

CALCULATION OF THE ENVIRONMENTAL TAX

According to the RA Tax Code, which came into force on January 1, 2018, an environmental tax has been imposed instead of an environmental payment. The Tax Code defines the concept of the "environmental tax", the purpose of its payment, calculation and payment procedure. According to the Tax Code, the environmental tax is a tax paid to the state budget, which serves the purpose of "creating the necessary funds for the implementation of environmental activities."¹ In accordance with the Tax Code, environmental tax objects are considered, particularly.

1. emission of pollutants into atmosphere (air basin)
2. emission of harmful substances and/or compounds into water basin
3. a) placing and b) storing of the production and consumption wastes in defined places

The list of harmful substances polluting the air, as well as the environmental tax rates are defined by Tax Code.

The Code stipulates fixed rates for every ton of dust, carbon monoxide, nitric oxides, sulphuric anhydride, chlorine and chloroprene emitted into the air during the reporting period.

For other substances that pollute the atmosphere with regard to which the actual volumes of emissions exceed the volumes of emissions stipulated by the permits on emission of harmful substances polluting the air in compliance with the procedure defined by the law, or with regard to which the permissions on emission of harmful substances polluting the air are missing, or for which permissible emissions are not specified in the permits, the rate applied for one ton is calculated using the following formula:

$$R_{\text{air}} = 900 \text{ AMD} / \text{MAC}$$

where "R_{air}" is the rate, "MAC" is the average allowed marginal daily concentration of

¹ Tax code, article 161, <https://www.arlis.am/DocumentView.aspx?DocID=141938>

the given substance in the air².

For the emission of harmful substances polluting the air basin on the territory of Yerevan and national parks the rates are increased 1.5 times³.

The RA tax Code stipulates fixed rates for leakage of one ton of dependent substances, ammonium nitrogen, petrochemical products, copper, zinc, sulphates, chlorides, nitrites, nitrates, phosphorus, detergents, heavy metal salts, as well as cyanide and cyanide compounds into water basin during the reporting period. ⁴

For all the other hazardous substances and compounds for which the actual volumes of emissions exceed the volumes of allowed marginal emissions of hazardous substances in waste waters stipulated by water use permits, or water use permits regarding emissions are missing, or water use permits do not define the allowed marginal volumes of emissions, or the volumes of permissible leakage limits provided by the rules for the use of drainage systems and the treatment of wastewater treatment are not specified, the rates applied per one ton are calculated using the following formula:

$$R_{\text{water}} = 10\,000 \text{ AMD} / \text{MACF}$$

where: “R_{water}” is the rate, “MACF” is the marginal allowed concentration of the given substance or compound in the water used for fish industry⁵.

For the emissions of hazardous substances and compounds into Sevan lake water collection basin, Hrazdan and Getar rivers on the territory of Hrazdan gorge the rates are doubled⁶.

The Tax Code also stipulates the rates of environmental tax for placing (storing) each ton of production and (or) consumption wastes in the reporting period in the specially allocated areas (with the exception of manufacturing areas) in compliance with the defined order. The Tax Code also defines the tax rates for one-time storage in accordance with the established procedure during the reporting period of each ton of production and (or) consumption waste (except for subsoil use wastes) in manufacturing areas, environmental tax rates for one-time placing or storage in specially allocated areas: in tailing dumps, industrial landfills,

² Tax Code, article 167

³ *ibid.*, art. 167, part 2

⁴ *ibid.*, art. 169, part 1

⁵ *ibid.*, art. 169, part 1

⁶ *ibid.*, art. 169, part 2

waste rock sites & (or) in similar places. The rates set for the latter will come into force on January 1, 2021. Until then The environmental tax for placing (storage) of each ton of production and consumption waste in manufacturing areas is subject to calculation at the rates specified in Article 3 (b) of the RA Law on Environmental Payment Rates.

ENVIRONMENTAL TAX RATES

The rates for each ton of dust, carbon monoxide, nitric oxides, sulphuric anhydride, chlorine, chloroprene and other pollutants emitted into the air stipulated by the Tax Code

AIR POLLUTANTS	Rate for each ton emitted in the reported period (AMD)
Dust	1800
Carbon monoxide	240
Nitric oxides	14 800
Sulphuric anhydride	1 800
Chlorine	12 000
Chloroprene	90 000
For all other substances with regard to which the actual volumes of emissions exceed the volumes of emissions stipulated by the permits on emission of pollutants into the air in compliance with the procedure defined by the law, or with regard to which there are no permits for the emission of harmful substances into the air, or permits do not specify permissible limit emissions	$R_{air} = 900 \text{ AMD} / \text{MAC}$ where “ R_{air} ” is the rate, “MAC” is the average allowed marginal daily concentration of the given substance in the air.

The environmental tax for the emissions of harmful substances into atmosphere from the vehicles registered (operated) in the Republic of Armenia is calculated by the following rates

Trucks' group	Annual rate (AMD)
Vehicles for cargo transportation, the maximum weight of which does not exceed 3.5 tons	5000
Vehicles intended for cargo transportation with more than weight of 3.5 tons, but not more than 12 tons	10000
Vehicles intended for cargo transportation with a maximum weight of more than 12 tons	15000

The rates for each ton of suspended substances, ammonium nitrogen, petrochemical products, copper, zinc, sulphates, chlorides, nitrites, nitrates, phosphorus, detergents, heavy metal salts, as well as cyanide and cyanide compounds into water basin and (or) centralized drainage networks ; other water systems stipulated by the Tax Code

WATER POLLUTANTS	Rate for each ton emitted in the reported period (AMD)
Suspended substances	5,300
Ammonium nitrogen	5,100
Biological demand for oxygen	18,400
Petrochemical products	204,600
Copper	1,023,900
Zinc	1,023,900
Sulphates	100
Chlorides	30
Nitrites	511,500
Nitrates	1,100
Phosphorus	40,000
Detergents	102,300
Heavy metal salts	511,500
cyanide and cyanide compounds	511,500
For all the other hazardous substances and compounds for which the actual volumes of emissions exceed the volumes of allowed marginal emissions of hazardous substances in waste waters stipulated by water use permits, or water use permits regarding emissions are missing, or water use permits do not define the allowed marginal volumes of emissions, or the volumes of permissible leakage limits provided by the rules for the use of	$R_{\text{water}} = 10\,000 \text{ AMD} / \text{MACF}$ where: "R _{water} " is the rate, "MACF" is the marginal allowed concentration of the given substance or compound in the water used for fish industry

drainage systems and the treatment of wastewater treatment are not specified	
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Environmental tax rates for placing of production and (or) consumption wastes in specially allocated areas: places of waste disposal, polygons, waste accumulators, landfills, complexes and (or) constructions

Production and consumption wastes as per hazard class	Rate for each ton (AMD)
First class hazardous wastes	48,000
Second class hazardous wastes	24,000
Third class hazardous wastes	4,800
Fourth class hazardous wastes (except of the non-disposable wastes generated by individuals for the operators who carry out garbage collection and sanitation works)	1,500 dram
Non-hazardous wastes (except of the sorted wastes generated by the individuals for the operators of subsoil use wastes, garbage collection and sanitation)	600 dram
Sorted and non-disposable wastes generated by the individuals for the operators carrying out garbage collection and sanitation	60 dram

The environmental tax rates for one-time storage of the production and consumption wastes (except for subsoil use wastes) in the specially allocated areas will (starting from January 1, 2021)

Production and consumption wastes as per hazard class	Rate for each ton stored in the reported period (AMD)
First class hazardous wastes	62400
Second class hazardous wastes	31200
Third class hazardous wastes	6240
Fourth class hazardous wastes	1950
Non-hazardous wastes	780

The environmental tax rates for one-time storage of the production and consumption wastes in the specially allocated areas: tailing dumps, industrial landfills, waste rock sites and (or) similar places (starting from January 1, 2021)

1) for non-metallic solid mineral deposits:

Subsoil use waste as per hazard class	Rate for each ton stored in the reported period (AMD)
First class hazardous wastes	62400
Second class hazardous wastes	31200
Third class hazardous wastes	6240
Fourth class hazardous wastes	1950
Non-hazardous wastes	780

2) for metallic mineral ores deposits:

Subsoil use waste as per hazard class	Subsoil use waste as per hazard class
First class hazardous wastes	250
Second class hazardous wastes	120
Third class hazardous wastes	25
Fourth class hazardous wastes	8
Non-hazardous wastes	3

Until January 1, 2021, the environmental tax for the placement (storage) of wastes in the manufacturing areas is calculated at the following rates

	Rate as per placement period (AMD)		
	Up to 1 year	1-3 years	More than 3 years
First class hazardous wastes	0	16 000	48 000
Second class hazardous wastes	0	8 000	24 000
Third class hazardous wastes	0	1 600	4 800
Fourth class hazardous wastes	0	500	1 500
Non-hazardous wastes (except for the non-hazardous waste placed by mining companies)	0	200	600