

Environmental Law: You Pollute, You Pay

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Abstract

The implementation of environmental regulations in our nation would undoubtedly improve quality of life and decrease excessive environmental exploitation. However, certain factors must be considered, such as the inflationary effect, the fact that these funds are not always used for environmental reasons, and raising costs to a producer within a country or region. The goal of the study is to determine how aware are respondents of environmental regulations and their importance, if it acts as an incentive to minimize pollution, and the many benefits it provides. The empirical research approach was used in this study, along with a simple sampling strategy. According to research, eco taxes benefit society and the business community because they generate money that can be used directly to protect the environment, to provide incentives to others to do so, or to reduce other more costly taxes with the goal of improving employment and overall economic well-being.

Keywords: Eco taxes • Green schemes • Environment • Revenue • Pollution

Introduction

While most readers of this paper sit at the comfort of their homes and offices which are conveniently placed within their comfort zones, they comprise less than 40% of the total population of the country; the majority still belongs to the underdeveloped rural sectors. One might argue about the vast set of differences between the urban and rural citizens of India but as the sun sets after an astonishingly hot day, the one main similarity between the two is that both are paying guests in this world and owe it to their land to treat her right and be aware of the prevailing environmental condition. Before proceeding with the remaining parts of this paper, it is critical to understand the meaning of two main terms-'Environment' and 'Environmental Tax'. In layman's words, The Environment can be defined as a collection of all biotic and abiotic elements that play a role in the evolution, survival, and development of those organisms who occupy the region. However, the latter of the two, Environmental Laws refers to all federal, state, local, and foreign laws, regulations, agreements, or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment. Man has always been dangerously eager for quick economic and expansion, which leads to many environmental concerns. These issues have produced an unsettling impact both on human existence and on earth. This grave scenario has led to significant consideration of environmentally sustainable growth strategies.

In short, taxes are fees charged by the government and must be paid regardless of whether the product or service is consumed or not. The objective of environmental taxes is to collect taxes on goods and activities that cause environmental pollution or damage by internalizing externalities. The concept of environmental tax was first proposed in the Rio Declaration, which established that to internalize environmental problems, prices must be internalized along with products and services. It is also included in other environmental conferences and treaties, such as the Green Economy Report of the United Nations Environment Program (UNEP), the OECD and the European Environment Agency. It is now the most popular tool for market-based tools. Green taxation is a concept discovered through treaties and conferences in India in the 1990s. It was the most basic type of technology used in the country at the time. The first resolution approved

by the Tax Commission in 1992 recommended the collection of such taxes. The 2006 National Environmental Policy further emphasized the need for environmental taxes and environmental control in India. Even before that, according to the 1974 Water Law, taxes and fees were collected from companies that pollute water bodies, giving the government the ability to control this and impose fines on these industries.

Government initiatives

Green public procurement, also known as the green procurement plan, is a way for the government to provide insurance for items that have less impact on the environment during the entire life cycle compared with the conventional primary products produced. The plan for manufacturing items that are less harmful to the environment is made by the government. If the product is manufactured in an environmentally friendly way, even production waste can be controlled. Can reduce manufacturing costs, disposal and deterioration costs. The main benefit of establishing such a green procurement plan is that it is cost-effective and easy to implement. In addition, it protects natural resources, which is the ultimate goal of the concept of sustainable development. Green purchasing policies reduce the consumption of resources, utilities and energy, eliminate the generation of non-biodegradable waste, and increase the cost of innovation and transparency. It also promotes eco-innovation and will be very beneficial to the "Made in India" movement. Green procurement is based on the concept of pollution prevention, so it is an effort to reduce harmful, hazardous and toxic waste. Green car tax is a relatively new trend in India, but they are distributing RFID tags and CCTV cameras. It has been installed at the border entry point in Delhi to ensure that the emissions of commercial vehicles entering the city are monitored. Depending on the size of your vehicle, polluters will face ECC (Environmental Compensation Fee). The government initially imposed fines of 700 to 1,300 rupees for two-axle trucks and three-and four-axle trucks, but the charges have since doubled, and light vehicles and two-axle trucks are required to pay 1,400 rupees and three and four-axle trucks respectively. Every time a truck passes through the city, it has to pay Rs 2,600. The government of Maharashtra has decided to impose a green tax on private vehicles over 15 years old, and commercial vehicles over 8 years old will also be taxed. The tax applicable to private vehicles older than 15 years are as follow (Tables 1 and 2).

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Table 1. The tax will have to be paid every five years.

Product	Cost
Two wheelers	Rs.2000
Diesel vehicles	Rs.3500
Petrol vehicles	Rs.3000

Table 2. The tax applicable to commercial vehicles older than eight years is as follows.

Product	Cost
Autorickshaws	Rs.750
Light good vehicles	Rs.2500
Six-seater taxis	Rs.1250
vehicles with more than 7500 kg capacity	10% of annual tax
Service vehicles	2.5% of annual tax
Contract buses	2.5% of annual tax
Tourist buses	2.5% of annual tax

The Air (Pollution Prevention and Control) Act of 1981 contains similar restrictions. In addition, the government prioritizes clean energy production and counts recycling costs at the company itself. However, there are still difficulties in the collection and management of these taxes, among the problems faced is the need for a comprehensive tax system, rather than planning from the higher level. This taxation has several flaws and, therefore, traders evade them and do not achieve their objectives.

Various environmental taxes in India

In total there are seventeen environmentally related taxes, of which sixteen are levied by various states and only one is levied by the Centre. The details are as follows:

Product taxes: There are twelve environmentally related taxes in this category making it the biggest category.

• **Clean energy cess:** This cess was the first attempt by the Government of India to introduce an ecotax at the national level. It was introduced in 2010 at a rate of 50/metric tonne on coal, peat and lignite which are either imported or produced domestically.

• **Gujarat green cess:** The Gujarat government has enacted legislation imposing a 0.02/unit cess on energy generated from nonrenewable sources. It exempts power producing firms with less than 1,000 KW of capacity. In addition, the proceeds will be used to establish a Green Energy fund, which will be specifically dedicated to environmental causes and the promotion of renewable energy generation.

• **Vehicle entry tax:** This tax is charged in four Himachal Pradesh cities: Manali, Rohtang, Solang, and Shimla, as well as Mussoorie in Uttarakhand. The tax rates are the same in all four cities: Rs 100 per entry for two-wheelers, Rs. 200 for cars, Rs. 300 for SUVs, and Rs. 500 for buses/trucks.

• **Vehicles tax (on old automobiles):** This tax is levied at varying periods by six Indian states. Karnataka, which implemented this levy in 2002, is the forerunner. The fee is based on the inefficiency of cars as they age, causing them to produce more pollutants. As a result, in order to disincentivize the use of such cars, several state governments imposed this levy.

• **Ecological fund and environment cess:** Government of Sikkim in 2005 levied a unique cess on non-biodegradable substances that are either produced in the state or imported from other states in order to solve the problem of solid waste.

• **Goa green cess:** This cess was levied by the Government of Goa in a 2013 so as to reduce the carbon footprint of the state. The rate of the cess was kept below 2% of the sales value of all the polluting products that harm the environment in any manner. Since this tax is of recent origin further details about the revenue, usage of the fund etc. are not available

Natural resource tax: There are five states that levy a tax on the forest produce that belongs to this category.

• **Forest development Tax:** This is an ad-valorem tax paid on forest output in the states of Maharashtra, Kerala, Orissa, Karnataka, and Madhya Pradesh at rates ranging from 1% to 12%. Three of these five states, Madhya Pradesh, Kerala, and Maharashtra, charge the tax at a rate of 5%. Orissa, on the other hand, has different rates such as 1%, 2%, and 4% on bamboo, tendu leaves, and wood (Government of Maharashtra 1983; Government of Kerala 1986; Government of Madhya Pradesh 2009; Barik 2003). Karnataka is the only state with an exclusive fund called the 'Forest Development Fund,' which is designated for the development of Karnataka's forest reserves through forest plantings and other measures. (Karnataka 2009)

Current trends related to the topic

In India, there is presently no national pollution fee in place. To combat growing car emissions in New Delhi, the National Green Tribunal (NGT) has imposed an Environment Compensation Charge (ECC). In support of the NGT, the Supreme Court issued an order in October 2015 imposing ECC on light commercial vehicles (Rs.700) and three-axle trucks (Rs. 1,300). According to estimates, vehicle emissions account for more than one-third of air pollution in New Delhi, owing to the fact that around 40,000 trucks pass through the city on a daily basis, with approximately 13,000 using the capital city as a transit route. Commercial cars entering Delhi contribute 22 percent of nitrogen oxide and 30 percent of particulate matter. Surprisingly, 40-60% of big trucks and 23% of commercial vehicles enter Delhi to avoid toll costs. The Environment Compensation Charge is only charged on heavy-duty business vehicles, not on personal automobiles. Furthermore, cars transporting vital goods such as gasoline and food, as well as ambulances, are exempt from the Environment Compensation Charge. Every Friday, the toll operators (at 127 entrance points to the capital city from Uttar Pradesh, Rajasthan, and Haryana) who are responsible for collecting ECC pay over the money to the Delhi government. The Environment Compensation Charge is the Supreme Court of India's second most important anti-pollution decree for improving Delhi's air quality. In 1998, the Supreme Court ordered that buses, trucks, auto-rickshaws, and taxis utilize CNG fuel. The government of India implemented a carbon tax in July 2010, marking a significant shift from carbon subsidization to carbon pricing, according to some analysts. A Rs.50 tax was levied on each metric tonne of coal imported or produced in the country. The finance minister increased the carbon tax to Rs.100 per metric tonne in the 2014 budget, while the carbon tax was hiked to Rs.200 per metric tonne in the 2015-2016 budgets. In his 2015-16 budget address, finance minister Arun Jaitley said of coal, "there is a need to establish a balance between pricing pollution and the price of power." The cess on domestic and imported coal is anticipated to increase the efficiency of coal-fired power plants. Some argue that the excise charge on gasoline and diesel acts as an implicit carbon price.

Comparison between India and China

The comparison of the state of ecotaxes in India and China, based on the OECD-EEA database and our own definition, indicates that environmental taxes are a relatively new idea in both countries, and hence there aren't many instances. In total, there are just twenty-four environmental levies in both nations. In China, five out of seven ecologically relevant taxes were updated after 2006, whereas in India, all taxes were collected only after 2002. Furthermore, according to our definition, only seven and five ecologically linked levies in India and China, respectively, may be considered eco taxes. There is a serious scarcity of research that has examined the effectiveness of ecotaxes. Limited investigations on the revenue utilization of money generated by the Karnataka clean energy cess and FDT indicate that the monies are not used effectively, and there are examples of corruption and

mismangement. According to studies conducted in China, the objective of a consumption tax is undermined since it leads to an increase in overall fuel use. The pollution levy system had an impact on reducing emissions and providing incentives for businesses to invest in abatement measures. Also, none of the countries have targeted all the four aspects of environment-land, air, water and biodiversity and forest-through ecotaxes.

Materials and Methods

The government should be able to foresee the ways and means by which industries would break rules, and therefore the loopholes should be filled, and unlawful disposal of such wastes should be avoided. The policies are to be implemented in all states and across the country; therefore there must be consistency in the formulation and implementation of the policies. Such taxes may even be in contradiction with subsidies provided for the promotion and development of specific areas. This is an extremely serious subject that should be handled with extreme caution. The funds collected by these levies should only be utilized to improve technology and fulfill the goals. Institutional collaboration is vital; therefore ministries, authorities, and other similar institutions should work together to attain the goal.

Objectives

It has been demonstrated that taxation is a highly helpful instrument, and as such, it should be applied with care and carefully in order to get the best outcomes and meet the objectives.

The two core objectives of the study are to

- Analyze the status of ecotaxes in India
- Examine the necessity of eco taxes India
- Study the advantages of environmental taxes
- If it acts as an incentive to reduce pollution

Examines a rising interest for enacting governance policies of property development so as to mitigate environmental degradation and also the ever-rising rates of pollution. These policies are being adopted in order to strictly regulate environmental laws and apply an equivalent to industries that discharge pollutants or manufacture products that are not setting friendly [1].

This research examines not only the direct economic consequences of green vehicle-friendly tax breaks and subsidy programs, but also their spillover effects using the event study technique. Author investigates the economic impact of the event study methodologies in industries. Their data demonstrate that the tax breaks for green vehicles have fewer positive direct impacts [2].

The paper recommends macro-level policies with regard to using environmental external fiscal tools (such as taxes). Also, it helps to analyze sustainable conduct in context of the readiness of society, using a contingent assessment approach, to pay for and avoid environmental hazards [3].

This article mainly examines India's fragmented green tax system, including Cess, gasoline and diesel excise tax and other tax measures in the country, in order to understand what kind of environmental tax policy India currently has. Author believes that while Cess is desirable when the country does not impose taxes or charges on fossil fuels. The article also pointed out the problem areas of other "green tax" collection methods under the current "carbon tax" system, and provided some solutions/suggestions. The long-term energy future and energy security of India [4].

The purpose of this work is to design green taxation policies to mitigate the hazardous environmental impacts of various sectors and to visualize the benefits that can fill the socio-economic gaps that are particularly prevalent in developing countries. This method is a fusion of the Energy Institute's standards and an EIA-based approach based on the environment, energy, and economy. The facts have shown that green taxation is a deterrent tool to prevent environmental degradation and optimize energy use [5].

The article discusses environmental fiscal reform (EFR) principles and mechanisms, as well as their implementation in the Indian context. EFR has the potential to enhance the environment more efficiently and cost-effectively than traditional regulation. India has implemented certain EFR policies, such as the deregulation of fuel prices, the imposition of a coal cess, and the provision of subsidies for the construction of shared effluent treatment plants. The problems of executing EFR policies in India are also highlighted [6].

This study presents findings from current research on how climate change and other environmental policies connect with the fiscal system. It delves into four topics concerning budgetary relationships. First, it investigates how these connections affect the chances for a "double dividend." Furthermore, it examines how the utilization of funds from a carbon tax or a cap-and-trade system involving auctioned emissions permits affects the economic consequences of these policies. Finally, it examines how fiscal interactions influence the selection of CO₂ emissions-pricing mechanisms against alternative climate policy instruments. Lastly, it examines how fiscal interactions influence the selection of CO₂ emissions-pricing mechanisms against alternative climate policy instruments [7].

This study adds to the discussion about the function of environmental levies in current tax systems. Some environmental taxes, particularly those levied on fuel or electricity, are more difficult to prevent than labor or income taxes. When the tax base is moved in a revenue-neutral way toward such environmental levies, the net amount of tax evasion is reduced. The impact of contemplating tax evasion can be significant: expenses are reduced by 28% in the United States, 89% in China, and 97% in India. A carbon tax will compensate for itself through increasing the efficiency of the tax system in nations with significant levels of pre-existing tax evasion [8].

Examine its effectiveness from an environmental and economic perspective, especially when other European countries have successfully introduced carbon taxes. The result is that it is reasonable to abandon the carbon tax after most stakeholders have refused on grounds, which will weaken its competitiveness and impose an excessive tax burden on the sector [9].

This paper discusses whether a green tax can help reduce pollution. Author points out that India's indirect tax system has undergone major reforms for over 20 years. It raises the relative cost of inputs and outputs of pollution and thereby corrects the negative externalities of pollution activities. Author concludes by saying, when a tax is imposed on a substance or activity that is polluting or harmful to the environment, there is an added economic cost that the polluter takes into account when determining whether or how or to what extent that activity should continue. Countries like India have green tax deterrent effects and are sensitive to pollution control and management [10].

This article gives an overview of the main economic problems involved in the use of taxes as a tool of environmental policy in the United Kingdom. It first examines the economic justifications for employing taxes and other market mechanisms in environmental policy, and then addresses the tax base selection and the worth of environmental tax income. The article next evaluates major sectors where environmental taxes are likely to have substantial potential, such as taxes on industrial and household energy usage, road transportation, aviation, and trash [11].

This article investigates whether countries choose to be environmental policy leaders or followers. To investigate this topic, transboundary pollution and two nations that must determine whether to levy environmental fees sequentially or concurrently. When taxes are established consecutively, a phenomenon known as the sequential setting effect occurs, which raises the equilibrium taxes? [12].

In a numerically calibrated model of climate change and the global economy, this article investigates the interplay between carbon dioxide emissions taxes and an existing income tax. These tax rates, which originate from the use of emissions tax funds to lower personal income taxes, are somewhat higher than the present value marginal benefits of

emissions control [13].

This research presents the issues that nations have confronted in three areas: technical design concerns, the consideration of the distributional consequences of environmental taxes deriving from intramarginal transfers, and defining the tax's aim. It finds that several of the causes for the failure to properly deploy ecotaxes might have been foreseen and avoided. The study builds on the work of the OECD Joint Sessions on Taxation and the Environment to analyze options for effective environmental tax implementation [14].

The focus of this article is on two contrasting impacts of environmental taxes on long-run economic development. One is a destructive influence that impedes productivity, while the other is a potent influence that improves the degree of environmental condition left to future generations. According to the research, there is a crucial amount of taxation that balances one force with the other. If the tax is initially set below (or above) the crucial level, increasing the tax rate is helpful (or detrimental) to economic growth [15].

Studies government policy possibilities for environmental protection. The Author evaluates the effectiveness and distributional effects of ecologically driven taxes and other non-tax environmental policy tools. Much of the analysis is carried out under a second-best scenario in which the government finances portion of its budget *via* distortionary taxes [16].

In this study, they assess carbon taxes in terms of their competitiveness, distributional impact, and environmental impact. Carbon taxes have repeatedly been promoted as a cost-effective tool for decreasing emissions. However, only six nations have enacted environmental regulations based on the carbon content of energy products. The research suggests that carbon taxes might be an attractive policy alternative, with the major negative effects offset by the design of the tax and the use of the produced fiscal revenues [17].

Investigates the impacts of environmental taxes using an overlapping generation's model. The ecosystem's quality is modeled as a long-term consumption good. The imposition of an environmental fee damages older generations while benefiting younger generations and all future generations. A well-structured bond policy can be utilized to disperse the efficiency gains that result from the internalization of environmental externalities across decades [18].

This study analyzes the theories for several concepts of the double dividend. This also relates the issue of multiple dividends to concepts of optimum environmental taxation in a second-best context [19].

This article investigates the economic, political, and practical difficulties that occur with developing environmental levies. The apparent scarcity of Pigouvian taxes may be due to perceived political or practical issues with their design. The section discusses taxonomy for evaluating design considerations, including (1) what are taxed, (2) who is to pay, (3) the size of the tax, and (4) allowances for ancillary policy concerns. The article demonstrates these arguments by discussing the newly implemented ozone-depleting chemical excise charge [20].

Methodology

The research method followed here is a descriptive method (empirical research). A total of 350 samples have been collected out of which all the samples have been collected through google forms survey. The samples are taken from many parts of India. The statistical tool used in this study is graphical representation. The data on revenue for the ecotaxes implemented in India is obtained mostly from CAG reports published online in the year 2014. An extensive synthetic review of literature has been conducted to map the status of ecotaxes in India. We did attempt to comprehensively bring out the fundamental issues related to ecotaxes in India by constructing our own definition and then comparing the status of ecotaxes in India. This will not only add to the existing literature on ecotaxes but also help the government in re-structuring their ecotaxes.

Independent variables

- Age
- Educational qualifications
- Gender
- Occupation

Dependent variables

- Awareness of environmental taxes
- Whether eco tax is necessary
- Whether green tax can be an incentive to reduce pollution
- Advantages of Environmental taxes

Analysis

Age, Gender, Education Qualification, Occupation, Do you think eco taxes are necessary in the country, Do you think green tax can be an incentive to reduce pollution, Rate your level of agreeability on the advantage of Environmental taxes (Figures 1-7).

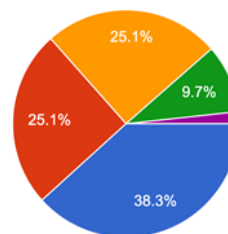


Figure 1. This pie chart represents the age: Less than 20, 21-30, 31-40,41-50 and above 50 years. Note: (●) Less than 20 years; (●) 21-30 years; (●) 31-40 years; (●) 41-50 years; (●) Above 50 years.

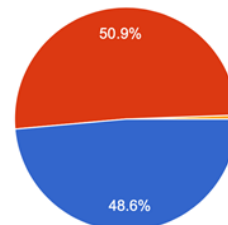


Figure 2. This pie chart represents the gender: male and female. Note: (●) Male; (●) Female; (●) Other.

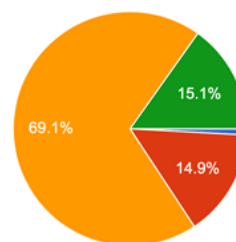


Figure 3. This pie chart represents the educational qualification: Primary, Higher secondary, undergraduate and postgraduate. Note: (●) Primary; (●) Higher secondary; (●) Under graduate; (●) Post graduate.

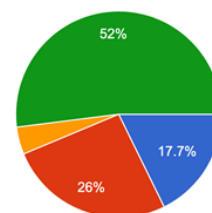


Figure 4. This pie chart represents the Occupation: Student, government, private job and business. Note: (●) Business; (●) Private; (●) Government; (●) Student.

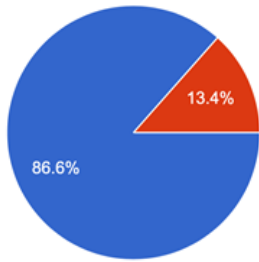


Figure 5. This pie chart represents the percentage of agreeability whether eco taxes are necessary in a country. Note: (●) Yes; (●) No.

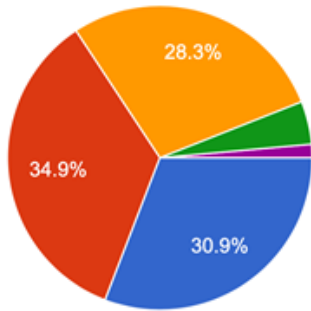


Figure 6. This pie chart represents the percentage of agreeability whether green tax acts as an incentive to reduce pollution. Note: (●) Strongly agree; (●) Agree; (●) Neutral; (●) Disagree; (●) Strongly disagree.

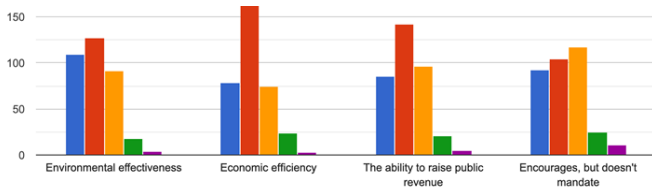


Figure 7. This chart represents the agreeability on the advantages of environmental taxes. Note: (■) Strongly agree; (■) Agree; (■) Neutral; (■) Disagree; (■) Strongly disagree.

Results

In Figure 8 the majority of the sample population rated the scale 10 and 8 points have an above average knowledge on environmental taxes. 10.29% students rated scale 10 and 4.57% of business respondents rated scale near to 10. The private working respondents have an average knowledge about environmental taxes (Figure 8).

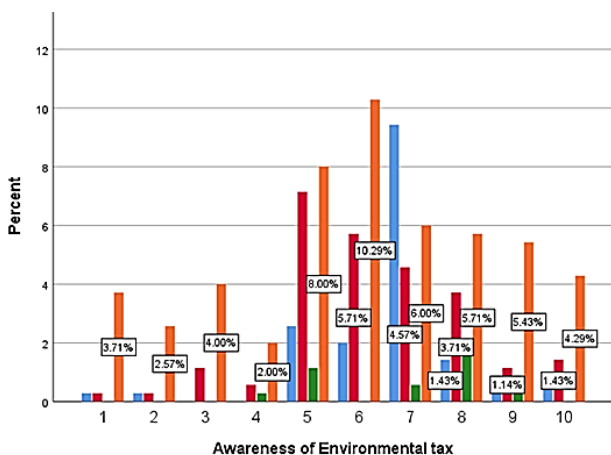


Figure 8. This bar graph represents the level of awareness of environmental tax and the occupation status of the respondents. Note: (■) Business; (■) Private; (■) Government; (■) Student.

In Figure 9 the majority of the sample population rated the scale 10 and above 10 points have an above average knowledge on environmental taxes. 12.86% male respondents rate 10 and above rate on scale. 10.57% of female respondents have an average awareness on environmental taxes (Figure 9).

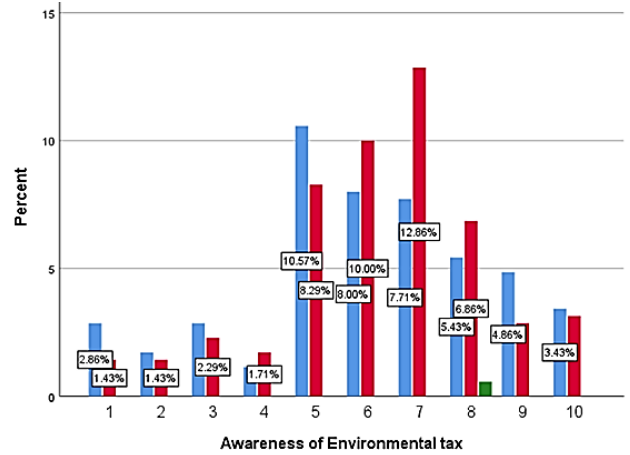


Figure 9. This bar graph represents the level of awareness of environmental tax and the gender of the respondents. Note: (■) Female; (■) Male; (■) Other.

In Figure 10 the majority of the sample population says “yes” for the necessity of eco taxes in India. 46.86% respondents who are students say “yes” followed by private working respondents and business respondents with the percentage of 20.29% and 16.86% respectively. 5.71% of private employees say “no” to the necessity of eco taxes in India (Figure 10).

In Figure 11 the majority of the sample population says “yes” for the necessity of eco taxes in India. 57.43% of respondents who are having educational qualification of undergraduate agree to the necessity of eco taxes in India followed by higher secondary and postgraduate with 14.29%. 11.71% of respondents having undergraduate qualification say “no” to the necessity of eco taxes in India (Figure 11).

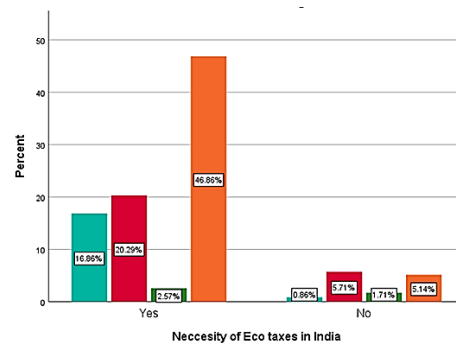


Figure 10. This bar graph represents the necessity of eco taxes in India with the occupation of the sample respondents. Note: (■) Business; (■) private; (■) Government; (■) Student.

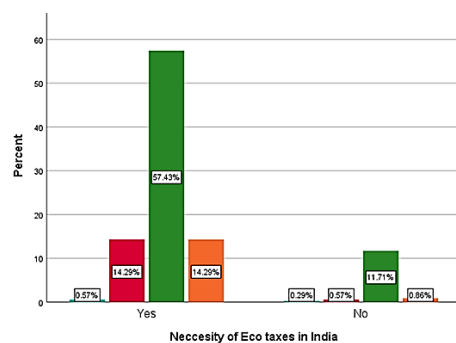


Figure 11. This bar graph represents the necessity of eco taxes in India with the educational qualification of the sample respondents. Note: (■) primary; (■) Higher secondary; (■) Under graduate; (■) Post graduate.

In Figure 12 the majorities of the sample population in the majority of the age categories agrees and strongly agree to green tax acting as an incentive to reduce pollution. 14.86% respondents of less than 20 years strongly agree followed by 9.71% respondents in the age category 21-30 years agree to green tax acting as an incentive to reduce pollution. But 12.29% of respondents responded neutral to the green tax, acting as an incentive to reduce pollution (Figure 12).

In Figure 13 the majorities of the sample population in the majority of the educational qualifications agrees and strongly agree to green tax acting as an incentive to reduce pollution. 24.29% of respondents in the undergraduate category agree to green tax acting as an incentive to reduce pollution. 19.14% and 21.14% of respondents in the undergraduate category strongly agree and are neutral to green tax acting as an incentive to reduce pollution respectively. 5.43% respondents in higher secondary and postgraduate agree and strongly agree (Figure 13).

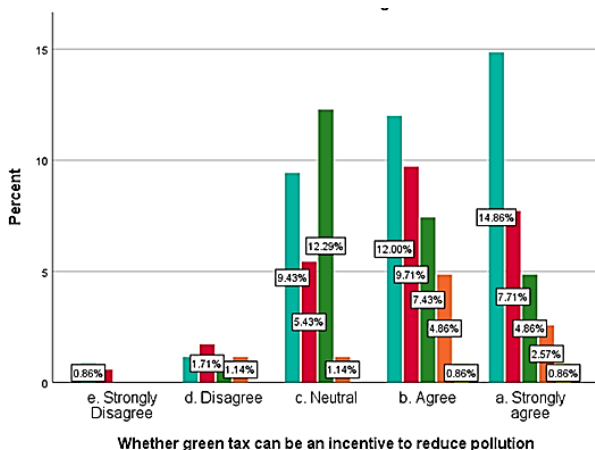


Figure 12. This bar graph represents whether green tax can be an incentive to reduce pollution with the age of the respondents. Note: (■) Less than 20 years; (■) 21-30 years; (■) 31-40 years; (■) 42-50 years; (■) Above 50 years.

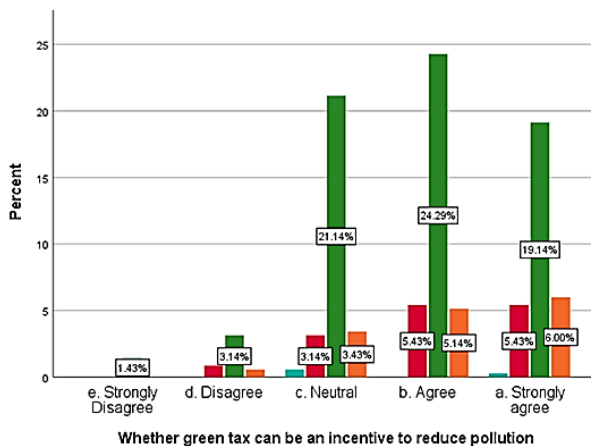


Figure 13. This bar graph represents whether green tax can be an incentive to reduce pollution with the educational qualifications of the respondents. Note: (■) primary; (■) Higher secondary; (■) Under graduate; (■) Post graduate.

In Figure 14 the majorities of the sample population in the majority of the occupation categories agree and strongly agree to the advantages of environmental taxes in a country and environment. 22.57% of the students agree with the advantages of environmental taxes in a country and environment. 11.43% respondents working in the private sector agree with the advantages followed by 2.29% of respondents belonging to the government sector are neutral towards the advantages environmental taxes provide for a country and an environment (Figure 14).

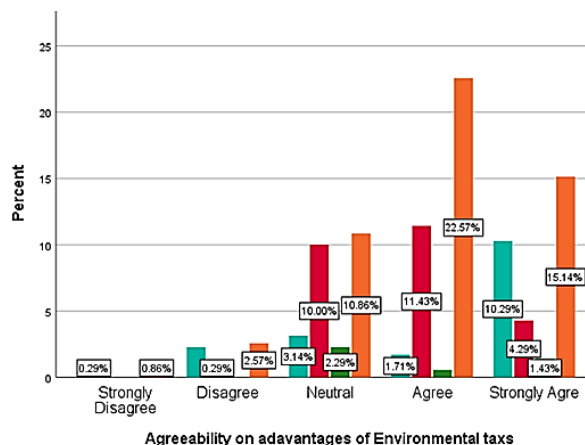


Figure 14. This bar graph represents the level of agreeability on advantages of environmental taxes and the occupation of the sample population. Note: (■) Business; (■) Private; (■) Government; (■) Student.

In Figure 15 the majority of the sample population in the majority of the educational categories agree to the advantages of environmental taxes in a country and environment. 23.43% of the respondents who belong to undergraduate category agree and 22.86% strongly agree followed by 20.00% who are neutral towards the advantages of environmental taxes in a country and environment. 7.14% of higher secondary respondents agree and 5.43% of respondents belonging to the post graduate qualification agree to the advantages of environmental taxes in a country and environment (Figure 15).

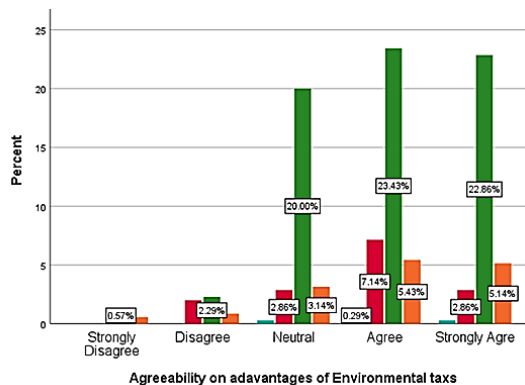


Figure 15. This bar graph represents the level of agreeability on advantages of environmental taxes and the educational qualifications of the respondents. Note: (■) primary; (■) Higher secondary; (■) Under graduate; (■) Post graduate.

In Figure 16 86.57% of the respondents answered “yes” to the necessity of eco taxes in India and 13.43% of the sample population answered “no” to the necessity of eco taxes in India (Figure 16).

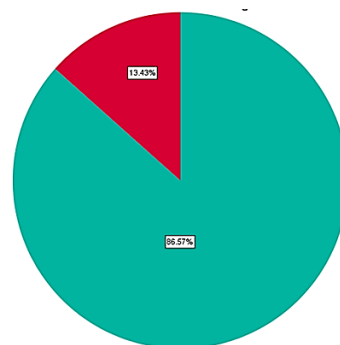


Figure 16. This pie chart represents the necessity of eco taxes in India answered by the sample population. Note: (■) Yes; (■) No.

Discussion

In Figure 8 the majority of the sample population rated the scale 10 and 8 points have an above average knowledge on environmental taxes. In a growing and democratic country like India, the responsibilities of industry and government in adopting market-based instruments and establishing policies to support them are critical. Various directions have been put forth in international programs and treaties to encourage sustainable development and eco-friendly means of development in the country. 10.29% students rated scale 10 due to the knowledge and awareness they might have gained in the process of studying. They learn about the environment and pollution or the destruction that is caused to nature because of humans. Therefore, they are very much aware about eco taxes. 4.57% of business respondents rated scale near to 1, This might be because they are in the industry and are aware that they must pay taxes for pollution created by them. The private working respondents have an average knowledge about environmental taxes because they work but not own or run business to know more of eco taxes.

In Figure 9 the majority of the sample population rated the scale 10 and above 10 points have an above average knowledge on environmental taxes. Mankind has always been dangerously eager to achieve quick economic expansion and progress, which has resulted in a slew of environmental issues. These issues have had a serious impact on human life as well as life on Earth. This perilous scenario has prompted significant consideration of environmentally sustainable growth strategies. 12.86% male respondents' rate 10 and above rate on scale. 10.57% of female respondents have an average awareness on environmental taxes. Both sexes are aware of taxes, although men are slightly more conscious than women of environmental levies. This might be because the sample was taken in India, and according to the research, India's overall female literacy rate is 70.3 percent, while male literacy is projected to be 84.7 percent. This might be one of the explanations why males are more aware of environmental taxes than women.

In Figure 10 the majority of the sample population says "yes" for the necessity of eco taxes in India. Currently, ecotax is utilized in nations all over the world. Governments throughout the world, from the United Kingdom and Australia to India and Japan, are gradually taking more responsibility for the consequences of their populations on the natural environment. 46.86% respondents who are students say "yes" followed by private working respondents and business respondents with the percentage of 20.29% and 16.86% respectively. This is because due to prevailing environmental conditions the earth is losing it resources and coming to an end due to global warming, pollution and various other reasons. 5.71% of private employees say "no" to the necessity of eco taxes in India because the private sector is the component of the economy that is operated for profit by individuals and businesses rather than the government there is very little likelihood that they are aware of the sensitive nature of the subject.

In Figure 11 the majority of the sample population says "yes" for the necessity of eco taxes in India. Although ecotax systems may not always generate immediate benefits, they have a massive benefit impact in the long term. While the London congestion charge hurts commuters, locals, and visitors alike, it has decreased car traffic by 30 percent and CO2 emissions by 20 percent. Whilst Swedes may pay an additional 20p per litre at the pump, the government's Environmental Minister claims that the carbon tax has reduced CO2 emissions by 20% since 1991. 57.43% of respondents who are having educational qualification as an undergraduate agree to the necessity of eco taxes in India followed by higher secondary and postgraduate with 14.29% this can be due to the awareness that is built in the process of studying as education is essential for everyone in order to enhance their knowledge, manner of life, and social and economic position throughout their lives.

In Figure 12 the majority of the sample population in the majority of the age categories agrees and strongly agrees to green tax acting as an incentive to reduce pollution. 14.86% respondents of less than 20 years

strongly agree followed by 9.71% respondents in the age category 21-30 years agree to green tax acting as an incentive to reduce pollution. As per Nielsen, 75% of Millennials and Gen Z are eco-conscious enough to change their purchasing patterns in favor of ecologically friendly items because they offer incentives for producers and consumers to change their ecologically detrimental behavior, particularly if they are enforcing controls/permits and other policy elements. Therefore, it is evident that they agree and strongly agree to green tax acting as an incentive to reduce pollution. But 12.29% of respondents in the age category 31-40 years responded neutral to the green tax, acting as an incentive to reduce pollution. This can be due to the lack of awareness and many of the common good actions were also connected to being ecologically friendly, for both millennials and older generations. According to the research, millennials are more inclined to attempt to be environmentally responsible.

In Figure 13 the majority of the sample population in the majority of the educational qualifications agrees and strongly agrees to green tax acting as an incentive to reduce pollution. 24.29% of respondents in the undergraduate category agree to green tax acting as an incentive to reduce pollution. 19.14% and 21.14% of respondents in the undergraduate category strongly agree and are neutral to green tax acting as an incentive to reduce pollution respectively as an environmental tax enables each polluter to choose whether it is more cost effective to pay the tax or cut emissions. Polluters who face the highest costs of pollution reduction will tend to charge a larger tax, but those who face minimal prices of pollution reduction will cut pollution instead. As a result, the costs of obtaining any given level of overall pollution reduction with a tax will be lower than with a regulation. Environmental taxes have numerous benefits, including environmental efficacy, economic efficiency, the capability to collect public income, and openness. Furthermore, environmental fees have been utilized successfully to combat a wide variety of concerns such as waste disposal, water pollution, and air pollution. 5.43% respondents in higher secondary and postgraduate agree and strongly agree because environmental tax offers an option to prevent the tax by consuming or producing less of the taxed material. For instance, if Sulphur emissions are charged, manufacturers will be incentivized to minimize emissions by filtration, for example, or by choosing materials and methods that produce less Sulphur pollution. The tax will boost costs for the customer, who will also be encouraged to use less of the taxed commodity.

In Figure 15 the majority of the sample population in the majority of the occupation categories agrees and strongly agrees to the advantages of environmental taxes in a country and environment. 22.57% of the students agree with the advantages of environmental taxes in a country and environment because students are the future, they care and are aware of the problems they will have to face if the current environmental problems aren't handled therefore this vibrant tax incentive is one of the approaches that environmental taxes assist to reduce pollution control costs and stimulate innovation. 11.43% respondents working in the private sector agree with the advantages. 2.29% of respondents belonging to the government sector are neutral towards the advantages environmental taxes provide for a country and an environment as this generate money that can be used directly to protect the environment, to offer others incentives to do so, or to decrease other, more costly taxes, such as labor taxes, with the goal of improving employment and overall economic well-being. 10.29% of respondents in the business field strongly agree because they may serve as a catalyst for producers to innovate. When energy, water, and raw materials, as well as solid, fluid, or volatile emissions, are taxed, taxpayers will develop new modes of manufacturing, transportation, housing, energy consumption, and general consumption in order to decrease their tax burden. This contributes to greater 'eco-efficiency,' the implementation of the precautionary principle, and the improvement of both sustainability and international competitiveness, since tomorrow's goods rely on today's advances.

In Figure 15 the majority of the sample population in the majority of the educational categories agree to the advantages of environmental taxes in a country and environment. 23.43% of the respondents who belong to

undergraduate category agree and 22.86% strongly agree followed by 20.00% who are neutral towards the advantages of environmental taxes in a country because pollution reduction is a critical behavioral shift, and taxes can be a more cost-effective instrument for pollution reduction than laws. This is due to the fact that many polluters, even those with modest pollutant reduction costs, will frequently pay a tax on the pollution that remains after all cost-effective reduction techniques have been implemented. 7.14% of higher secondary respondents agree and 5.43% of respondents belonging to the post graduate qualification agree to the advantages of environmental taxes in a country due to the wide tax on the carbon content of fossil fuels, for instance, would force individuals who create or use items that contribute to global warming to bear the full cost of their activities and provide incentives for them to decrease those costs. The tax may potentially generate a lot of money. The funds collected may be utilized to simplify and reduce other taxes, pay down the deficit, and finance reasonable expenditure.

In Figure 16 (86.57%) of the respondents answered "yes" to the necessity of eco taxes in India because the fundamental economic justification for employing taxes in environmental policy is to include the costs of pollution and other environmental expenses, known as externalities, in the pricing of products and services generated by economic activity. These environmental expenses are referred to as 'externalities' because they are side effects of economic activity and are not included in the prices paid by the companies or consumers directly engaged. 13.43% of the sample population answered "no" to the necessity of eco taxes in India because environmental tax comes with its few cons. For instance, Initial use of energy or water may be tax-free, but later levels of consumption may be subject to progressive taxes. This can reduce the tax's impact on small businesses while boosting the incentive to be more effective with the taxed product. The Dutch energy tax was intended in this manner for both small businesses and families.

Reports

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- Green Procurement Guidelines by National Academy of Indian Railways.
- The OECD Report on Regulatory Reform by Organization for Economic Cooperation and Development Paris, 1997.

International treaties

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Indian policies and legislation

- Water (Prevention and Control of Pollution) Act, 1977.
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Drawbacks of environmental tax

Inflationary effect: Poor productivity development and high cost of compliance by the private sector may manifest in a probable increase in the pricing of products and services in the form of environmental legislation.

Diversion of funds: Much of the taxes levied for environmental objectives are deferred or unused. Although these funds are not always utilized for environmental reasons, the experiences of several member countries show minor impacts on GDP.

Affecting competitiveness: Raising expenses to a producer inside a nation or area that are not imposed on companies outside of that country or region may, obviously, have an influence on the local maker's viability.

Limitation

This research is limited due to covid 19 restrictions and in this paper a convenient sampling method and e-survey method is used to collect surveys. This is a major limitation in this paper.

Suggestions

Assessment of externalities: The marginal social cost deriving through negative externalities connected with the manufacturing, use, or disposal of products and services should be identical to the environmental tax rate. This necessitates an assessment of environmental harm based on scientific evidence.

Provisioning: In emerging economies such as India, the income may be leveraged to provide environmental public goods and create various environmental health concerns to a larger extent.

Better targeting: In India, environmental taxes can target three main areas:

Differential taxation on automobiles in the transportation industry depending only on fuel economy, as well as GPS-based congestion chargers, in the energy sector, by taxing fuels used in energy production; and Waste generation and use of natural resources.

Environmental-fiscal reforms: According to the Madras School of Economics' research, there is also a need to incorporate environmental levies within the structure of the Goods and Services Tax.

Plastic tax reform: Although most nations' plastic tax policies have focused on charging at the consumption level (such as pricing plastic bags in groceries), taxes can also be aimed at the manufacturing level (for example on virgin materials as opposed to recycled materials in the production process). The British Treasury, for instance, launched a new levy on the manufacturing and import of plastic packaging that includes less than 30% recycled material. A tax of this type would have many positive consequences, which include increased resource efficiency by decreasing the use of virgin plastics as well as rising the use of recycled plastics in production, which might boost demand for recycled plastic upstream in the supply chain and widen incentives for elevated collection and recycling of plastic material downstream. As such, this tax is an outstanding demonstration of a policy that encourages the transition from the linear economy to the circular economy, in which the highest value is derived from resources while they are in use, and then materials are reused, remade, and recycled to their true ability to reduce waste. To address its plastic trash issue, India could enact a tax comparable to that of the United Kingdom, which would supplement the existing GST scheme. Since tax revenues are not typically targeted for concrete goals, proceeds from this tax may be used to improve plastic collection and recycling infrastructure, as well as ragpickers' work environment. The following actions need to be taken in order to go forward with the design and implementation of a plastics manufacturing tax in India:

➔ Consultation with business, government, and non-governmental organization stakeholders to determine the best point of intervention in plastics manufacturing.

➔ Analyzing the present economic incentives and disincentives for plastic manufacture, use, and recycling, as well as considering how other tax design options would influence them.

➔ creating coalitions with stakeholders in the taxation, environmental, and waste management sectors to determine that the tax is designed appropriately and that it is implemented effectively and successfully.

Conclusion

Every country has accepted the idea of Sustainable Development, and they have all recognized the complexities of the declining quality of the environment. The implementation of a full-fledged sustainable development idea is only feasible when all of the components are in place, implemented, and tested. In the 1970s and early 1980s, environmental policy was primarily driven by laws governing emissions, environmental quality, processes, and technology. Such restrictions are sometimes described as 'command and control' devices. Despite the fact that the EU's 5th Environmental Action Programme in 1992 advocated a wider use of economic tools such as environmental levies, there has been little advancement in their usage at the EU level since then. Moreover, during the previous decade, there has been a steady growth in the usage of environmental levies at the Member State level, which has increased in the recent 5-6 years. In total there are seventeen environmentally related taxes, of which sixteen are levied by various states and only one is levied by the Centre. After the analysis of the sample data, we can conclude that eco taxes are in need because of the increase in pollution and environmental problems. By the results received we can also agree that eco taxes serve as a great advantage to the society and the business community because it generates money that can be used directly to protect the environment. Environmental tax offers an option to prevent the tax by consuming or producing less of the taxed material.

It is essential that policies be defined and changed as needed. This will be of tremendous assistance and will allow us to stay up with the current situation. As a result, environmental tax contributes significantly to the preservation of environmental quality. However, it is well recognized that eco taxes alone cannot assist to improve the situation; thus, certain immediate actions must be implemented. Eco taxes can only serve as complements to it. It is unlikely that the methods outlined here will prevent all types of environmental pressure. However, in areas where public-sector capabilities are dwarfed by commercial resources, the market-based approach is critical, and we should work carefully to build market-based instruments that integrate economic, social, and environmental goals. There will always be risks and difficulties in following and executing new ideas, but the best concept with the fewest constraints must always be chosen. "The reason why we should do carbon tax is because it's the right thing to do. Its economics 101, elementary stuff"-Elon Musk

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