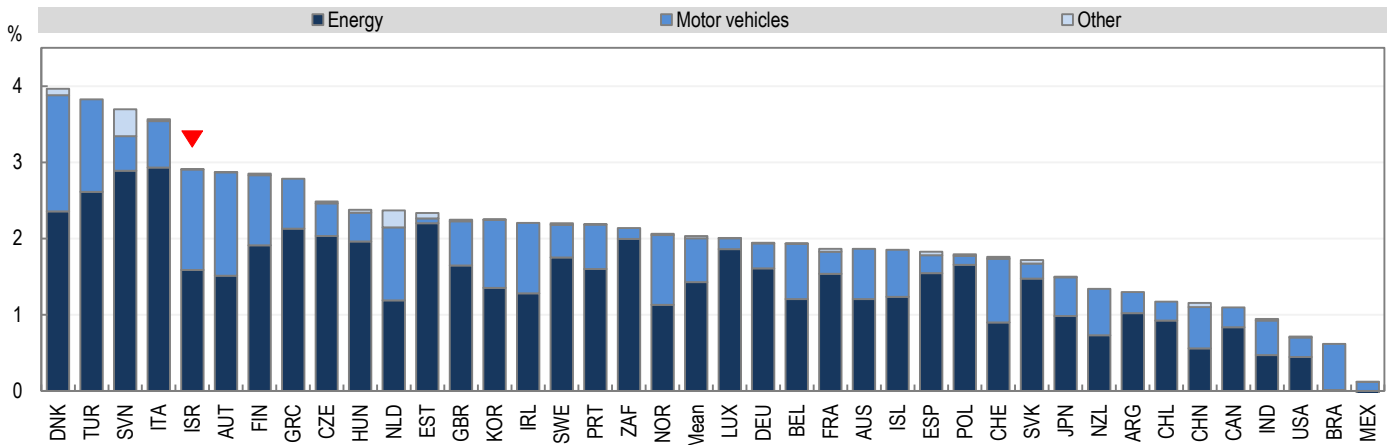


Revenue from environmentally-related taxes in Israel^{1*}

As a share of GDP, Israel has the 5th highest environmentally-related tax revenue among 34 OECD and 5 partner economies. In 2014, environmentally-related tax revenues were at 2.91% of GDP, compared to 2.0% on average among the 39 countries.

In Israel, taxes on energy represented 55% of total environmentally-related tax revenue, compared to 70% on average among the 39 countries.

Environmentally-related tax revenue as a percentage of GDP, 2014



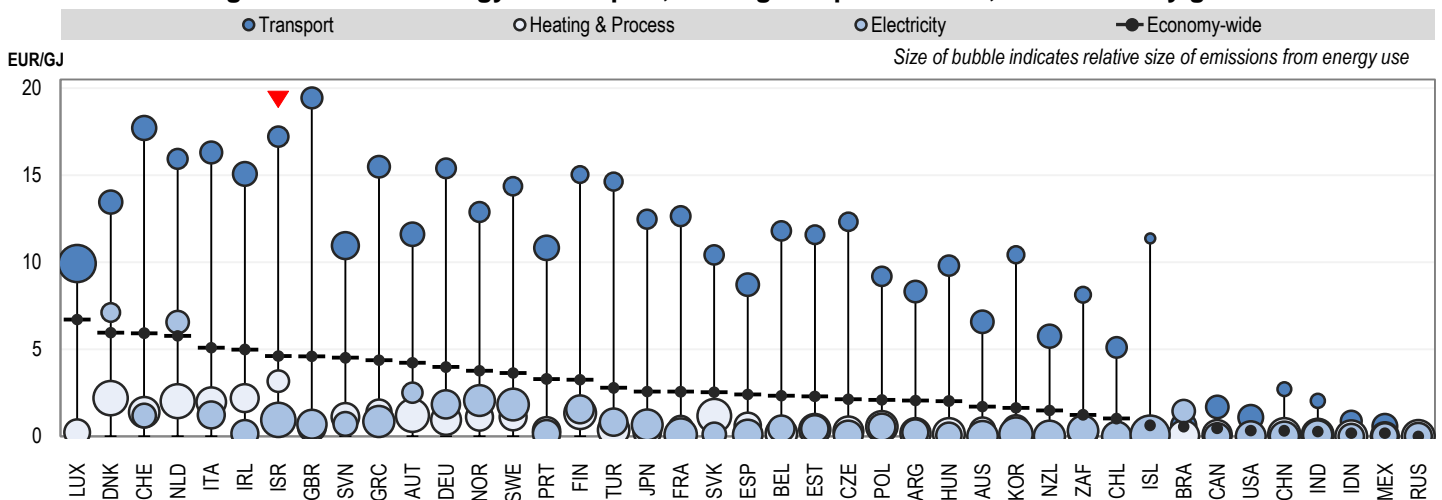
¹Data from the OECD.Stat include all OECD countries (except Latvia) and Argentina, Brazil, China, India and South Africa. Please see source for country specific notes.

Taxes on energy use in Israel²

The [OECD's Taxing Energy Use \(2015\)](#) publication compares taxes on energy use (excise and carbon taxes) across 34 OECD and 7 partner economies with tax rates expressed in EUR per GJ. The chart below shows average tax rates by sector across all fuels and the economy-wide average. The bubble size represents the weight of the sector in total energy use.

- » Israel has higher average tax rates on transport fuels (17.21 EUR/GJ) than on fuels used for heating and process purposes (3.16 EUR/GJ) or electricity generation (0.94 EUR/GJ);
- » Israel has the 7th highest tax rate on energy on an economy-wide basis, at EUR 4.61 per GJ, compared with EUR 2.7 per GJ on a simple-average basis across the 34 OECD and 7 partner economies.

Average tax rates on energy in transport, heating and process use, and electricity generation



²Data from *Taxing Energy Use* are for 2012 and include all OECD countries (except Latvia) and Argentina, Brazil, China, India, Indonesia, Russia and South Africa.

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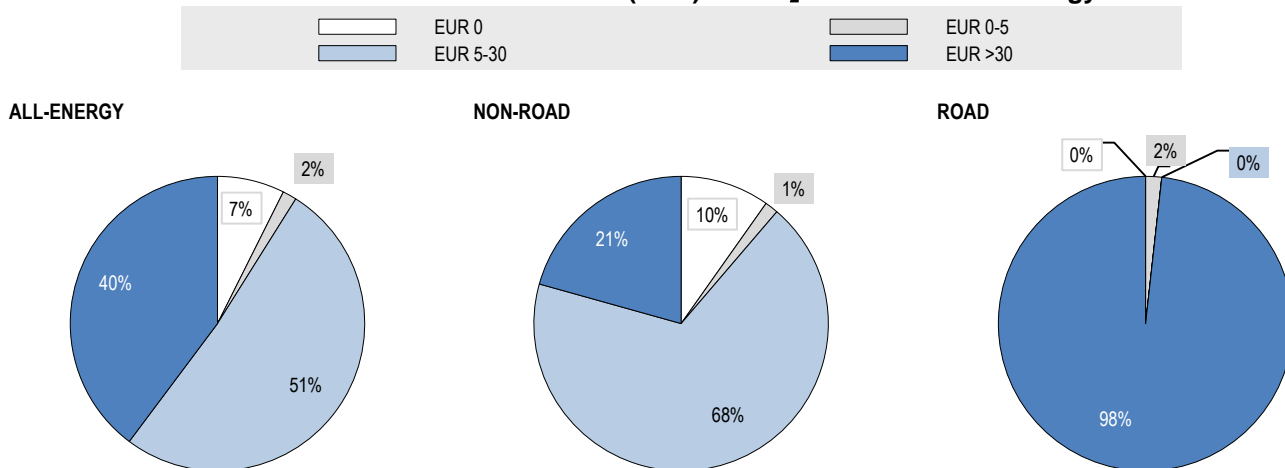
Effective carbon rates in Israel

According to the [OECD's Effective Carbon Rates \(2016\)](#) publication, the combined price signal on CO₂ emissions from taxes on energy and emissions trading systems (ETS) gives the effective carbon rate (ECR).³ The charts below show shares of CO₂ emissions subject to different price ranges, for road, non-road and all emissions from energy use. EUR 30 is a conservative estimate of the climate damage from one tonne of CO₂ emissions.

- » In Israel, 7% of carbon emissions from energy use face no price signal at all; 35% face a price at or above EUR 5 per tonne of CO₂; and 33% face a price at or above EUR 30 per tonne of CO₂. This compares to a zero price for 60% of emissions across all countries, a price at or above EUR 5 per tonne for 30% and at or above EUR 30 per tonne for 10% of emissions.

- » Excluding road use, 9% of carbon emissions from energy use in Israel face no price signal at all; 21% face a price at or above EUR 5 per tonne of CO₂; and 18% face a price at or above EUR 30 per tonne of CO₂. This compares to a zero price for 70% of emissions across all countries, a price at or above EUR 5 per tonne for 19% and at or above EUR 30 per tonne for 4% of emissions.

Distribution of Effective Carbon Rates (ECR) on CO₂ emissions from energy use in Israel



³Notes on the interpretation of effective carbon rates: Box 3.1 (p.38-40), OECD's Effective Carbon Rates (2016), or consult <http://oe.cd/ECRinterpretation>
 Figures shown in the charts may not add up to 100% due to rounding

CO₂ emissions priced and average rates in Israel

The table below shows the average price signals from taxes and trading systems, and the share of emissions priced by these

- » Israel does not currently have an ETS.
- » In total, taxes in Israel price 93% of CO₂ emissions from energy use. The sectors with the highest tax coverage are road transport (100%) and electricity (99%).

Share of emissions priced and average price signals from tax, Israel

	CO ₂ emissions by sector (in t CO ₂)	Tax		ETS		Overlap of tax and ETS ⁵	Emissions not priced by tax or ETS
		Average price (in EUR/tCO ₂)	Share of emissions priced	Average price (in EUR/tCO ₂)	Share of emissions priced		
Agriculture & Fishing	0	0.0	100%	0.0	0%	0%	0%
Electricity	43 663	11.7	99%	0.0	0%	0%	1%
Industry	5 735	10.9	35%	0.0	0%	0%	65%
Offroad transport	0	0.0	100%	0.0	0%	0%	0%
Residential & Commercial	8 463	88.3	87%	0.0	0%	0%	13%
Road transport	13 008	242.7	100%	0.0	0%	0%	0%
Total⁴	70 869	61.2	93%	0.0	0%	0%	7%

Access the data for all 41 countries: <http://oe.cd/emissionsdata>

⁴Total average prices are weighted by the share of emissions in each sector that is priced in the country.

⁵Tax and ETS can apply to the same emissions base. The overlap describes the percentage of emissions in a sector that is priced by both tax and ETS.

*The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.