The role of environmental taxation in protecting the environment

دور الجباية البيئية في حماية البيئة

Boualem Boussakra [1*], **Bensadi rabah** [2]

[1] University of Blida 2 Lounici Ali, Faculty of Law and Political Science, Algeria

b.boussakra@univ-blida2.dz

https://orcid.org/0009-0006-4367-5720

[2] PhD student, Faculty of Law and Political Science, Janzour Academof Graduate Studies, State of Libya

bensadirabah747@gmail.com

Date of transmission: 24/04/2026 date of acceptance: 25/05/2026 date of publication: 01/06/2026

****

Abstract:

There is no doubt that countries strive to protect and promote the environment and monitor all possibilities and means for this, setting a precise program for implementing environmental policy and legislation, and ensuring their development and periodic review in accordance with international agreements.

The Algerian legislator, like many countries, and within the framework of environmental policy, relied on many means, including environmental taxation, which is the most important mechanism developed to protect the environment and achieve economic goals without harming it.

key words: Environnemental taxation, environnemental protection, environnemental taxes, the Algérien Law.

الملخص: مما لا شك فيه أن الدول تسعى جاهدة لحماية البيئة وترقيتها وترصد لذلك كل الإمكانيات والوسائل، فتضع برنامجا دقيقا لتنفيذ السياسة والتشريعات البيئية، والسهر على تطويرها ومراجعتها بصفة دورية وفقا للاتفاقيات الدولية.

والمشرع الجزائري على غرار العديد من الدول، وفي إطار سياسة البيئة، اعتمد على العديد من الوسائل ومن بينها الجباية البيئية التي تعد أهم الآليات المستحدثة لحماية البيئة وتحقيق أهداف اقتصادية دون الإضرار بها.

وتجسد هذه الجباية مبدأ "الملوث يدفع"، حيث تهدف إلى تقويم سلوك الفاعلين الاقتصاديين عبر تحميلهم التكلفة المالية للأضرار الناجمة عن نشاطاتهم. وبذلك، لا تقتصر وظيفتها على توفير إيرادات إضافية للخزينة العمومية لتمويل المشاريع الإيكولوجية، بل تتعداها لتشكل حافزاً تشريعياً يدفع المؤسسات نحو تبني التكنولوجيات النظيفة والانخراط في الاقتصاد الأخضر، مما يضمن توازناً حقيقياً وفعالاً بين استمرارية النمو الاقتصادي ومتطلبات التنمية المستدامة.

الكلمات المفتاحية: الجباية البيئية، حماية البيئة، الضرائب البيئية، المشرع الجزائري.

* **Corresponding Author**

Introduction

The environment is the framework that encompasses humans, fauna, flora, and natural factors, to preserve these beings and the elements of their development, through the balance between them, which legal systems are keen to maintain. In fact, issues of environmental protection occupy a high position in the national priorities in any State, given that they affect all activities, especially in light of the growing awareness of environmental pollution problems, their rapid escalation, and the increasing severity of their impact.

It extends to touch the various aspects of life, transcending the political borders of countries, which has prompted scientists and thinkers to sound the alarm and warn humanity about the need to make radical changes in how humans interact with their environment and to intensify efforts to repair what has been damaged.

Consequently, many countries have added provisions for the environment to their constitutions, elevating it to a constitutional principle as it is a human right in order to ensure the preservation of natural resources for future generations. Algeria, through the 2020 Constitutional Amendment, established a clear constitutional principle regarding the duty to protect the environment and combat all forms of pollution that deplete natural resources, as evidenced by Articles 109 and 68, which affirm the citizen's right to a healthy environment.

In fact, the Algerian constitution established the right to a healthy environment as a constitutional principle, which means that Algeria has adopted the environmental dimension in its constitution, or what is known as environmentally friendly constitutions.

Algeria has also participated in numerous international and global agreements in technical fields related to environmental protection, and has likewise worked to employ the tax system as an economic mechanism having a positive impact in contributing to environmental protection and constituting a factor in its preservation, as taxes have been imposed on the basis of the “Polluter Pays Principle”.

The Organization for Economic Cooperation and Development (OECD) classified environmental taxes as among the most important economic mechanisms to protect the environment. Most countries of the world have adopted green tax policies or environmental taxes to curb polluters and reduce the damage affecting the environment, which provides protection and pushes the wheel of economic growth. Therefore, the following problem has been explored:

The Organization for Economic Cooperation and Development (OECD) has classified economic mechanisms for environmental protection into five categories, including environmental taxes and fees, considering them as the most important category. Most countries of the world have adopted green taxation policies, or environmental taxation, in order to curb polluters and limit the harms affecting the environment, thereby ensuring its protection and promoting economic growth. In order to contribute to this issue, the following problematique has been explored:

What is the legal nature of environmental taxes, and to what extent is their legislative system effective in promoting environmental responsibility and achieving a tax deterrent effect?

To address this legal issue and gain a thorough understanding of it, the subject has been divided into two sections. The first section relates the nature of environmental taxation, while the second section addresses the mechanisms of taxation related to environmental protection.

Section I: The Nature of Environmental Taxation

Due to the increasing international interest in recent years in cases of environmental pollution and the difficulty of remedying such pollution, government policies have moved toward creating more effective economic mechanisms to reduce it. The most effective approach identified has been the imposition of taxes and fees on polluters, which is referred to as environmental taxation.

First: The Concept of Environmental Taxation

Taxation, in general, is a compulsory financial deduction collected by the State from taxpayers without a direct quid pro quo, for the benefit of the public treasury. It consists of taxes, duties, and levies intended to cover public expenditures.

A. Origin and Definition of Environmental Taxation:

Taxation is used to cover public expenditures; it is also used to regulate the activities of individuals who are harmful to the environment and to limit pollution. So, what is environmental taxation and how did it originate for the first time?

B. Origin of Environmental Taxation:

At the beginning of the twentieth century, the English economist Arthur Cecil Pigou, who served as a Professor of Political Economy at the University of Cambridge during the period 1908–1944, proposed in his book “The Economics of Welfare”, first published in 1920. The imposition of a tax on the person responsible for pollution based on the damage caused which is adopted by many

economists and is known as the “Pigouvian tax,” in reference to Pigou, and later came to be referred to as pollution charges or a pollution tax. [1]

C- Definition of Environmental Taxation:

Environmental taxation, also known as green taxation, corrective taxes, o r ecological taxes, is defined as: One of the recently introduced national or intern ational policies aimed at correcting shortcomings by increasing a fee, charge, or t ax on pollution.[2]

The French Institute for the Environment defined it as: "All direct and in direct financial deductions that target to all negative impacts on the environment. These are all taxes and fees used by the tax administration to finance the repair of damages caused by those responsible, whether they are producers or consume rs".[3]

Fares Masdour defined it as: "It includes various taxes and fees imposed by the State on all polluters of the environment, as well as various exemptions an d deductions granted to those who use environmentally friendly technologies in t heir activities."[4]

According to the above definitions, environmental tax legislation consiss of:

- Environmental Taxes: Are all compulsory financial deductions either free or for a specific purpose, benefit that benefit taxpayers who carried out an activity that damages or may in the future cause harm to the environment. They are ded ucted once a year, such as the tax on polluting activities.
- Environmental Fees: Are compulsory monetary deductions paid by the taxpayer in exchange for a specific purpose provided by the state, paid each time the service is requested, such as the fuel fee.
- Incentives and Tax Exemptions: This system aims at full or partial exemption from paying ecological taxes if the polluting facility complies with anti-pollution measures.[5]

---

[1]- Abdelmadjid Qadri, Studies in Tax Law, First Edition, Al-Jarir Publishing and Distribution House, Amman, Jordan, 2011, p. 165.

[2]- Abdelmadjid Abdelmounaim, Administrative Legal Means for Environmental Protection in Algeria, PhD Thesis in Public Law, University of Algiers Ben Youcef Ben Khedda, Ben Aknoun, 2008, p. 107.

[3]- Khadidja Boutbal, The Role of Tax Legislation in Environmental Protection, Gil Journal of Human Rights, No. 25, 2018, p. 4.

[4]- Fares Masdour, The Importance of Government Intervention in Environmental Protection through Environmental Taxation, El-Bahith Journal, University of Kasdi Merbah, No. 7, September 2009/2010, p. 349.

[5]- Khadidja Boutbal, op. cit., p. 41.

- Environmental Fees: Are monetary deductions of symbolic value paid by the taxpayer in return for what they have received from the State, such as the supply of drinking water by imposing a fee that correlates with consumption volume (water saving availability fee).[1]

1- Characteristics and Objectives of Environmental Taxation:

Environmental taxation has unique and distinctive characteristics that set it apart from other types. It achieves several goals in the field of environmental p rotection.

2- Characteristics of Environmental Taxation:

Environmental taxation can be distinguished by the following characteri stics:

- Targeted Taxation: A characteristic of environmental taxation that distinguishes it from the general concept of taxation is that a large portion of its revenue is allocated for environmental expenditures. This is an exception to the rule of non-allocation in public finance, which stipulates that a specific revenue should not be allocated to a specific expenditure.[2] Therefore, environmental tax ation is exempt from the rule of non-allocation.
- Compensatory Taxation: It is considered compensation for the damage resultig from pollution, meaning that the owners of industrial facilities causing pollutin compensate for the harm caused by their activity.

A. **Intervening Taxation:** Taxation is generally subject to the principle of neutrality, meaning it should not pressure citizens or push them to prefer one product over another. Environmental taxation is considered an exception to this rule, as the legislator often intervenes through environmental taxation in a deterrent, incentive, or directional manner to influence individual behaviors in order to preserve natural resources and the climate in which they live. Public authorities also direct economic and social activity, such as encouraging environmentally friendly industries and the use of clean production methods.[3]

B - Objectives of Environmental Taxation:

Environmental taxation has multiple and general objectives: financial, incentive-based, and even corrective including:

---

[1]- Berahmani Mahfoud, Environmental Taxation, Journal of Legal, Political, and Social Resea rch, No. 7, p. 401.

[2]- Berahmani Mahfoud, op. cit., p. 401.

[3]- Saada Fatima Zahra, The Role of Taxation in Environmental Protection, PhD Thesis in Administrative and Financial Sciences, General Law Branch, Mohamed Boudiaf University of M'sila, 2019/2020, p. 139.

- Combating pollution, protecting the environment, and addressing its problems through the financial measures included in taxation.
- Progressing towards sustainable development and green growth. [1]
- Creating new financial sources allocated for environmental spending.
- Achieving environmental effectiveness, considering that high and multiple environmental taxes on taxpayers lead to reduce pollution and thus reduce costs borne by the legislator, which in the medium-term leads to price reductions. [2]
- Creating incentives for producers to cease environmentally harmful behaviors, so that increased tax rates motivate them to adopt environmentally friendly practices and activities, and to seek nature-friendly technical and technological solutions.
- Instilling a spirit of environmental culture and preserving the surroundings among community members.[3]
- Encouraging consumers to change their consumption patterns towards environmentally healthy consumption.
- Remedying environments damaged by environmental terrorism.

Secondly: Elements of Environmental Taxation:

The elements of environmental taxation consist of the taxpayer, the tax base, and the tax rate that we will discuss in the following points:

1. The Environmental Taxpayer Subject to Tax:

According to the general rules of social justice, the taxpayer subject to environmental tax is the one who caused the pollution (the polluter). This is articulated in the well-known principle: "the polluter pays" (principe: pollueur-payeur).

The Polluter Pays Principle: The “Polluter Pays Principle” emerged for the first time in 1972 within the framework of the Organisation for Economic Cooperation and Development (OECD) as an economic measure to protect the environment. It was then developed during the 1990s and enshrined in many international agreements and national legislations, becoming a principle associated with all environmental laws worldwide.

---

[1]- Saada Fatima Zahra, previous reference, p. 140/141.

[2]- Said Zanat, The Role of Taxes and Environmental Fees in Guiding the Environmental Behavior of the Economic Enterprise in Algeria, Case Study of a group of economic enterprises in M'sila, Master's Thesis in Management Sciences, Faculty of Economic and Commercial Sciences and Management Sciences, Mohamed Boudiaf University of M'sila, 2015/2016, p. 76.

[3]- Said Zanat, previous reference, p. 86.

The Polluter Pays Principle means incorporating the cost of environmental resources into the price of goods or services offered on the market because disposing of polluting waste into the air, water, or soil is a form of using these materials as factors of production. Therefore, these natural materials should be included in the cost of the product or service offered. The free use of these environmental materials, which are part of the factors of production, leads to their depletion. This is why economists believe that the cause of environmental degradation is the free use of environmental resources.[1]

Regarding the "Polluter Pays" principle, the matter relates to burdening the polluter with the amount of public expenditure that the State has spent on measures related to environmental maintenance at an acceptable level.[2]

It is worth noting that this principle is merely an application of the well-known "Benefit/Burden" principle, as the institution carries out its activity and achieves profit while polluting the environment and pays in return for that.

However, considering the taxpayer as the polluter is an application of the principle that raises two issues:

First: Although the polluter pays according to the principle, the taxpayer is the direct tax payer, but this does not prevent the tax burden from ultimately shifting to others.[3]

Second: The "polluter pays" principle is not in reality a principle of civil liability, but rather a principle for economic efficiency. Therefore, the search for that efficiency requires the taxpayer to be selected in a way that ensures the maximum possible effectiveness and the easiest possible measures.[4]

The Algerian legislator adopted the "polluter pays" principle in Law No. 03/10 dated 19/07/2003 regarding environmental protection in the framework of sustainable development and expressly stipulated it in Article 03, paragraph 7, where every person who causes damage to the environment bears all costs of pollution control, reduction, and restoring places and the environment to their original state.[5]

---

[1]- Ouannas Yahia, Mechanisms of Environmental Protection Law in Algeria, PhD Thesis in Legal and Administrative Sciences, Faculty of Law and Political Science, Department of Law, Public Law Specialization, University of Abou Bakr.

[2]- Mohamed Benaza, Ben Habib Abderezzak, The Role of Taxation in Deterring and Motivating Economic Institutions to Protect the Environment from Pollution Forms, an analytical study of the environmental taxation model in Algeria, p. 163.

[3]- Said Zanat, previous reference, p. 86.

[4]- Said Zanat, previous reference, p. 89.

[5]- Law No. 03/10 dated 19/07/2003 relating to environmental protection in the framework of sustainable development, Official Gazette, No. 43, p. 6.

Environmental taxation does not operate independently of criminal law; the evasion of environmental fees or the continuous exceeding by a classified installation of the authorized limits for pollutants entails – in accordance with the provisions of articles 90 and following of law 03-10 – sanctions involving the deprivation of liberty and criminal fines, thus transforming the tax obligation into an obligation supported by the power of criminal deterrence.

To maintain a balanced fiscal approach, the Algerian legislature has complemented deterrent environmental taxes with a series of financial and tax incentives designed to encourage green investments. Under recent finance laws, specific provisions grant significant customs duty exemptions and VAT reductions (TVA) for equipment and machinery used in pollution reduction, waste recycling, and the deployment of renewable energy. These incentive mechanisms aim to alleviate the financial burden on industrial companies and shift the corporate model from mere tax compliance to active participation in the environmental transition.

1- Tax Base of Environmental Taxation:

Addressing the element of the tax base for environmental taxation requires, in addition to defining it, researching the following points:

Selection of the material subject to environmental taxation — identifying the part subject to environmental taxation.

Then, measuring the environmental tax base.

A - Definition of the Tax Base: The tax base is defined as the subject or matter liable to tax, with the necessity of the temporal element existing for this base, according to the specific systems defining it.[1]

B - Selection of the Material Subject to Environmental Taxation: Unlike other taxes, the environmental tax base is not determined in monetary units but in physical units, such as the volume of waste discharged into water bodies, the quantity of pollution released into the air, or the noise level emitted from vehicles and aircraft...

This special method of defining the material subject to environmental taxation is considered one of its distinguishing characteristics.[2]

Moreover, there should be a direct relationship between the environmental tax base and the environmental pollution, in whatever form it may be.[3]

---

[1]- Said Zanat, previous reference, p. 90.

[2]- Harouchi Djalloul, Development of Environmental Taxation Usage in Algeria, pp. 187-186.

[3]- Khadidja Boutbal, previous reference, p. 41.

C - Determining the part subject to environmental taxation: This means the part that exceeds the socially acceptable level of pollution. This level is determined when the marginal cost equals the marginal cost of reducing pollution to the cost of the damage.

D - Measuring the Environmental Tax Base: Due to the difficulty of measuring and estimating these emissions and wastes, countries usually resort to tax systems in the form of rates and tables calculated based on the importance of the risks resulting from each type of these pollutants, provided that the tax allocated to each unit of measurement is clarified and shown, according to the type and nature of those pollutants.[1]

2- Environmental Tax Rate:

The tax rate in general is the amount imposed on the polluter for causing pollution. In environmental taxation, two methods are generally used.[2]

A - Fixed Rate: This is considered a fixed tax rate in tax theory, meaning the rate that does not change regardless of the change in the tax base. Thus, the tax is calculated at a fixed rate regardless of the size or value of the taxable material.

B - Progressive Rate: According to this method, the tax rate increases as the tax base increases. It aligns with the principle of equity and is adopted by advanced nations, resulting in an effective impact on urging the polluter to avoid high tax rates and, consequently, reduce the pollutants resulting from their activity.

Section II: Mechanisms of Environmental Taxation Related to Environmental Protection and its Application in Algeria

Environmental taxation was adopted for the first time in Algeria in the 1992 Finance Law, through which a fee was introduced on polluting or dangerous activities.

However, no tangible or real measures were taken until 2000. Subsequently, environmental taxation witnessed continuous development and reforms, with the multiplication of fees and taxes in their deterrent forms, as well as an increase in the preventive aspect in the form of incentives to install environmental protection and encourage the economy.

First: Deterrent Taxation Mechanisms

The tax system is a specific and selected set of technical forms of taxation that are compatible with the economic, social and political reality of society and

---

[1]- Said Zanat, previous reference, p. 91.

[2]- Mohamed Benaza, Bin Habib Abdel Razzaq, The Role of Taxation in Deterring and Motivating Economic Institutions to Protect the Environment from Forms of Pollution, Journal of Tax Studies, No. 3, December 2013, p. 435.

together form an integrated tax structure that operates in a specific way through tax legislation and technical regulations in order to achieve tax policy goals.[1]

The applications of this deterrent system are shown in the following points.

A. Fees Imposed on Polluting Emissions:

These are imposed on the waste of productive economic units, and they also target the consequences of polluting projects, including:

Fees on Polluting or Dangerous Activities:

This fee was established under the 1992 Finance Law[2]. The scope of this tax encompasses all industrial, commercial, and service activities carried out by companies of various classifications whose activities are polluting or hazardous to the environment. Specific criteria were determined under Executive Decree No. 98/399 dated 03/12/1998[3], which designated 327 activities classified as requiring authorization or declaration:

-Activities Subject to Declaration: The declaration is submitted to the Mayor (President of the Municipal People's Assembly) with territorial jurisdiction before starting service.

- Activities Subject to Prior Authorization: Whether by the Minister of Environment or the Wali (Governor) with territorial jurisdiction, or the Mayor with territorial jurisdiction.

This decree has been revised several times, the latest being pursuant to Article 88 of the 2020 Finance Law, which amended the fee value as follows[4]:

a. 360,000 DZD for classified companies whose activities are subject, at a minimum, to authorization by the Minister of the Environment in accordance with the regulations in force and applicable to classified companies for environmental protection, particularly Executive Decree No. 06/198 dated 31/05/2006, establishing the regulations applicable to classified companies for environmental protection.

b. 270,000 DZD for classified companies whose activities are subject, at a minimum, to authorization by the competent Wali (Governor) with territorial jurisdiction.

---

[1]- Said Abdel Qader Othman,Tax Systems - A Comparative Analytical Approach, Al-Dar Al-Jami'iyah, 2000, Alexandria, p. 13.

[2]- Article 117 of Law No. 91-25 dated 18/12/1991 containing the 1992 Finance Law.

[3]- Executive Decree No. 98/339 dated 13/12/1998, establishing the regulation applicable to classified companies and determines their list ,Official Gazette, No. 82, p. 9.

[4]- Article 88 of Law No. 19/14 dated 11/12/2019 containing the 2020 Finance Law, issued in the Official Gazette, No. 81, p. 34.

c. 60,000 DZD for classified companies whose activities are subject, at a minimum, to authorization by the President of the Municipal People's Assembly (Mayor).

d. 27,000 DZD for classified companies whose activities are subject, at a minimum, to declaration in accordance with the regulations in force and applicable to classified companies for environmental protection.

For companies that employ more than one person, the fee is determined as follows:

e. 68,000 DZD for classified companies subject to authorization by the Minister of the Environment.

f. 50,000 DZD for classified companies subject to authorization by the competent Wali with territorial jurisdiction.

g. 9,000 DZD for classified companies subject to authorization by the President of the Municipal People's Assembly with territorial jurisdiction.

h. 6,000 DZD for classified companies subject to declaration.

B- Supplementary Fee on Air Pollution from Industrial origin:

This was established pursuant to Article 205 of the 2002 Finance Law[1]. The base of this fee consists of the total gases, smoke, vapors, liquid and solid particles resulting from combustion and chemicals emitted into the air that exceed the maximum limits specified in Article 03 of Executive Decree No. 06/138 dated 15/04/2006 regulating Which regulates emissions of gases, smoke, vapor, liquid and solid particles into the atmosphere, as well as the conditions under which they are monitored, as amended by Executive Decree No. 07/299 dated 27/09/2007, determining the application of the supplementary tax on air pollution from Industrial origin[2]. The amount of this tax is calculated by a multiplier to the emitted quantities, according to a progressive scale of coefficients from 1 to 5, based on the emission percentage, ranging from a minimum of 10% to a maximum of 100% for classified establishments. This tax is distributed as follows: 33% to the National Environment and Coast Fund as per the provisions of Article 91 of the 2020 Finance Law.

[1]- Article 205 of Finance Law 01/21 dated 22/12/2001 containing the 2002 Finance Law, Official Gazette, Issue 79, issued on 23/12/2001, p. 57.

[2]- Executive Decree No. 07/299 dated 27/09/2007, determining the application of the supplementary fee on air pollution from Industrial origin, published in the Official Gazette on 07/10/2007, No. 63, p. 12.

C - Supplementary Fee on Wastewater from Industrial origin:

This fee was established pursuant to Article 94 of the 2003 Finance Law[1]. It is a fee on wastewater from Industrial origin, based on the volume of water produced and the pollution load resulting from the company's activity, which exceeds the limits specified in Article 03 of Executive Decree No. 06/141 dated 19/04/2006[2]. Its application follows the same criteria as the supplementary fee on air pollution from Industrial origin. The proceeds of this fee, according to Article 92 of the 2020 Finance Law, are allocated as follows: 34% to the State budget, 34% to the municipalities, 16% to the National Environment and Coast Fund, and 16% to the National Water Fund.[3]

D - Tax on Fuel

This tax was established under Article 38 of the 2002 Finance Law at a rate of 1 DZD per liter for leaded gasoline, whether standard or premium. It is deducted at the source. The proceeds are allocated as follows: 50% to the National Environment and Coast Fund and 50% to the National Road and Expressway Fund.

E - Tax on Urban Waste

This tax is regulated by Articles 263 to 263-bis-4 of the Direct Taxes and Similar Fees Code. It is an annual fee imposed on developed properties in exchange for garbage collection services. The person responsible for payment is the original owner or the beneficiary, and the fee is determined according to the text of Article 263/2 of the Direct Taxes and Similar Fees Code.

2- Taxes Imposed on Products:

This type of environmental fee includes the following:

A- Tax on Plastic Bags, Imported or Manufactured Locally:

This tax was established by Article 53 of the 2004 Finance Law and is calculated based on weight. The rate is estimated at 200 DZD per kilogram under Article 94 of the 2020 Finance Law. The proceeds are allocated as follows: 27% to the National Environment and Coast Fund and 73% to the State budget.

B- Tax on New Rubber Tires, Imported or Produced Locally:

This tax was established by Article 60 of the 2006 Finance Law. Its revenues are allocated to: the Solidarity and Guarantee Fund for Local

- [1] Article 49 of Law No. 02/11 dated 24/12/2002 containing the 2002 Finance Law, Official Gazette, No. 86, issued on 25/12/2002, p. 35.
[2]- Article 3 of Executive Decree No. 06/141 dated 19/04/2006, setting maximum limits for liquid discharges, Official Gazette, No. 26, issued on 23/04/2006, p. 4.
[3]- Article 92 of the Finance Law for the year 2020.

Communities (35%), the State budget (34%), the Special National Solidarity Fund (30%), and the National Environment and Coast Fund (1%).

C- Tax on Oils, Lubricants, and Greases, Imported or Manufactured Locally:

This tax was established by Article 51 of the 2006 Finance Law. It is collected by the tax authorities for local products and by customs authorities for imported products. The deduction amount was set at 37,000 DZD per ton. Revenues are allocated as follows: 42% to the State budget and 24% to the National Environment and Coast Fund, according to the 2020 Finance Law.

3- Taxes Imposed to Protect Quality of Life and Natural Resource Exploitation

A- Royalty on Hunting Licenses: Article 55 of the 2006 Finance Law stipulates the creation of an annual royalty to obtain a maritime, commercial, or recreational hunting license. It is paid to the territorially competent National Land Property services.[1]

B- Additional Tax on Tobacco Products Set for Consumption:

Taxes affecting tobacco and alcohol products were organized for social and environmental purposes under Article 43 of the 2010 Finance Law. This tax was subsequently reviewed by Article 106 of the 2020 Finance Law.

C- Water Royalty:

Article 73 of Law No. 05/12 of 2005, as amended and supplemented[2], stipulated the necessity of paying a royalty in exchange for granting a license or concession to exploit water resources. This royalty is paid by every beneficiary or user of water services, regardless of whether the nature of its use is in industry, agriculture, or drinking.

The water royalty is divided into two types: water conservation royalty and water quality royalty.

4-Taxes and Fees on Waste:

Article 51 of Finance Law No. 01/19, dated 12/12/2001, relating to waste management, monitoring, and disposal, indicates that any collection, transport, storage, or treatment of household waste, or other waste management-related services, shall be subject to the collection of taxes, fees, and royalties. The governing legislation determines their list and amount, which include:

A- Incentive Tax on Non-Storage of Industrial Waste:

---

[1]- Article 34 of Ordinance No. 10/09 dated 22 July 2009 containing the Complementary Finance Law for the year 2009, Official Gazette, No. 44 issued on 26/07/2009, p. 10.

[2]- Water Law No. 12-05 of August 2005, Official Gazette No. 60 issued on 04/09/2005, pages 11, 17, and 19

This tax was established under Article 203 of the 2002 Finance Law to compel companies and facilities not to store hazardous or special industrial waste[1]. The amount of this tax is estimated at 30,000 DZD for every ton of stored waste according to Article 89 of the 2020 Finance Law. According to the 2020 Finance Law, the proceeds of this tax are allocated as follows: 46% to the state budget, 38% to the National Environment and Coast Fund, and 16% to Municipalities.

B- Incentive Tax to Encourage Non-Storage of Waste Related to Treatment Activities:

It was established under Article 203 of the 2002 Finance Law to encourage the non-storage of waste related to treatment activities in hospitals and medical clinics. This tax was set at a reference price of 60,000 DZD per ton according to Article 90 of the 2020 Finance Law. The proceeds are allocated as follows: 50% to the National Environment and Coast Fund, 30% to the state budget, and 20% to municipalities.

According to the deterrent tax system, the basic rule is that those who cause greater environmental damage pay more taxes. This may push polluters to change their industrial strategies based on polluting technology and shift toward eco-friendly technology.

Second: Incentive Tax Mechanisms

The tax system is not entirely deterrent but also includes tax incentives that favor the adoption of eco-friendly industries and activities.

Tax incentives with an environmental dimension refer to any tax policy that works to achieve environmental goals for the benefit of society by directing investments toward fields that contribute to reducing environmental pollution. This leads to modifying the behavior of individuals and facilities positively toward the environment.

Tax incentives have been referenced in environment-related texts and even in other laws, such as the Investment Law.

Article 77 of the same law also encouraged any natural or legal person performing activities for environmental promotion through reductions in taxable profit. The percentage is determined according to the Finance Law.

[1]- Article 203 of Law No. 01/21 dated 22/12/2001, containing the 2002 Finance Law, published in the Official Gazette, No. 79, 23/23/2001, p. 56.

2-Tax Incentives Stipulated in the Law for the Protection and Valorization of the Coast:

Within the framework of the national policy for integrated management and sustainable development of the coast and coastal areas, the legislator, in Article 36 of Law No. 02/02 dated 05/02/2002, stipulated the creation of economic and tax incentive measures. These measures aim to incentivize the use of non-polluting technologies and instruments compatible with the inclusion of ecological costs.

3. Tax Incentives Stipulated in Law 01/20 Relating to Territory Development and Sustainable Development:

Article 57 of this law provides for the adoption of incentive measures within the framework of Finance Laws to develop and grow the spaces and environments that must be promoted according to land development tools. Furthermore, financial subsidies and assistance can be granted within the framework of applicable legal provisions to achieve the following:

_ Supporting integrated development program.

_ Promoting public and private initiatives in the field of development.

_ Creating, expanding, and relocating activities.

_ Hosting relocated activities.

_ Developing engineering for development.[1]

4. Tax Incentives Stipulated in Investment Promotion Legislation:

Article 13 of Law 16/09 regarding investment promotion stipulates tax incentives consisting of:

(Investments established in designated areas benefit via regulation for the Southern regions and the High Plateaus, as well as any other area requiring special development assistance from the State, with specific advantages as follows)[2]:

A. Implementation Phase:

_ Exemption from a set of various fees regarding goods and services that directly enter into the implementation of the investment.

_ Full or partial coverage by the State of expenses for infrastructure works necessary for the investment, following an evaluation by the agency.

_ Reduction of annual rent fees specified by State property services for land granted via concession for the purpose of carrying out investment projects:

---

[1]- Article 57 of Law 01/20 dated 12/12/2001 relating to the development of territories and sustainable development, issued in the Official Gazette, No. 77, p. 29.

[2]- Article 13 of Law 16/09 dated 03/08/2016 relating to investment promotion, Official Gazette, No. 46, issued on 03/08/2016, p. 19-20.

_ A symbolic Dinar per square meter for 10 years, increasing to 50% of the State property fee for investment projects established in the High Plateaus and other areas requiring special State assistance.

_ A symbolic Dinar per square meter for a period of 15 years, increasing to 50% of the State property fee for investment projects established in the Southern provinces.

B. Operational Phase:

These investments benefit for 10 years from tax exemptions on company profits and professional activity tax, and a 50% reduction in annual rent fees specified by State property services. This is done following a report prepared by the competent tax services that conduct a direct inspection upon the investor's request.

Through the various tax incentives stipulated by the Algerian legislator in different laws, it is clear that they encourage reconciliation with the environment, establishing a green economy, and moving forward towards clean production methods.

Conclusion:

Based on the preceding analysis, it is concluded that environmental taxation in Algeria constitutes a modern legal and economic mechanism characterized by a dual nature. It combines a deterrent function, founded on the 'polluter country' principle to curb environmentally harmful behavior, with an incentive function designed to encourage sustainable practices. This orientation aligns seamlessly with the modern approach of the Algerian legislature regarding the structuring of the fiscal and financial system, particularly through the strategic provisions of successive finance laws and the mandatory rules of Law No. 03-10 relating to environmental protection within the framework of sustainable development.

Thus, the rigorous and transparent implementation of these fiscal mechanisms—especially environmental taxes and duties—is a fundamental pillar for guaranteeing genuine and effective environmental protection, while serving as a structural driver that encourages investors and industrial enterprises to adopt clean technologies and eco-friendly production methods.

Among the results obtained:

- Environmental taxation serves as a modern dual-purpose tool (deterrence and incentive) within Algeria's evolving legal landscape. Strict application of this regime is essential for genuine environmental safeguarding.

Furthermore, it acts as a catalyst, guiding industrial sectors and investors to integrate green technologies and environmentally conscious production standards into their core operations.

- Despite the arsenal of environmental taxes provided for by financial legislation, their protective effect remains limited due to weak tax collection and the preference of institutions for paying these taxes rather than investing in clean technologies, given the low value of these taxes compared to the cost of structural changes.

To achieve the optimal and most effective application of these taxation mechanisms, the following recommendations are proposed:

- Designing an Environmental Tax System that serves to environmental awareness and creates environmental values and is capable of guiding in order to crystallize a permanent and stable positive environmental behavior among all producers and consumers.
- The necessity to perform a real-world analysis of environmental taxes before implementation, ensuring they are adapted to the specific conditions of each state.
- The General Principle is that tax that incurs costs greater than its benefits is ineffective; therefore, the potential negative side effects of taxation must be studied.
- Ensuring Proper Implementation of Environmental through specialized experts in the field and supported by monitoring mechanisms.
- Intensifying studies and scientific debates regarding environmental protection and engage with relevant legislation to benefit from its application.
- Creation of a unified digital platform for environmental monitoring, which measures emissions in real time and automatically converts them into applicable royalties and fees, thereby eliminating arbitrary estimates and reducing collection disputes.
- The study recommends the creation of specialized criminal judicial units for environmental and related tax disputes, in order to ensure the speed and efficiency of the handling of cases of environmental tax fraud and pollution crimes.
- Activation of joint control by granting "judicial police" status to environmental inspectors in cooperation with tax authorities, in order to enable them to immediately inspect offences and deliver legally binding reports in criminal courts.

References:

1. Abd al-Majid Qadri, Studies in Tax Science, 1st ed., Dar Al-Jarir for Publishing and Distribution, Amman, Jordan, 2011.
2. Ben Ahmed Abdelmounaim, Legal Means for Environmental Protection in Algeria, PhD Thesis, University of Algiers Benyoucef Benkhedda, Ben Aknoun, 2008.
3. Khadidja Boutbel, The Role of Tax Legislation in Environmental Protection, Journal of Human Rights Generation, No. 25, 2018.
4. Fares Masdour, The Importance of Government Intervention in Environmental Protection through Environmental Taxation, Researcher Journal, University of Kasdi Merbah, Ouargla, No. 7, 2009/2010.
5. Berahmani Mahfoud, Environmental Taxation, Journal of Legal and Political Studies, No. 7.
6. Saada Fatima Zahra, The Role of Taxation in Environmental Protection, PhD Thesis, Specialization: Management and Finance, Branch: Public Law, Djillali Liabes University, Sidi Bel Abbes, 2019/2020.
7. Said Zinat, The Role of Taxes and Environmental Fees in Guiding the Environmental Behavior of Economic Institutions in Algeria: A Case Study of a Group of Economic Institutions in M'sila, Master's Thesis, Faculty of Economic, Commercial and Management Sciences, Mohamed Boudiaf University, M'sila, 2015/2016.
8. OuanasYahia, Mechanisms of Environmental Law in Algeria, PhD Thesis in Legal and Administrative Sciences, Faculty of Law and Political Science, Public Law Department, Abou Bakr Belkaid University.
9. Mohamed Benazza & Benhabib Abderrezak, The Role of Taxation in Deterring and Incentive Economic Institutions regarding Environmental Protection from Pollution: An Analytical Study of the Environmental Taxation Model in Algeria.
10. Law No. 03/10 dated 19/07/2003 relating to Environmental Protection within the Framework of Sustainable Development, Official Gazette, No. 43.
11. Harouchi Djelloul, The Evolution of the Use of Environmental Taxes in Algeria.
12. Benazza Mohamed, The Role of Taxation in Environmental Protection from Pollution: An Analytical Study of the Environmental Taxation Model in Algeria, Journal of Tax Studies, No. 3, December 2013.
13. Saeed Abd al-Qadir Uthman, Tax Systems: Introduction to Comparative Analysis, University Press, 2000, Alexandria.
14. Article 117 of Law No. 25-91 dated 18/12/1991 relating to the Finance Law for the year 1992.
15. Executive Decree No. 98/339 dated 13/12/1998, regulating the organization of classified establishments and defines their list, Official Gazette, No. 82.
16. Article 88 of Law No. 19-14 dated 11/12/2019, relating to the 2020 Finance Law, Official Gazette, No. 81.
17. Article 205 of Finance Law No. 01-21 dated 22/12/2001, relating to the 2002 Finance Law, Official Gazette, No. 79.
18. Executive Decree No. 07-299 dated 27/09/2007, relating to the methods of applying the complementary tax on air pollution from Industrial origin, Official Gazette, No. 63.

19. Article 49 of Law No. 02-11 dated 24/12/2002, relating to the 2002 Finance Law, Official Gazette, No. 86.
20. Article 3 of Executive Decree No. 06-141 dated 19/04/2006, relating to the setting of maximum values for liquid industrial discharges, Official Gazette, No. 26.
21. Article 92 of Law No. 19-14 dated 11/12/2019, relating to the 2020 Finance Law, Official Gazette, No. 81.
22. Article 34 of Order No. 09-01 dated 22/07/2009, relating to the 2009 Complementary Finance Law, Official Gazette, No. 44.
23. Water Law dated August 2005, Official Gazette, No. 60.
24. Article 203 of Law No. 01-21 dated 22/12/2001, relating to the 2002 Finance Law, Official Gazette, No. 79.
25. Article 76 of Law No. 03/10.
26. Article 57 of Law No. 01-20 dated 12/12/2001, relating to regional planning and sustainable development, Official Gazette, No. 77.
27. Article 13 of Law No. 16-09 dated 03/08/2016, relating to investment promotion, Official Gazette, No. 46.