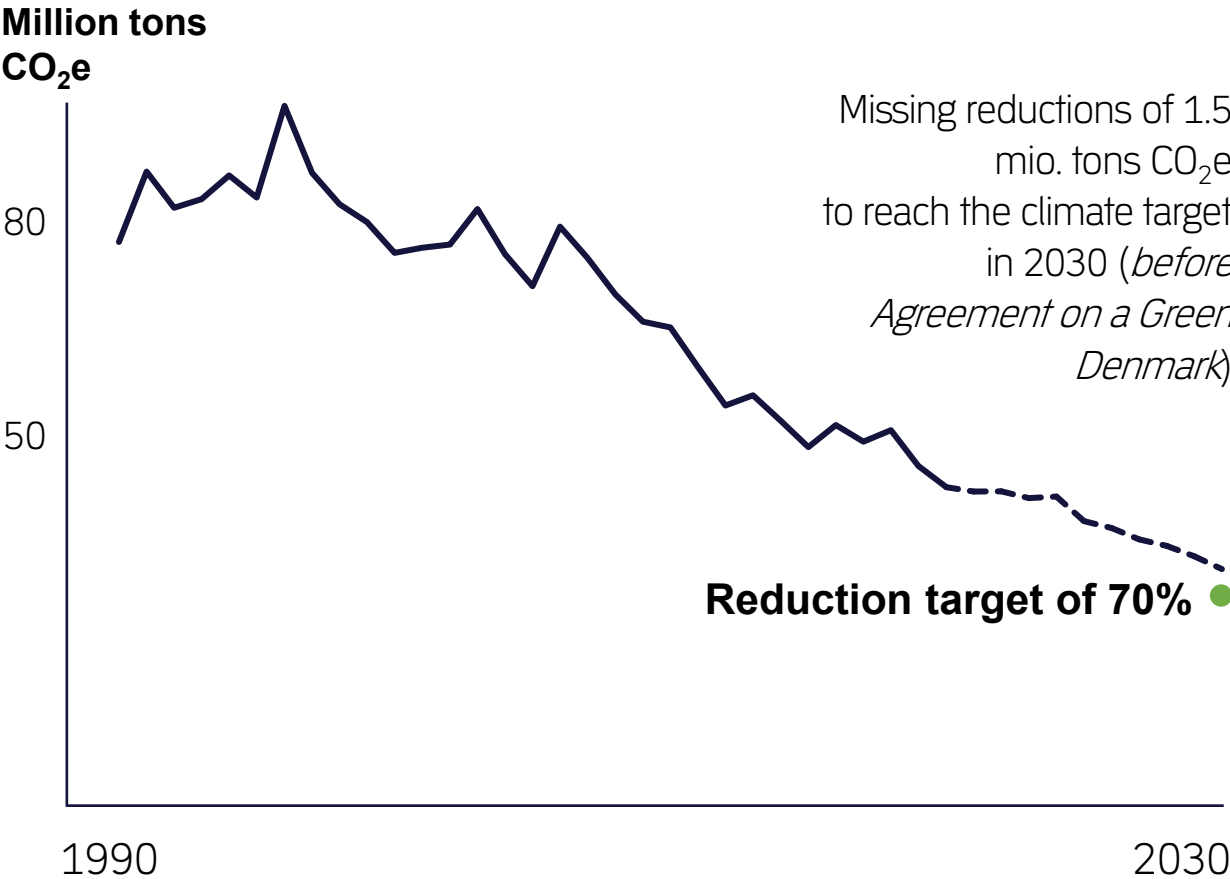




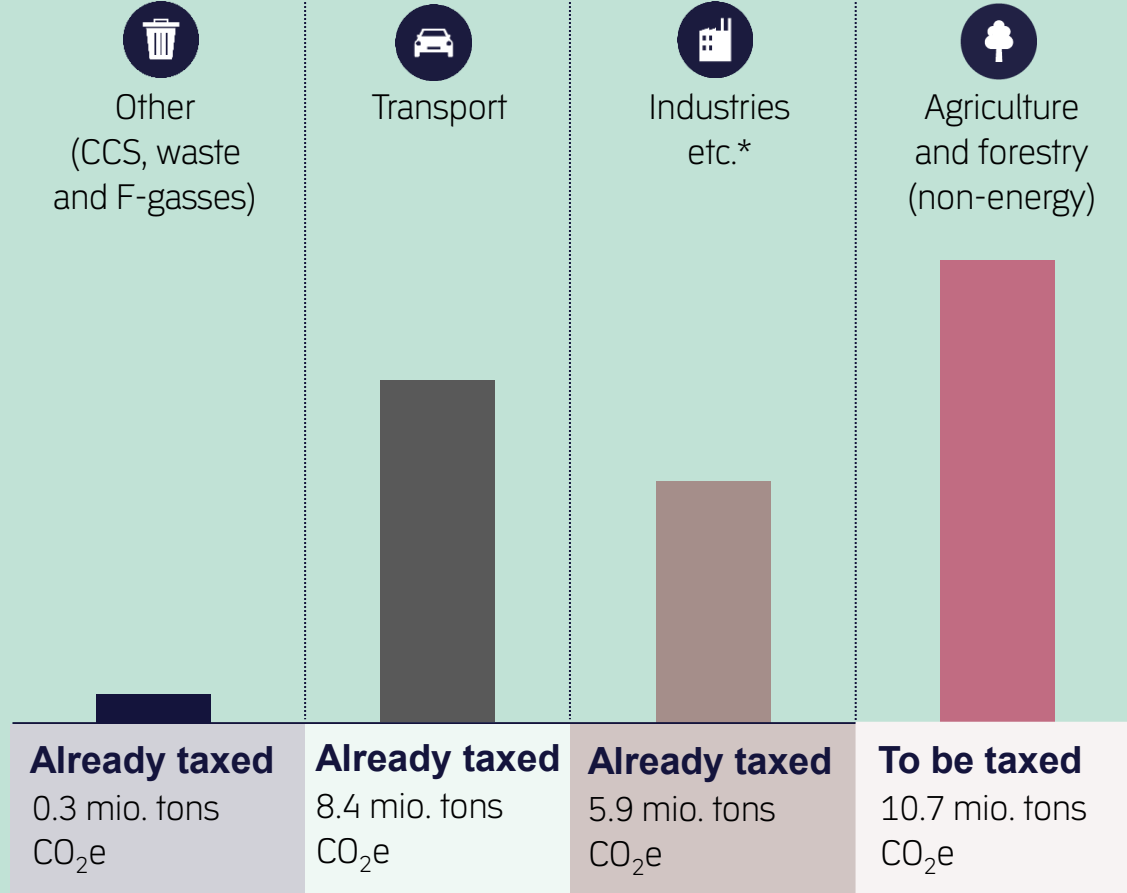
Carbon taxation in Denmark

2024

Denmark has an emissions reduction target of 70 pct. by 2030 (Climate Law)



Expected emissions in 2030 across sectors



*Industries, businesses, non-road transport, production of electricity as well as heating (collective and individual)

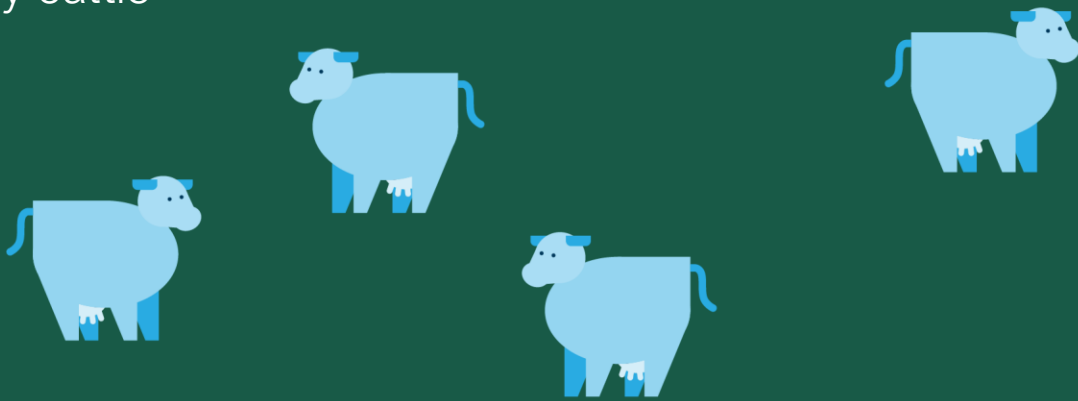
Total non-energy related emissions from agriculture and forestry in 2030

10.7 mio. ton CO₂e

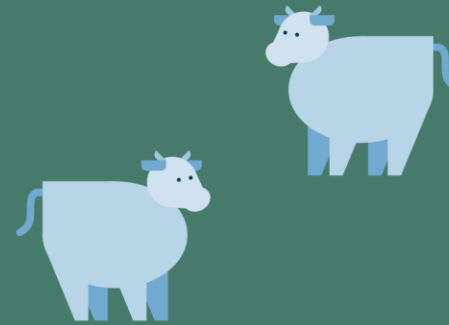
Forest
-1.6



Dairy cattle
3.1



Other cattle
1.5



Pigs
1.5



Cultivation of fields etc.
1.7



Other farm animals
0.3



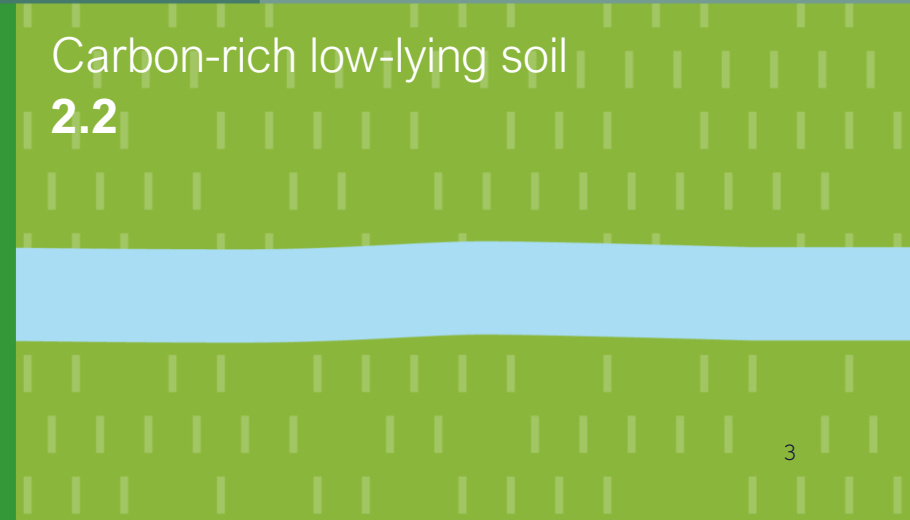
Other use of land
0.3



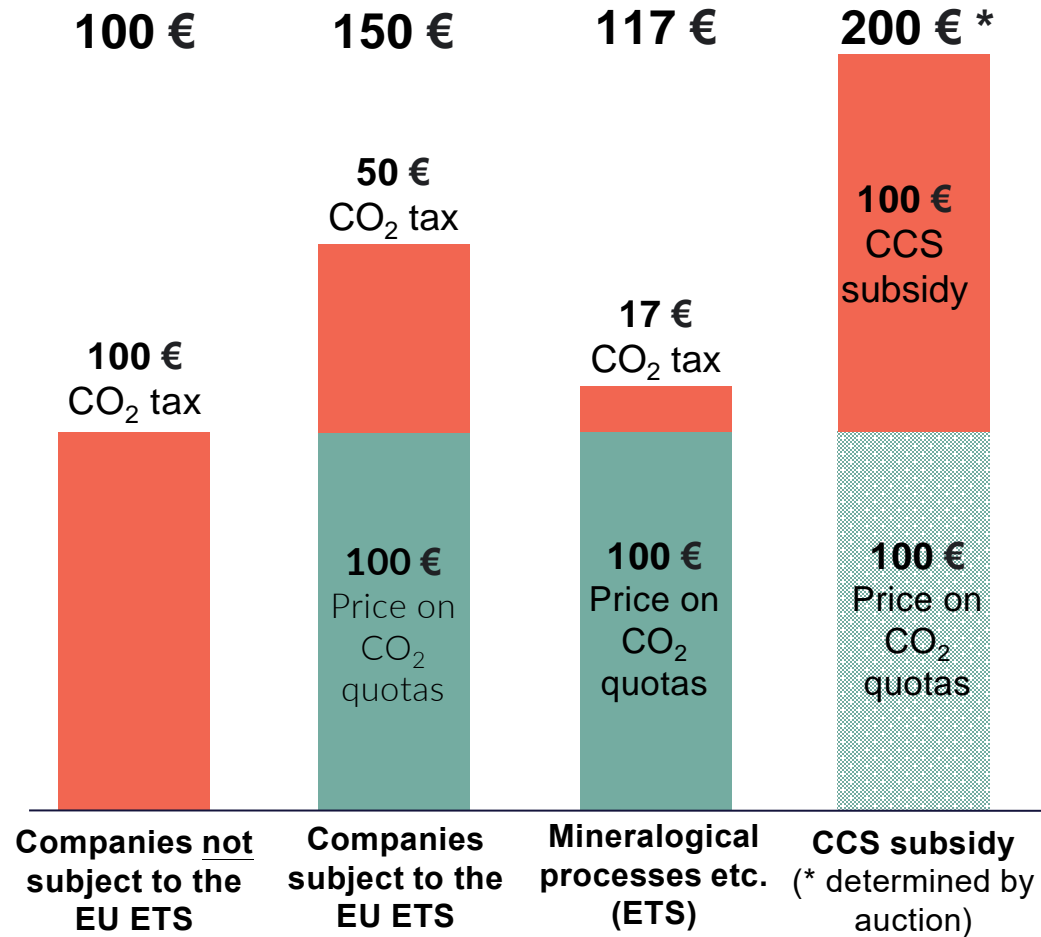
Fertiliser and lime applied on fields
1.9



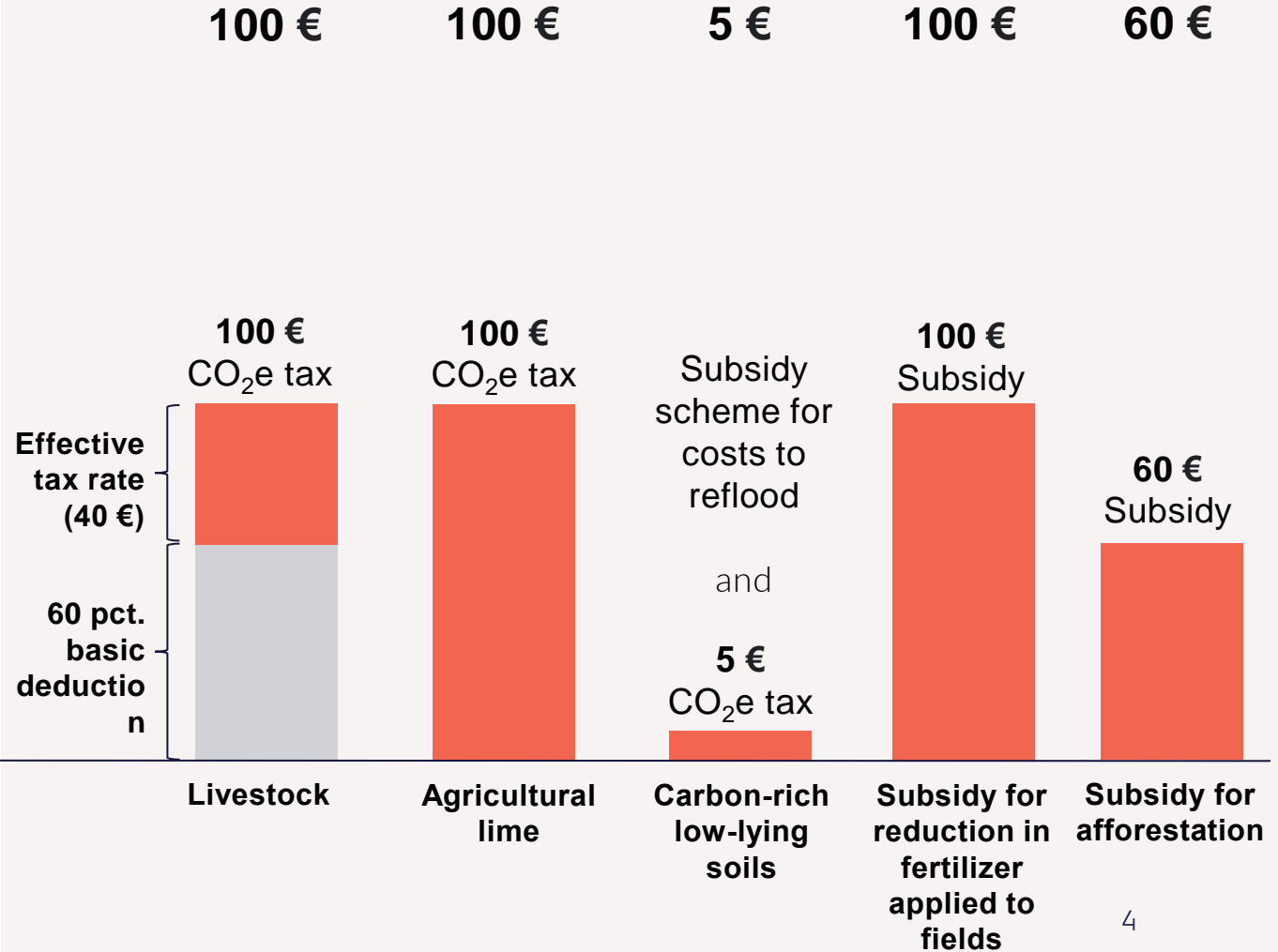
Carbon-rich low-lying soil
2.2



General Carbon Tax System



Green Tripartite Agreement for Agriculture (2024)



Process for a CO₂e tax on agriculture in Denmark

Step 1: An expert group appointed by the government provides recommendations for the architecture of a CO₂e tax.

Step 2: The government, the agricultural sector, climate organizations, and other stakeholders, discusses these recommendations
→ the **Green Tripartite agreement** *in June 2024.*

Step 3: The political parties decide on the recommendations from step 2, leading to a political agreement

→ **Agreement on the implementation of the Green Tripartite agreement** *in November 2024.*

Step 4: Implementation.

Historical agreement on a CO₂ tax



Uniform tax on CO₂e emissions from livestock



3.3 mio. tons CO₂e reductions in 2035, corresponding to 30 pct. of the emissions from agriculture and forestry



Restructuring of hectare subsidy (CAP) to enhance a greener production

Help to promote transition



5.4 bn. euros to investments in a Land Area Fund



Subsidy to support the afforestation of 250,000 hectares (≈10 pct. of the agricultural land)



Subsidy to support removal of 140,000 hectares of carbon-rich low-lying soil (≈5 pct. of the agricultural land)

Revenue recycling

Implementation

The farmer declares activity data (AD) following the usual practice in the manure accounts and livestock databases regarding livestock and barn type (number of cattle/pigs, type - dairy cattle/slaughter pigs).

The Tax Administration calculates the tax based on farm-specific activity data (AD) and emission factors (EF).

The Tax Administration sends a tax assessment to the farmer.

The Tax Administration handles any complaints regarding calculations, corrections, and supplementary declarations.



The livestock data are controlled and administered by the data owner (**Danish Agricultural Agency / Environmental Protection Agency**), which also handles other administrative duties (such as data declaration, data correction, and complaint handling).

The **Ministry of Climate, Energy, and Utilities** ensures that the emission factors (EF) are up to date.

The emission factors (EF) and activity data (cattle/pigs, type - dairy cattle/slaughter pigs, and barn type) are sent to the **Tax Administration**.