



## **Carbon tax is under the consideration of the Thai Excise Department**

Climate change has becoming as one of the biggest environmental issues around the world and it could not be denied that human emission is the main major causing this issue. As a result, countries have put their effort attempting to find a solution together in order to prevent or reduce damage that may occur in the near future.

By considering the environmental measures that are currently applied, it found that tax measures are one of the most effective ways that countries have adopted.

Currently, Thailand has no specific tax law governing carbon emissions. However, on 7 September 2022, Dr. Ekaniti Nitithanpraphas, the Director-General of the Thai Excise Department, announced that the Excise Department determines a strategy called “EASE Excise” to become a leader in levying taxes for society, environment and energy which will focus on operating under 4 pillars including implementing tax measures to enhance the capacity of ESG/BCG products/services in support of the carbon neutral country policy in 2050 and net zero emissions in 2065.

Tax measures that have been considered by the Excise Department are set forth below.

- Collecting carbon tax which complies with world standards, such as a tax collection on carbon dioxide-emitting products, or on factories' production processes that emit carbon dioxide.
- Implementing tax measure to promote the production of bioplastics, bio jet fuel and environmentally friendly batteries by reducing the tax on ethanol in case it is used for the production of bioplastics or bio jet fuel.
- lowering the excise tax on recyclable EV batteries to 2%