

## [It's been so lonely](#) [1]

Written by [Tim Worstall](#) [2] | Saturday 12 July 2008



I've been banging on for some time now about how various people seem to massively misunderstand green taxes. Most especially, the way in which everyone seems to think that the green taxation of petrol should mean higher taxes than we already pay. As I've said repeatedly, if you work through the numbers from the Stern Review (\$85 per tonne CO<sub>2</sub>-e) you end up with the correct emissions taxation of a litre of petrol being 11 p. We already pay north of 50 p a litre. Yes, there are other things that need to be paid out of that: the cost of roads, noise and particulate pollution and so on, but the fuel duty escalator has, since 1993, added 23 p a litre in tax to pay specifically for the costs of those carbon emissions. There may be reasons to raise the tax on petrol (Gordon's spent all the money?) but greenery isn't one of them.

Now I see a report from the IFS that says the [same thing](#) [3]:

The authors note that road fuel duty is much higher in the UK than the environmental cost of vehicle emissions would appear to justify.

Excellent, it was getting rather lonely out here, being apparently the only person in the country arguing that petrol taxes should fall.

There's a larger point to be made here. Whenever someone comes up with an argument that implies an optimal level of taxation (and this could be for green reasons, for equity, for moral purposes, whatever) it's always worth examining exactly what that optimal level is in relation to the taxes we already pay. For yes, there will of course be an outcry that this optimal level means we should increase taxes: but the truth is that as often as not we're already paying higher than that optimal level.

As we are here. Anyone who was honest about green or Pigou Taxes would be arguing that petrol tax should come down in the UK.

Yes, I can hear the crickets chirping too.....

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