local Governments			

*Table 1: Number of local climate plans*

Category	Code	Description
A: Autonomy over tax rates and reliefs	a1	The recipient SCG sets the tax rate and any tax reliefs without needing to consult a higher-level government.
	a2	The recipient SCG sets the rate and any reliefs after consulting a higher-level government.
B: Autonomy over tax rates	b1	The recipient SCG sets the tax rate, and a higher-level government does not set upper or lower limits on the rate chosen.
	b2	The recipient SCG sets the tax rate, and a higher-level government does sets upper and/or lower limits on the rate chosen.
	b3	The recipient SCG sets the tax rate, and a higher-level government sets limits on the annual revenue or levy increase.
C: Autonomy over tax reliefs	c	The recipient SCG sets tax reliefs.
D: Tax sharing arrangements	d1	There is a tax-sharing arrangement in which the SCGs determine the revenue split.
	d2	There is a tax-sharing arrangement in which the revenue split can be changed only with the consent of SCGs.
	d3	There is a tax-sharing arrangement in which the revenue split is determined in legislation, and where it may be changed unilaterally by a higher-level government, but less frequently than once a year.
	d4	There is a tax-sharing arrangement in which the revenue split is determined annually by a higher-level government.
E: Central government sets tax rates and reliefs	e	The recipient SCG has no control over either the tax rate or any tax reliefs.
F: None of the above categories	f	None of the above categories a, b, c, d or e applies.

*Table 2: OECD table taxonomy of taxing power*

local fiscal autonomy ranking			with adjustment % of total tax revenue		
Rank	Member state	Score	Rank	Member state	Score
1	Belgium	1013,2	1	Sweden	344,3
2	Denmark	989,0	2	Denmark	267,0
3	Sweden	980,8	3	Finland	212,0
4	Netherlands	946,0	4	France	94,7
5	Finland	933,8	5	Italy	94,5
6	Slovak Republic	917,9	6	Spain	84,3
7	Spain	906,2	7	Latvia	69,3
8	Luxembourg	905,9	8	Poland	64,0
9	Lithuania	899,5	9	Germany	62,5
10	Czech Republic	899,5	10	Hungary	51,0
11	Estonia	897,2	11	Portugal	50,6
12	Hungary	879,5	12	Belgium	46,6
13	Greece	856,6	13	Luxembourg	40,8
14	Ireland	830,7	14	Slovenia	38,9
15	Italy	807,5	15	Netherlands	33,1
16	Germany	726,4	16	Greece	20,6
17	Portugal	702,9	17	Ireland	17,4
18	France	701,6	18	Slovak Republic	16,5
19	Poland	503,7	19	Austria	11,6
20	Slovenia	432,6	20	Lithuania	10,8
21	Austria	387,7	21	Czech Republic	9,0
22	Latvia	382,9	22	Estonia	7,2

*Table 3: Ranking the EU-member states in order of local fiscal autonomy*

<ul style="list-style-type: none"> <li>• Decentralized unitary state;</li> <li>• Twelve provinces;</li> <li>• 342 municipalities;</li> <li>• 21 water boards, responsible for managing water;</li> <li>• Dutch local authorities do have autonomy set by law,<sup>1</sup> but the national government has a coordinating role in decentralization.<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Federal state;<sup>3</sup></li> <li>• The 'top governmental level' consists of the state, three communities<sup>4</sup> and three regions.<sup>5</sup> They are on an equal footing but have powers and responsibilities for different fields;<sup>6</sup></li> <li>• Ten provinces;<sup>7</sup></li> <li>• 565 municipalities;</li> <li>• Interests which are exclusively of a municipal or provincial nature are ruled on by municipal or provincial councils, according to the principles laid down by the Constitution.<sup>8</sup></li> <li>• The local authorities are supervised by the state, regions and communities.<sup>9</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Parliamentary republic;</li> <li>• Twenty regions, five of which are special regions with special forms and conditions of autonomy;<sup>10</sup></li> <li>• 93 provinces;</li> <li>• Fourteen metropolitan cities;<sup>11</sup></li> <li>• 7.904 municipalities;</li> <li>• Local autonomy is legally recognized and promoted;<sup>12</sup></li> <li>• According to law, subnational governments in Italy are autonomous entities having their own statutes, powers and functions in accordance with the principles laid down in the Constitution;<sup>13</sup></li> <li>• The national government and the regions do have legislative powers,<sup>14</sup> local authorities do not have these.</li> </ul>
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*Table 4: Selected EU member states – state structure and legal position local governments*

<sup>1</sup> Art. 124 Dutch Constitution in conjunction with Provinces Act, Municipalities Act and Water Boards Act. In the Netherlands, it is laid down by law that decentralization is promoted. See art. 115 Dutch Provinces Act and art. 117 Municipalities Act.

<sup>2</sup> Art. 114 Dutch Provinces Act and art. 116 Municipalities Act.

<sup>3</sup> Art. 1 Belgian Constitution.

<sup>4</sup> The Flemish, French and German community. See art. 2 Belgian Constitution.

<sup>5</sup> The Flemish region, the Walloon region and the Brussels-Capital region. See art. 3 Belgian Constitution. For a discussion about the fiscal autonomy of communities and regions in Belgium, see M. Bourgeois, *Fin de législature: le point sur l'autonomie fiscale des communautés et des régions après les accords du Lambertmont*, *Revue de Comptabilité et de Fiscalité Pratiques* 5, 209-277 (2003).

<sup>6</sup> See chapter IV section II Belgian Constitution.

<sup>7</sup> Art. 5 Belgian Constitution.

<sup>8</sup> Art. 41(1) Belgian Constitution.

<sup>9</sup> Art. 162(1)(6) Belgian Constitution.

<sup>10</sup> Art. 116 Italian Constitution. The five special regions are Friuli-Venezia Giulia, Sardinia, Sicily, Trentino-Alto Adige/Südtirol and Valle d'Aosta/Vallée d'Aoste.

<sup>11</sup> Ranked by population size in decreasing order: Rome, Milan, Naples, Turin, Palermo, Bari, Catania, Florence, Bologna, Genoa, Venice, Messina, Reggio Calabria, Cagliari.

<sup>12</sup> Art. 5 Italian Constitution. See also G. Bizioli, *Italy*, in *Tax Aspects of Fiscal Federalism: A Comparative Analysis* 403-454 (G. Bizioli & C. Sacchetto eds., IBFD 2011), p. 403.

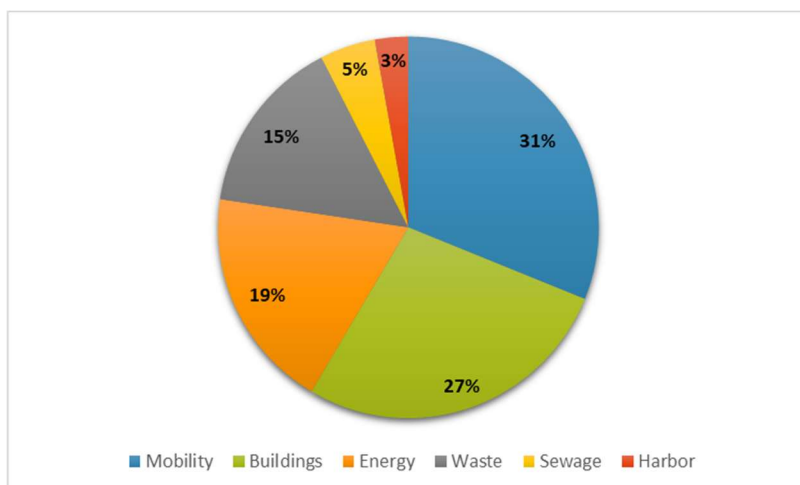
<sup>13</sup> Art. 114 Italian Constitution.

<sup>14</sup> Art. 117(1) Italian Constitution.

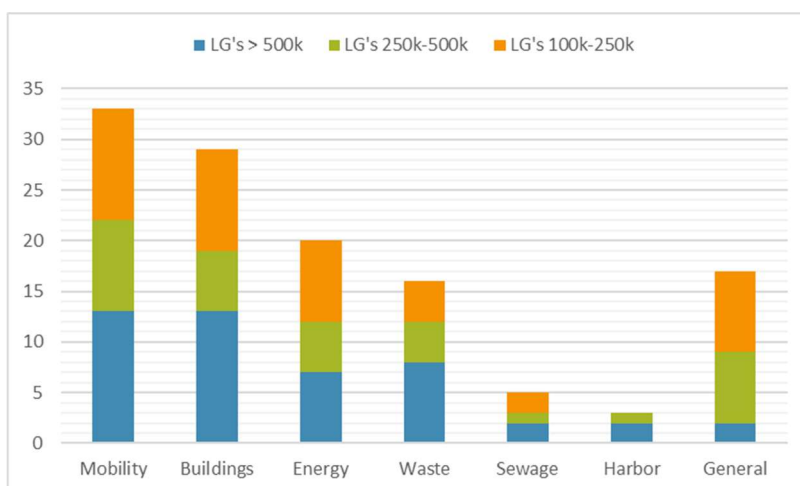
	Netherlands	Belgium	Italy
Possibility to independently introduce new taxes	No – closed tax system, where local governments can only levy taxes prescribed by national legislation.	Yes – open system, where local governments are free to independently introduce new taxes. However, this is subject to administrative supervision by higher authorities.	No – closed tax system, where local governments can only levy taxes prescribed by national legislation.
Fiscal instrumentalism stimulated	Yes	Limited – the primary purpose of a local tax must be purely fiscal.	Limited – due to a highly centralized tax system. In theory, there is an ambition to grant local governments more fiscal autonomy, but in practice, the national legislature ultimately determines the fiscal rules.
Freedom in setting tax rates	Yes – relatively high degree of freedom. The vast majority of local tax revenue originates from taxes for which local authorities have full discretion in setting the rates. Additionally, there is relatively high freedom to differentiate rates within the territory.	Yes – relatively high degree of freedom. The vast majority of local tax revenue originates from taxes for which local authorities have full discretion in setting the rates. However, there is no freedom to differentiate rates within the territory.	Limited – tax rates often have to fall within a certain range. Moreover, freedom is restricted due to tax-sharing arrangements with the central government.
Freedom in applying tax allowances, such as reliefs and exemptions	Yes – relatively high degree of freedom.	Yes – relatively high degree of freedom.	Limited – most local taxes are devolved taxes, set and regulated by the central government.
Possibility of taxing based on ability to pay	No – explicitly prohibited by law. However, local taxes with a more indirect link to income, profit, or capital are not forbidden.	Yes – no explicit prohibition. However, case law suggests that it is not permitted to levy taxes on gross profit.	Yes – no explicit prohibition, but Italian local governments do not have the autonomy to decide whether taxes based on income, profit, or capital can be levied.
Freedom in spending tax revenues	Limited – strict distinction between general taxes, destination-based taxes, and fees. The freedom to spend depends on the type of levy. However, local authorities do have the freedom to use general taxes for destination-based purposes.	Yes – freedom to choose whether taxes are introduced as a fee and vice versa.	Yes – local governments are free to decide how all revenues are spent.
Compliance with higher rules and principles	Yes	Yes – subject to stricter requirements due to the open tax system.	Yes

*Table 5: Some key findings on local fiscal autonomy in selected member states*

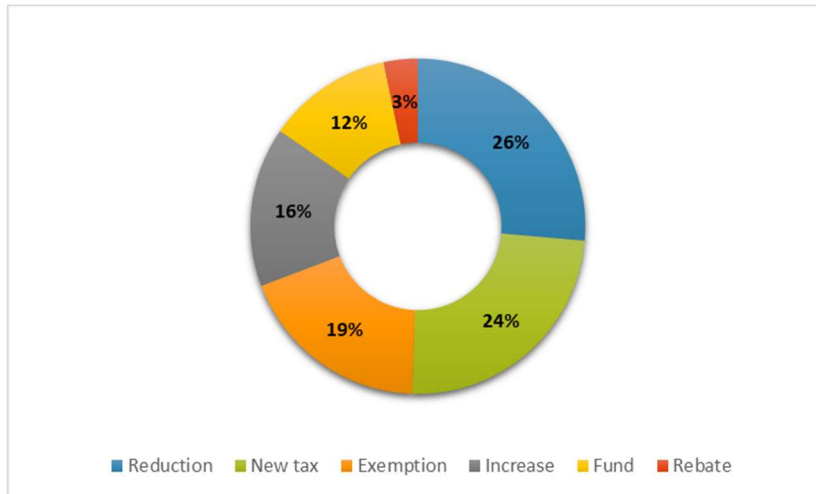
## Appendix A: Figures Study Climate Plans



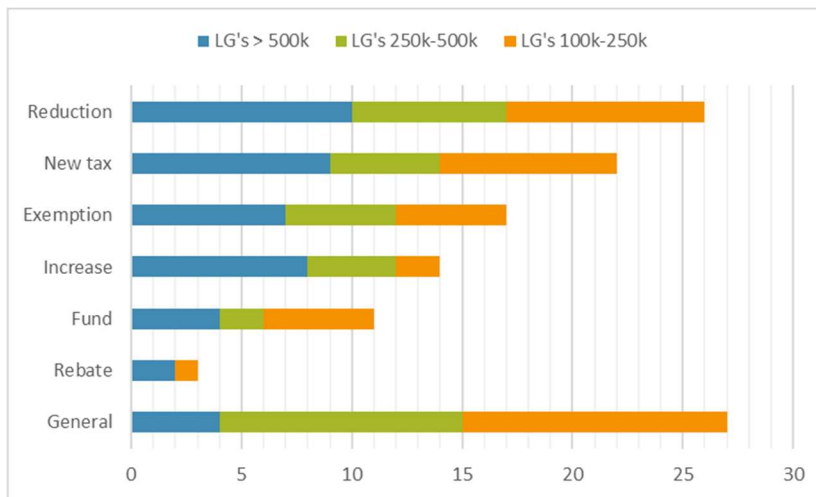
*Figure 1: Climate themes that include tax measures, percentage share*



*Figure 2: Number of climate plans per climate theme that include tax measures, including number of climate plans in which the theme or purpose is not specified*



*Figure 3: Type of tax measures, percentage share*



*Figure 4: Number of climate plans per type of tax measure, including number of climate plans in which the type of fiscal measure is not specified*

## Appendix B: Local Climate Plans Tax Measures, Climate Themes and Measure Types

The climate themes that (possibly) include tax measures are indicated in green. The types of tax measures are highlighted in blue.

LG > 500k res.	Country	Buildings	Mobility	Energy	Waste	Sewage	Harbor	General	Exemption	Fund	Increase	New tax	Rebate	Reduction	General
Amsterdam	NL	1	1						1					1	
Antwerp	BE						1		1						
Athens	GR							1							1
Barcelona	ES	1		1	1	1			1				1	1	
Berlin	DE	1			1							1		1	
Copenhagen	DK		1						1			1			
Dublin	IE		1												1
Frankfurt am Main	DE	1		1						1	1	1			
Gothenburg	SE		1									1			
Hamburg	DE					1								1	
Helsinki	FI		1				1		1		1	1		1	
Madrid	ES	1	1	1							1			1	
Málaga	ES	1		1										1	
Munich	DE							1							1
Palermo	IT	1	1	1						1		1			
Paris	FR	1	1		1							1			
Prague	CZ		1						1		1	1			
Riga	LV	1									1				
Rome	IT	1			1				1	1					
Sofia	BG		1		1						1			1	
Stockholm	SE		1								1			1	
Turin	IT	1			1						1	1			
Valencia	ES	1	1	1	1								1	1	
Vienna	AT	1		1											1
Zagreb	HR		1		1					1					
<b>25</b>		<b>13</b>	<b>13</b>	<b>7</b>	<b>8</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>4</b>	<b>8</b>	<b>9</b>	<b>2</b>	<b>10</b>	<b>4</b>

Local climate plans without fiscal measures (14): Antwerp province (BE), Bremen (DE), Bruxelles (BE), Cologne (DE), Dresden (DE), Düsseldorf (DE), Hannover (DE), Lille (FR), Łódź (PL), Lyon (FR), Naples (IT), Stuttgart (DE), Toulouse (FR), Warsaw (PL).

Source: author's own data.

LG 250-500k res.	Country	Buildings	Mobility	Energy	Waste	Sewage	Harbor	General	Exemption	Fund	Increase	New tax	Rebate	Reduction	General
Aachen	DE			1											1
Alkmaar	NL							1							1
Århus	DK							1							1
Bielefeld	DE		1								1				
Braşov	RO		1						1			1		1	
Bydgoszcz	PL							1							1
Cluj-Napoca	RO	1	1								1			1	
Córdoba	ES		1	1											1
Fingal	BE							1							1
Ghent	BE						1							1	
Kaunas	LT		1									1			
Lisbon	PT	1							1					1	
Malmö	SE				1										1
Mannheim	DE							1							1
Münster	DE							1							1
Murcia	ES				1										1
South Dublin	IE				1							1			
Talinn	EE		1								1				
Thessaloniki	GR		1											1	
Timisoara	RO	1	1	1	1				1			1			
Utrecht	NL	1		1						1	1				
Varna	BG	1	1	1					1	1				1	
Waasland	BE	1				1			1			1		1	
Zuid-West-Vlaanderen	BE							1							1
<b>24</b>		<b>6</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>0</b>	<b>7</b>	<b>11</b>

Local climate plans without fiscal measures (3): Ljubljana (SI), Ostrava (CZ), The Hague (NL).

Source: author's own data.



LG 100-250k res.	Country	Buildings	Mobility	Energy	Waste	Sewage	Harbor	General	Exemption	Fund	Increase	New tax	Rebate	Reduction	General
Aalborg	DK							1							1
Algeciras	ES	1		1										1	
Braga	PT							1							1
Breda	NL					1								1	
Brugge	BE			1										1	
Bucharest	RO	1	1	1							1	1		1	
Budapest	HU		1									1			
Burgas	BG			1											1
Debrecen	HU		1												1
Dun Laoghaire-Rathdown	IE							1							1
Forli	IT		1							1		1			
Freiburg	DE	1												1	
Groningen	NL					1				1					
Guimarães	PT		1		1				1			1			
Heidelberg	DE	1												1	
Košice	SK		1												1
Leuven	BE	1	1	1						1		1			
Liberec	CZ		1								1	1			
Limerick	IE							1							1
Ludwigshafen am Rhein	DE							1							1
Mainz	DE							1							1
Modena	IT	1												1	
Nijmegen	NL							1							1
Noord-West-Vlaanderen	BE	1		1										1	
Pamplona	ES			1									1		
Parma	IT		1						1						
Piatra Neamt	RO	1							1	1					
Porto	PT	1			1				1						
Rostock	DE				1							1			
Rouen	FR	1							1						
Sabadell	ES			1											1
Tampere	FI		1		1					1				1	
Turku	FI		1									1			
Volos	GR							1							1
<b>34</b>		<b>10</b>	<b>11</b>	<b>8</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>8</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>8</b>	<b>1</b>	<b>9</b>	<b>12</b>

Local climate plans without fiscal measures (32): A Coruña (ES), Almere (NL), Arnhem (NL), Bolzano (IT), Bottrop (DE), Cork (IE), Eindhoven (NL), Erlangen (DE), Göttingen (DE), Haarlem (NL), Helsingborg (SE), Jyväskylä (FI), Kerry (IE), Klagenfurt am Wörthersee (AT), Livorno (IT), Offenbach am Main (DE), Pforzheim (DE), Regensburg (DE), Reggio Emilia (IT), 's-Hertogenbosch (NL), Santa Coloma de Gramenet (ES), Suceava (RO), Terrassa (ES), Tilburg (NL), Tipperary (IE), Van Zee tot IJzer (BE), Vantaa (FI), Vaslui (RO), Västerås (SE), Vila Nova de Famalicão (PT), Waterford (IE), Zoetermeer (NL).

Source: author's own data.

## Appendix C: Fiscal Autonomy of Local Governments in EU Member States

	Sub-central tax revenue		As share of sub-central tax revenues											
	As % of GDP	As % of total tax revenue	Discretion on rates and reliefs		Discretion on rates			Discretion on reliefs	Tax sharing arrangements				Rates and reliefs set by CG	Other
			Full	Restricted	Full	Within upper/lower bounds	Within revenue limits		Revenue split set by SCG*	Revenue split set with SCG consent	Revenue split set by CG**, pluriannual	Revenue split set by CG, annual		
			(a1)	(a2)	(b1)	(b2)	(b3)		(d1)	(d2)	(d3)	(d4)	(e)	(f)
Austria	1,3	3,0	8,9			14,8					1,1		68,1	7,1
Belgium	2,0	4,6	7,5		92,3								0,1	
Czech Republic	0,4	1,0				99,9					0,1			
Denmark	12,0	27,0			89,0	11,0								
Estonia	0,3	0,8	10,9			82,0					7,1			
Finland	9,6	22,7			83,6	8,1						8,3		0,0
France	6,2	13,5	42,2		5,6	3,3		0,2	0,0	2,9		13,3	21,2	11,3
Germany	3,3	8,6			12,8	42,1				43,6				1,5
Greece	0,9	2,4				93,8							6,2	
Hungary	2,2	5,8	0,1			96,4						3,5	0,1	0,0
Ireland	0,5	2,1				90,1							9,9	
Italy	4,9	11,7	14,3			52,3				32,5	0,6			0,3
Latvia	5,7	18,1	0,0			13,6					1,3	85,1	0,0	
Lithuania	0,4	1,2	10,6			84,0		1,1					4,3	
Luxembourg	1,8	4,5			7,0	92,7					0,4			
Netherlands	1,4	3,5			68,0	15,7	15,5							0,7
Poland	4,5	12,7				25,6					65,1		3,7	5,5
Portugal	2,5	7,2				68,6					11,7		19,0	0,7
Slovak Republic	0,6	1,8	8,9			90,0								1,1
Slovenia	3,4	9,0	15,7									75,9	8,2	0,1
Spain	3,2	9,3	26,3			56,2				16,7			0,6	0,1
Sweden	15,4	35,1			97,6								2,4	

\* SCG = sub-central government

\*\* CG = central government