

Congestion tax in Sweden – How the system works and recent changes

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**Ministry of Finance, Sweden
Mats-Olof Hansson
+46 8 405 29 77
mats-olof.hansson@gov.se**

Background

- **A congestion tax system is currently in place in two Swedish cities: Stockholm and Gothenburg**
- **The tax in Stockholm was introduced in August 2007. The system was first introduced as a trial (January 3 - July 31, 2006)**
- **Consultative referendum in September 2006; the residents of Stockholm municipality voted YES**
- **The tax in Gothenburg was introduced in January 2013**
- **The tax is currently only charged for vehicles registered in Sweden**

Objectives

- **Reduce traffic congestion**
- **Improve the environment**
- **Finance regional infrastructure**

The system of congestion tax

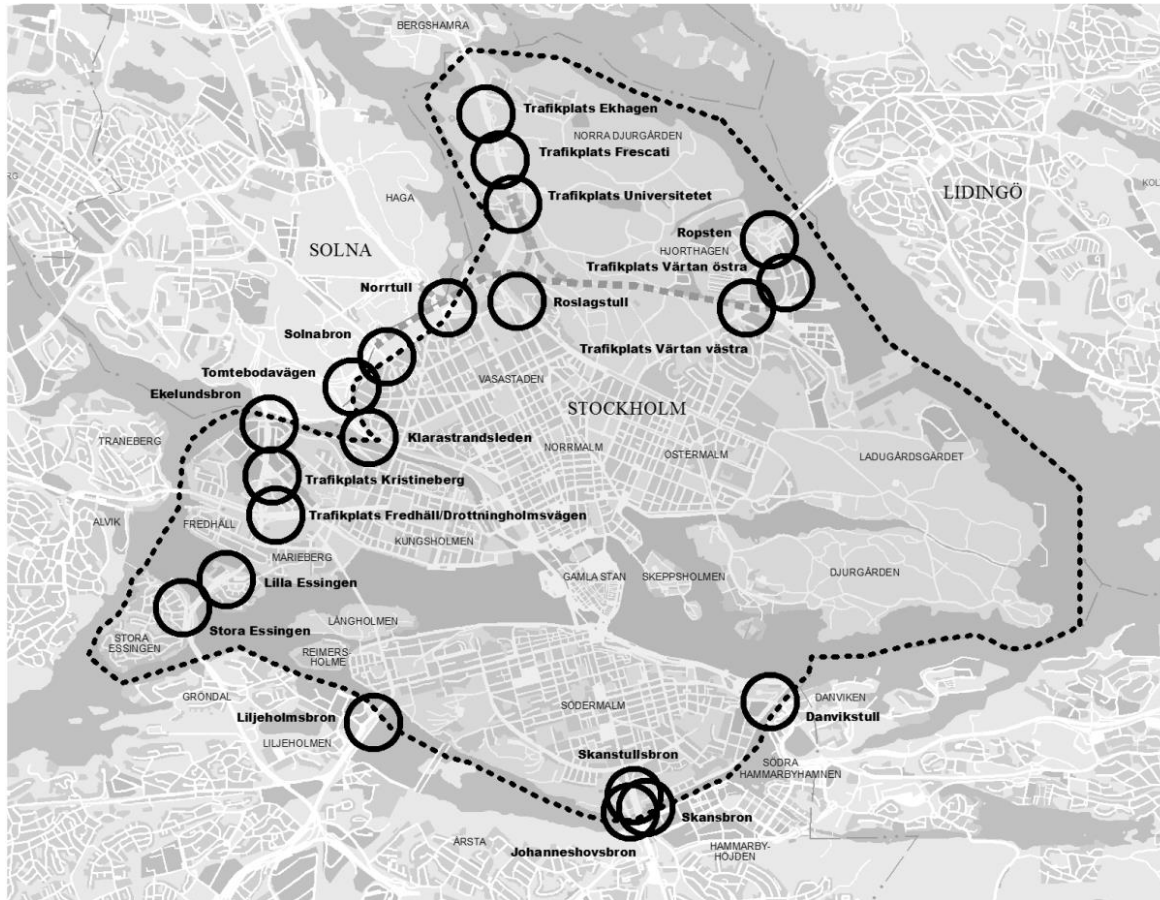
- Tax becomes chargeable when a vehicle passes through a control point in Stockholm or Gothenburg
- Cameras register vehicles
- An invoice is sent to the vehicle owner at the end of the month
- A surcharge of **SEK 500 (€ 58)** will be levied if the tax is not paid on time

*(exchange rate 1 € = 8.63 SEK)

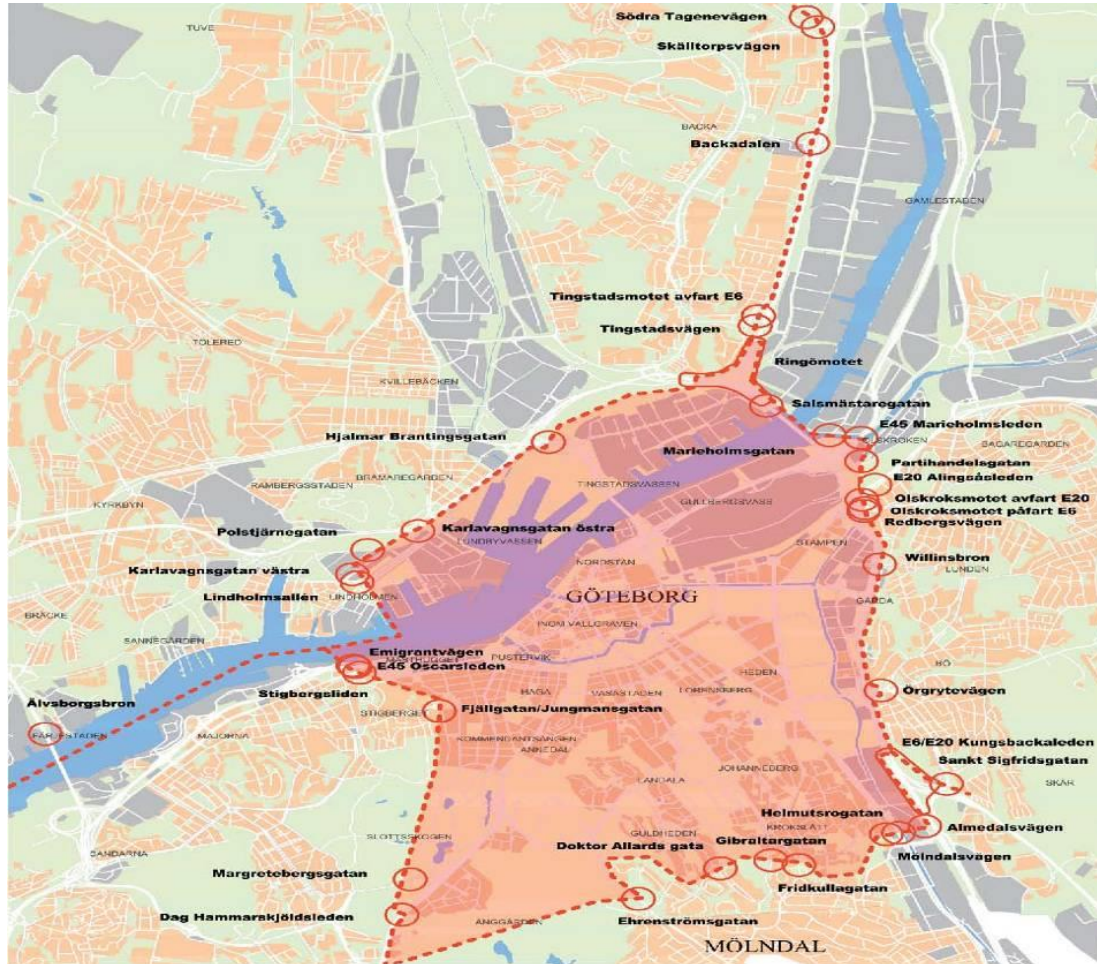
Levels of congestion tax in 2014

- Each passage in or out of central Stockholm, costs **SEK 10** (€ 1.2), **15** (€ 1,7) or **20** (€ 2.3) per vehicle; in Gothenburg **SEK 8** (€ 0.9), **13** (€ 1.5) or **18** (€ 2.1), depending on the time of day
- The maximum amount per day and vehicle is **SEK 60** (€ 7)
- No tax is charged on weekends, public holidays, on a day preceding a public holiday or during the month of July

Controlpoints - Stockholm



Controlpoints - Gothenburg



The effects

- **Stockholm (from 2007 to 2013);**
 - 20 % drop in the flow of traffic over the controlpoints
 - some reductions in CO₂ emissions related to vehicle use
- **Gothenburg;**
 - only been in force in Gothenburg since 2013, but the statistics for 2013 show a 10 % drop in the traffic over the controlpoints

Use of revenues

- **The surplus from the congestion charge is recycled to regional infrastructure projects**
- **The surplus is defined as revenues minus systems and administrative costs**
- **Revenues amounts to approx. SEK 800 million (€ 90 million) from Stockholm and Gothenburg, respectively**
- **Surplus of SEK 600 million (€ 70 million), respectively, when costs related to monitoring, administration etc have been accounted for**
(Estimations: 2014)

Recent decision by the Swedish parliament

- **Changes in Stockholm from January 2016**
- **The maximum tax amount will be increased**
 - from SEK 20 (€ 2,3) to SEK 35 (€ 4) per passage and
 - from SEK 60 (€ 7) to SEK 105 (€ 12) per day
- **The area covered by the tax will also be extended to a major highway passing through Stockholm**
- **The surplus will partly finance an expansion of the Stockholm underground/metro system**

Referendum in Gothenburg, September 2014

- **A consultative referendum was held in Gothenburg in conjunction with the general elections on 14 September 2014**
- **The question:** Do you consider that the congestion tax should continue in Gothenburg after the 2014 election?
- **Possible replies:** Yes or No
- **The majority of the residents of Gothenburg voted NO**

Thank you for your attention!