The following is a translation of Gerhard Pfister's parliamentary initiative <u>"Ein neues schlankes und wirksames CO2-Gesetz"</u>.

## A new, lean and efficient law on CO2 emissions

## Text submitted

We request to lay or adapt the legal groundwork for a new law on CO2 emissions that meets the following benchmarks:

- 1. All greenhouse gas emissions on Swiss territory as well as those caused by airplanes taking off from Switzerland are subject to a levy based on their greenhouse effect, following the polluter-pays principle.
- 2. The levy will be adjusted periodically, depending on whether emission levels change in accordance with the reduction plan which requires Switzerland to become climate-neutral by 2050.
- 3. Revenues from the levy, after the deduction of administrative costs, will be redistributed to the public.
- 4. All imports will be subject to a Swiss levy determined by the amount of emissions attributed to them (CO2 footprint plus logistics).

## **Explanatory statement**

Switzerland aims to reduce its emissions by 50 percent, compared to 1990, by 2030, and to become climate-neutral by 2050. The current CO2 law aims for a reduction of 20 percent by 2020. But by 2019, emissions were reduced only by 10 percent. All attempted changes to the law were rejected in parliament or by national vote. The revision submitted to the Swiss Federal Council for its consultation in December 2021 does not feature any significant changes to the current law.

The Swiss Parliament is thus obliged to take the matter into its own hands. The benchmarks listed above call for dynamic action to meet the goal of reducing emission levels. Once the law meets its target, it would abrogate itself. Many existing solutions for reducing emissions would become competitive. The result would be a boost to innovation that would add value both locally and immediately as well as foster exports and investment. As long as no incentive taxes are established internationally, companies that export emission-intensive products should be reimbursed to ensure their international competitiveness. The proposed levy would not raise the public spending quota and shall be designed as a mere incentive tax. Unlike the current law, it aims to redistribute all the revenues it earns to the public and the economy.

If Switzerland wants to credibly pursue its goal of climate neutrality by 2050, it has to try new ways to achieve it. The simplicity of our proposal doesn't speak against it, but for the Parliament's commitment to find a broad agreement beyond party lines and particular interests.