Global Solidarity Levies Task Force

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Synthesis of responses to the consultation on straw-man options for solidarity levies

April 2025

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This report was shared privately to governments in the Coalition for Solidarity Levies in April 2025. It was made publicly available in June 2025.

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Introduction

In January 2025, the Secretariat of the Global Solidarity Levies Task Force opened a consultation on strawman options for solidarity levies. The consultation document outlined 16 strawman options for solidarity levies: 4 on aviation, 1 on shipping, 1 on financial transactions, 3 on cryptocurrencies, 3 on fossil fuels, 1 on plastic polymers, 2 on carbon pricing, and 1 on high-net-worth individuals. The Secretariat developed these based on a literature review and expert consultations. These strawmen were simple draft proposals intended to generate discussion to help improve them or draw attention to better alternatives.

The consultation attracted a significant degree of interest; in total, 197 responses were received. Not all respondents provided comments to every question, and some thematic areas attracted greater engagement than others. Nonetheless, the responses to the consultation have provided rich and detailed thoughts on the design of the levies.

In this report, the Secretariat provides a synthesis of these responses covering each section of the strawman proposals in turn: aviation, shipping, financial transactions and cryptocurrencies, fossil fuels, carbon pricing and high net worth individuals. Each chapter provides a short summary of the overall responses, capturing the main recurring themes and commonalities, and illustrating the broad and diverse array of comments that were made by respondents.

Some responses also touched on themes and areas of interest that were beyond the direct scope of the strawmen options. The final chapter of this report provides a brief overview of some of the main ideas and opinions expressed.

The Secretariat will present this report to the member governments of the Global Solidarity Levies Task Force. This will inform the deliberations being undertaken by participating governments. The ideas shared in response to the consultation will inform the design of proposals for solidarity levies, alongside work being undertaken by experts and academics to analyse and understand possible impacts from solidarity levies. This will ensure the levies can be designed in a fair, progressive and equitable manner.

By COP30 in November 2025, the Global Solidarity Levies Task Force aims to bring together a coalition of the willing ready to implement one or several levies whose proceeds will be used for climate and development. This synthesis of responses to the consultation on strawman options for solidarity levies represents an important step towards this goal.

Chapter 1 – Aviation

The consultation contained four strawman options of levies in the aviation sector: a kerosene levy on international flights, a levy on private jet kerosene, a modular air ticket levy and a frequent flyer levy.

Summary of the responses

In total, 171 responses addressed aviation levies, the most of all the categories. 29 responses were from organisations, and 142 individuals responded without any explicit organisational affiliation.

A majority of respondents were supportive of introducing levies in the aviation sector. Supporters of the levy emphasised the inequality in global aviation. For example, it was noted that just 1% of the global population is responsible for half of the world's aviation emissions, and 80% of the world's population have never flown, and therefore aviation would be a fair and progressive base for levies.

In contrast, there were several responses from organisations that represent airlines and the broader aviation industry who were highly critical of the proposals. While it was acknowledged that the fuel used for international flights is not generally taxed, these responses argued that air transport is already subject to a range of taxes and fees specific to national regulatory environments. Industry respondents raised concerns about the price sensitivity of air travel and the impacts this could have especially on leisure travellers, and highlighted concerns about negative impacts on tourist-dependent economies. (Some non-industry organisations also noted the need for the levy to be designed in a way that does not risk being passed down to customers in a regressive manner.) Industry organisations commonly emphasised the existing CORSIA system as the current agreed international mechanism at ICAO for reducing emissions and argued that the levy would risk diverting funds from the industry, limiting investment in more efficient technologies. (Other respondents argued that CORSIA is not ambitious enough and expressed concerns at its reliance on offsetting, highlighting worries around its environmental integrity). Overall, industry argued that instead of levies, governments should prioritise incentives, subsidies, and policy frameworks that accelerate the production and adoption of sustainable aviation fuels (SAF).

Individuals without organisational affiliations expressed a wide range of preferences on which levies should be prioritised.

Preference to focus on:	Number of responses	Percentage of responses
Kerosene fuel levy	31	29%
Frequent flyer levy	13	12%
Air passenger tickets levy	9	8%
A combination of fuel and ticket levies	28	26%
Private jet levies	4	4%
No clear preference expressed	21	19%
Other options suggested	2	2%
Total responses to this question	108	

There were a number of additional ideas for the aviation sector that were tabled by respondents beyond options in the strawman proposals (or modifications of these). This included an air miles levy (based on distance), and a levy on empty seats. Separately, some called for regulatory action such as bans on private jets or short distance flights and investment in sustainable transport options.

Specific comments on the levy proposals

Kerosene levy on international flights

Supporters of this proposal highlighted that this would cover the largest share of global aviation emissions and ensure that the social cost of carbon from kerosene fuel is accounted for.

One industry organisation noted that if this was only implemented by a coalition of the willing countries, this could have distortive effects with passengers shifting travel demand to airlines or hubs in non-participating jurisdictions which would reduce the effectiveness of the levy.

Specific suggestions on the design of the proposal included recommendations on:

- **Rate**: Some responses called for different rates to those in the strawman. One organisation recommended a price level that reflects the social cost of carbon which they suggested was a rate of 0.50 EUR per litre as a minimum. It was argued that a rate higher than the social cost of carbon is justified by the fact that the non-CO2 effects from flying result in a higher climate impact than mere CO2 levels suggest. Another response made a similar point, suggesting a carbon price three times higher for aviation compared to other sectors on the basis of the warming effect of flights due to contrails, which they cited as warming the climate at three times the rate of that associated with CO2 emissions alone.
- **Base**: Covering domestic and intra-regional flights would increase the tax base; one organisation argued there is no reason to apply different rates on domestic and international flights as they entail the same externality.
- **Sustainable Aviation Fuels (SAF)**: Not all SAFs have equal emissions reductions potential, nor carry the same associated indirect impacts, and therefore any exemptions considered for SAFs should be rated according to both their emissions reduction potential as well as their wider impacts. Some argued that only green hydrogen-derived fuels should be fully exempt, with a sliding scale for % exemption for other SAFs based on an evaluation of their broader impact. Others called for a transition over time towards differentiated levy rates based on the type of SAF used, for instance taxing fossil kerosene at the same rate as road sector fossil fuels, and partial taxation for some categories of biofuels, with near-zero taxation for advanced biofuels and e-kerosene. It was noted that a similar approach has been proposed in the EU as part of the Fit for 55 Package.
- **Revenues**: Given the potential impacts on SIDS and other economies reliant on aviation, it was recommended that to ensure equity there should be policy measures such as exemptions or a fair share of levy revenues directed toward SIDS and other affected countries.

One organisation suggested a more favourable assessment of its technical feasibility on the basis that there are precedents (e.g., diesel and gasoline are already taxed in many jurisdictions), because it can be collected at point of purchase, and because kerosene sales data should be accessible in the way that gasoline or diesel sales data are currently accessed.

Another organisation recommended a more favourable assessment of its legal feasibility, providing analysis on air services agreements. They noted that many of these already permit a kerosene levy, and that whilst there may be absolute restrictions in existing air service agreements on taxing international aviation fuel, these are likely significantly less widespread than assumed. A fuel tax exemption 'on the basis of reciprocity' is the common practice of many states, is recommended by the ICAO and is included in the US State Department's 'Model Open Skies Agreement Text.' They cited an expert legal opinion which concludes that the correct interpretation of this reciprocal exemption is that if one party begins to tax aviation fuel, then the other party may also introduce such a tax, in each case without breaching the air services agreement. As such, states could, if they wished to, introduce a kerosene tax without violating the air services agreement containing a 'reciprocal exemption' clause. Finally, it was noted that EU Member States can bilaterally agree to tax fuel on flights between them under the Energy Taxation Directive (ETD) as currently in force. Whilst the general position under the ETD exempts intra-EU flights from fuel tax, Member States may waive that exemption by bilateral agreement with another Member State (although none currently do).

Private jet kerosene levy

There was a high level of enthusiasm for targeting private jets. Supporters noted that wealthy travellers flying on private jets can afford to pay more in fuel costs, while being disproportionately responsible for the highest CO_2 emissions. Some noted that this was a basic matter of fairness and to prevent those most responsible for emissions and with most capacity to pay being absolved of obligation. One response cited the fact that in just one hour, a single private jet can emit 2 tonnes of CO_2. In comparison, the global average energy-related carbon footprint is around 4.7 tonnes of CO_2 per person per year. Others, however, felt that the private jets were less of a priority compared to reducing short haul flying and investments in climate neutral long-haul aviation.

Regarding the rates, it was argued by some the levy should be set at a maximum of what is politically feasible.

Some also noted that it would be possible to implement a ticket tax on private aviation rather than on the kerosene, as has been done in the UK with Air Passenger Duty.

One organisation shared preliminary results of a study which showed that, based on a private jet GHG inventory, a €0.50/litre levy on all private jet flights would raise 3.65 billion €/year (based on the total global fuel burn of 7.3 billion litres in 2023) and increasing the rate to €0.70/litre would generate a total of 5 billion €/year. There were a total of 3.6 million private jet flights in 2023, so in comparison a passenger duty at about 330 €/person (assuming an average of 4.3 passengers per flight) or a landing/take-off charge at €1,400/flight would generate similar revenue total of 5 billion €/year.

Air ticket levies

There was a variety of views regarding the two proposals for air ticket levies, in particular comparing the relative merits and disadvantages of the modular air ticket levy and the frequent flyer levy.

Views diverged on the feasibility of implementing a frequent flyer levy. Some respondents, especially from industry, raised concerns around the practicality of implementation and data privacy. They shared concerns about a system would require passenger tracking on a large scale, raising data privacy and implementation challenges and costs.

However, others said that a frequent flyer levy would be straightforward to implement using unique flyer numbers, as passengers are already identified via passport numbers. They proposed that tax authorities could collaborate with airlines and immigration authorities who already manage complex data systems to track passenger movements across borders.

Some felt that a frequent flyer levy would be a more progressive measure than a ticket levy, noting that it would be more politically feasible as higher rates are imposed on typically wealthier individuals. It was noted that the proposal to apply a modular levy only to economy class on a voluntary basis would limit its revenue potential and might not produce an equitable outcome. Industry organisations were especially concerned with migrant workers and expatriates who rely on air travel to visit home, and businesses requiring travel to sustain operations. Non-industry organisations also emphasised the need to avoid unintentionally targeting vulnerable countries and groups.

To address this, a few respondents suggested that varying the level based on flight frequency, distance and class, or for instance an exemption for 1-2 flights a year, could be a way to focus the burden on wealthier frequent flyers rather than occasional flyers. This could also address some equity issues between countries.

In responding to both the concerns of equity and ease of implementation, one organisation highlighted the option of a modular ticket levy with rebates equivalent to the base levy of two tickets. They argued that a ticket levy with rebates achieves similar distributional effects (in terms of household income, flying frequency, and leisure vs. business) as a frequent flyer levy but would be easier to implement. Through this design, those who fly infrequently would pay no or minimal levy. To enforce this, they suggested that the only information that would need to be collected is whether a taxpayer flew at least once in the past year, and that could be proved to tax agencies via a receipt in the event of an audit.

It was noted that a luxury aviation tax was proposed in the United States in 2023 to charge both private jet fuel uptake and commercial first class and business class ticket booking (AIR FAIR Act, 2023). This would be efficient in raising revenues (if reducing the same amount of travel demand as other instruments), as premium-seating-class travellers have less elastic travel demand. This would reduce the tax burden and demand impact on low- and middle-income households at the same time.

Chapter 2 – Shipping

The consultation contained a strawman proposal of a mandatory levy on all greenhouse gas emissions from international shipping, measured on a well-to-wake basis, with an entry level in 2027 of $150 USD per tonne of CO2e, with upward ratchets on a 5-yearly cycle. This would be paid by operators on an annual basis on estimations from fuel consumption. (N.B. This strawman is based on the original 6PAC proposal for a shipping levy).

Summary of the responses

In total, 128 responses to this strawman were received, of which 111 were from individuals and 17 were from organisations.

The overwhelming majority of respondents emphasised the importance of a shipping levy being agreed at the IMO. However, there were a range of nuanced and detailed remarks with regards to the design of the levy itself:

Rate of the levy

- One organisation suggested that the rate of the levy should be higher than $150 USD per tonne of CO2e.
- However, another respondent argued that this would increase the cost of conventional marine fuel by almost USD 500 per tonne of conventional fuel oil, noting that many Member States have legitimate concerns about the negative economic impacts on their economies. They also claimed that a levy of order would generate over USD 100 billion per annum which in the current geopolitical/economic climate is unlikely to be politically acceptable to many treasury ministries, even in those developed countries that support a levy at IMO.
- Some proposed that the levy rate should be lower for shipping of food than for shipping of fossil fuels, though it would be unclear how this would be implementable in practice.

Use of revenues

- Some respondents emphasised the need for compensatory mechanisms or exemptions to ensure climate justice and equitable burden-sharing, noting that these may be politically appealing and help foster consensus while also noting proponents of the levy from 6PAC+ countries and allies are not calling for exemptions.
- A few of these responses also emphasised the need to ensure that SIDS, LICs and LDCs are adequately compensated or granted exemptions to ensure that the levy does not disproportionately burden their economies through excessively increasing the cost of essential goods and services and called for more detailed impact assessments to ensure fairness in its application. A few respondents proposed that there should be earmarking of a portion for LMICs and SIDS and proposed that half of the revenues should be allocated for adaptation and loss and damage. Some responses noted that any allocation for climate finance should not count towards the NCQG's $300bn USD goal for developed countries but would instead count towards the larger goal of mobilising $1.3 trillion in external finance by 2035.

- Some also called for additional regulatory protections to address risks that shipping companies pass increased costs due to a levy to consumers or workers.
- A single respondent suggested revenues could be spent on re-brightening clouds which were previously enhanced by aerosols from sulphurous shipping fuels.

Comments regarding assessments against principles of public finance

While most respondents agreed with the assessment of the levies against principles of public finance, there were some additional comments with respondents making the following suggestions:

- Update the price elasticity assessment in light of current trade and tariff dynamics; on the one hand, making it harder to justify an increased cost to shipping yet on the other hand highlighting the small cost of a levy in comparison with the large costs of tariff rises.
- There would be a disproportionate impact on SIDs and LDCs thus affecting its assessment against the principle of 'fairness' without explicit integration of revenue redistribution into the levy proposal.
- Include a principle of 'progressivity' to assess measures against economic capacity, responsibility and equitable burden-sharing.

Additional ideas proposed

Some emphasised that if the IMO does not succeed in agreeing a levy, first movers or coalitions of countries should move ahead with additional regulatory action and GHG pricing at a national level; for instance, using revenues from international shipping in the EU ETS to deliver new revenues for international climate finance

Respondents shared additional ideas such as:
- Levies on containers
- Levies in the form of access fees managed by harbours
- Levies on cruise passenger tickets

Chapter 3 – Financial Transactions and Cryptocurrencies

The consultation contained strawman options for levies across the financial services sector, namely:

- A new/enhanced financial transaction levy, whereby countries not applying any tax on financial transactions would introduce a levy on purchases of stocks (akin to the 'stamp duty' in the UK), while countries already applying financial transactions taxes would increase the rate of taxation on purchases of stocks.
- A cryptocurrency levy such as:
  - A financial transactions tax on cryptocurrency transactions
  - A levy on gains from cryptocurrencies
  - A levy on energy used in mining of cryptocurrencies

Summary of the responses

In total, 125 responses were received in response to these strawman options, 15 of which were from organisations and 110 of which were from individuals. A highly detailed working paper has also been published in response to the consultation. The overwhelming majority of the respondents were supportive of the proposals

One respondent, for instance, underlined that the core elements proposed are sensible because they align the levy with the current French financial transactions tax (FTT), taking adequate care to protect market liquidity, including exemptions on market making activities and intraday transactions.

Another respondent noted that the FTT is a highly progressive tax, targeting wealthier individuals and financial institutions rather than consumers. It does not directly affect the cost of essential goods and services, nor disproportionately burden lower-income groups. It can generate substantial and predictable revenue for climate finance and sustainable development without distorting broader economic activity. Given the revenue generation potential, even securing a small percentage share of proceeds would generate significant resources for international climate finance.

Among the concerns voiced, respondents underlined the need for strong enforcement measures to prevent tax avoidance, particularly by financial actors moving transactions to lower-tax jurisdictions. Evidence from the UK Stamp Duty suggests that financial institutions will not relocate if the tax is properly enforced.

The following table illustrates the diversity and strength of feeling from individual responses (i.e. responses that did not have any organisational affiliation explicitly attached to them). This highlights the interest in cryptocurrency levies in particular.

Preference to focus on:	Number of responses	Percentage of responses
Financial transaction levy	9	21%
Cryptocurrency levies	18	42%
Advance all options	7	16%
No clear preference expressed	9	21%
Total responses to this question	43	

Specific comments on the levy proposals

On the new/enhanced levy on financial transactions:

- **Derivatives**: One organisation recommended that bonds and derivatives should be covered at a lower rate (especially for derivatives), and another organisation agreed saying that derivatives that have shares as underlying could be added to the tax base for the FTT proposal (in line with the Italian model), as an option to states.
- **Exemptions:** One organisation suggested that an additional exemption be made for small caps (generally that of a company with a market capitalisation of less than $2 billion USD).
- **Issuance Principle:** One organisation insisted on the importance of keeping only to the issuance principle (rather than residence) as is already the case in France, Italy, Spain and UK.
- **Bonds:** It was also noted that the type of bonds subject to the levy need to be clarified. The inclusion of government bonds might be too contentious.

On the cryptocurrency levies:

- Overall, there were fewer respondents on cryptocurrencies and in general, these were less positive. For instance, some expressed scepticism over the long-term viability of cryptocurrencies and thus their usefulness as a base for levies.
- It was noted that the current proposal seems to mix wealth-inequality and environmental considerations, making for a weaker argument than that of other proposals. The application of the energy levy on miners also was noted as potentially administratively too onerous for a variety of lower- and lower-middle income countries.

Chapter 4 – Fossil Fuels

The consultation aimed to gather opinion on proposed levies on fossil fuels. This contained strawman options for a fossil fuel extraction levy, a mixed instrument of fossil fuel levies (at participating countries' discretion), an increase in the minimum tax on multinational corporations applied to the fossil fuel sector (under Pillar 2 of the OECD's global tax rules) and a levy on plastic polymer production.

Summary of the Responses

In total, 142 responses addressed the fossil fuel levy consultation. 20 responses were from organisations, and 122 individuals responded without any explicit organisational affiliation. The responses can be categorized into several key themes:

- **Environmental impact**: Many respondents argued that the levy would incentivise the reduction of fossil fuel consumption, leading to lower carbon emissions and improved air quality. Environmental organizations supported the levy, citing its potential to accelerate the transition to renewable energy sources.
- **Economic considerations**: Some representatives expressed concerns about the economic impact of the levy. They argued that the additional costs could lead to higher prices for consumers and negatively affect businesses reliant on fossil fuels. However, other respondents suggested implementing measures to mitigate these economic impacts, such as subsidies for affected industries or gradual implementation of the levy.
- **Social equity**: Several respondents highlighted the importance of ensuring social equity in the implementation of the fossil fuel levy. They argued that low-income households could be disproportionately affected by the increased costs. Recommendations included targeted support for vulnerable groups and investments in affordable renewable energy solutions.
- **Implementation**: Respondents provided various suggestions on the implementation and enforcement of the levy. These included clear guidelines on how the levy would be calculated, mechanisms for monitoring compliance, and penalties for non-compliance. Some respondents also emphasized the need for transparency in the use of the revenue generated by the levy.
- **Public awareness**: Many respondents stressed the importance of public awareness and education in ensuring the success of the fossil fuel levy. They argued that informing the public about the benefits of the levy and the importance of reducing fossil fuel consumption would be crucial in gaining public support. Suggestions included public campaigns, educational programs, and collaboration with community organizations.

Key Statistics from Individual Responses

Individuals without organisational affiliations expressed a wide range of preferences on which levies should be prioritised.

Preference to focus on:	Number of responses	Percentage of responses
Extraction levy	11	23%
Profits levy	1	2%
Mixed instrument	2	4%
Plastic polymer production	9	19%
Advance multiple options at once	14	29%
No preference expressed	13	27%
Total responses to this question	48	

Specific comments on the levy proposals

Extraction Levy

The strawman suggests placing a levy on the extraction of fossil fuels, aiming to directly address the environmental impact of fossil fuel production. By focusing on extraction, this levy targets the source of fossil fuel emissions, potentially leading to reduced production and lower emissions.

However, some respondents noted that the levy may face resistance from fossil fuel-producing countries, particularly those heavily reliant on fossil fuel revenues. It was noted that higher extraction costs could lead to increased energy prices, affecting consumers and businesses. One respondent argued that producers would benefit from a production levy as the oil price would rise, driving shale out of the market and increasing profits for a country like Saudi Arabia.

The proposed rate of $5-6 per tonne of CO2e is considered too low by some respondents, and higher rates were suggested to better reflect the social cost of carbon. For example, the social cost of carbon has been variously estimated as $140 to $380 per metric ton of CO2 for 2030 emissions by the US Environmental Protection Agency, and some academic studies have estimated it at $185 per tonne of CO2 as a median value in a range of $44 - $413 tCO2 at a discount rate of 2%, rising to $308 per tonne of CO2 at a discount rate of 1.5%. It was proposed that a fossil fuel levy should be considered at a level that more accurately reflects the social cost of carbon, or one that reaches this level over time.

Other organisations argued that the base should cover all fossil fuel extraction activities, with provisions to ensure equity between countries. Many respondents emphasised that revenue allocation should prioritise international climate finance and domestic just transition initiatives.

Mixed Instrument

Supporters of this option highlighted its flexibility and comprehensive coverage. This approach allows participating countries to choose the most suitable options for their circumstances, providing flexibility and accommodating varying national contexts. Countries can tailor the levies to their specific needs and economic conditions, making it easier to implement and gain political support. By combining different levies, the Mixed Instrument can address multiple aspects of fossil fuel taxation, potentially leading to more effective climate action.

However, it was noted by some respondents that the varied nature of the levies may complicate implementation and enforcement, requiring robust administrative systems. Without clear guidelines, some felt that the Mixed Instrument could lead to disparities in how different countries apply the levies, potentially undermining the overall effectiveness. Some organisations noted that the revenue generation potential varies depending on the specific levies chosen by each country and recommended clear guidelines on revenue allocation to ensure fairness and effectiveness.

Another comment highlighted the risk of profits shifting and tax avoidance due to the flexibility of the Mixed Instrument. Additionally, the assessment of revenues was not clear, and there were concerns about fragmentation and complexity. To address these issues, it was suggested that parameters should be identified to ensure the taxes or levies considered are focused on fossil fuels, raise sufficient finance, and meet standards of fairness and equity in their implementation and funding allocation.

Profits Levy

This proposal would raise additional taxes on the profits of fossil fuel companies, particularly targeting excess profits generated by these corporations. By focusing on profits, this tax directly targets the financial gains of fossil fuel companies, potentially reducing their incentives to continue polluting. One respondent note that five oil and gas corporations alone reported over US$100 billion cumulatively in profit for 2024.

Some respondents argued that fossil fuel companies may employ strategies to minimise their taxable profits, reducing the effectiveness of the tax. Some respondents felt that the proposed rate of 10% on top of the existing corporate tax rate is too low. Higher rates were suggested to better reflect the social cost of carbon. However, others claimed that higher taxes on profits could discourage investment in the fossil fuel sector, potentially leading to economic repercussions.

Some respondents argued that the base should include all profits generated by fossil fuel companies, with specific provisions to prevent tax avoidance. Additionally, the scope of the profits tax could be widened beyond fossil fuel extraction to include sectors such as transportation and storage of fossil fuels, and the sale of energy products derived from fossil fuels.

A few organisations proposed advancing a global top-up tax on the profits of multinational oil and gas companies through three steps: (i) national or regional governments introducing taxes on profits of fossil fuel companies; (ii) introduce a surcharge on the global consolidated profits of fossil fuel corporations through the UN Tax Convention, with revenues allocated to one or several international climate funds; and (iii) combating tax havens and ensuring a fair allocation of taxing rights between countries through a fundamental reform of the corporate tax system.

Plastics Levy

This proposal aims to impose a fee on the production of plastic polymers, addressing the environmental impact of plastic pollution. By targeting plastic producers, this levy aligns with the polluter pays principle, ensuring that those responsible for pollution bear the costs. It was noted that just 50 companies account for 90% of primary polymers produced.

Respondents noted that the levy may face resistance from major plastic-producing countries, particularly those heavily reliant on plastic production revenues, and that higher production costs could lead to increased prices for plastic products which would affect consumers and businesses.

However, others argued that even in the extreme case of a pass-through of 100% of the cost of the levy, the effect on final consumers would be very small – estimated at between $1 and 2 USD per person per year. This suggests that the fee will not, at these indicative levels, have much of an effect on consumption of final goods.

Some respondents argued that the proposed rate should reflect the environmental impact of plastic production, with higher rates suggested for more polluting plastics, and that the base should cover all plastic polymer production activities, with provisions to ensure equity between countries.

Responses made a case for the revenue generated by the levy on plastic polymer production to play an important catalysing role, laying the ground for successful implementation of approaches such as extended producer responsibility (EPR).

Chapter 5 – Carbon Pricing

The consultation outlined two proposals: the first was a price floor for large emitters which would be a minimum carbon price that applies to both carbon taxes and emissions trading system (ETS) mechanisms. The second was a proposal for linking or expanding existing ETS mechanisms.

Summary of the responses

In total, 100 responses were submitted on carbon pricing, with 81 from individuals and 19 from organisations. Overall responses were much briefer than in other sections of the consultation.

International Carbon Price Floor

Many of the comments received focused on the coverage of the price floor. Concerns of equity were particularly prominent. For instance, one organisation noted that it would not be equitable to exclude high emitting countries like Australia while including countries like China or India which would not consider dimensions such as per capita, wealth, income or historical emissions. Others argued for a universal coverage but with equity reflected through the use of revenues to compensate for differences. Others noted the importance of expanding the geographical scope of the coverage to avoid carbon leakage.

Additional comments shared a view that the price is not ambitious enough and should be 1.5C aligned, and that it should extended to include GHG emissions from agri-food in high income countries. Some recommended that an international institution should auction the emission permits and be responsible for the allocation of revenues. A few respondents noted the need for measures to limit the impact of regulated entities in passing on the costs to vulnerable groups.

ETS

A variety of comments were shared on ETS. Some felt that linking ETSs is hard as it is challenging to secure agreement about eligibility and non-compliance, and felt it unlikely to generate significant new resources, with some arguing that linking ETSs per se does not generate additional resources, unless a transaction levy applies, or auctioning revenues are clearly earmarked for that purpose.

Others noted that the linkage of ETS mechanisms should be carefully evaluated to ensure that the environmental ambition and integrity of the systems are thus not compromised, as well as that responsibility for domestic emission reductions is maintained. Others recommended including agri-food into ETS systems.

Some responses claimed that unless the linked ETS all have the same non-compliance penalties, rigorous MRV etc, there is a potential for avoidance or leakage. Others argued that a Carbon Border Adjustment Mechanism would be able to help address the leakage problem and noted the opportunity of sharing CBAM revenues as a way of raising finance with developing countries.

Chapter 6 – High Net Worth Individuals

The consultation contained a strawman proposal for an internationally coordinated standard ensuring an effective taxation of ultra-high-net-worth individuals. This would apply to individuals with more than $1bn in wealth and would be a minimum amount of tax annually equal to 2% of their wealth. This standard would be flexibly implemented by participating countries through a variety of domestic instruments, including a presumptive income tax, an income tax on a broad notion of income, or a wealth tax.

Summary of the responses

A total of 134 responses were received, 114 from individuals and 20 from organisations. In general, most respondents supported the levy, highlighting that it is a key lever for tax justice and reduction of inequalities, a progressive measure and reflecting the polluter pays principle.

One respondent emphasised that, even though the levy would not target emissions, it is a good alternative for collecting funds for climate, since the high-net-worth individuals typically have large carbon footprints but pay very low taxes. They argued that global solutions to tax high net worth individuals are urgently needed and a levy on them that collects funds to climate work would both help to make taxation fairer and to fill the gap in climate finance.

A few respondents emphasised their belief that the UN Tax Convention is the most appropriate space for effective negotiations on a globally coordinated wealth tax, claiming that a truly global response requires a legitimate and inclusive platform for a comprehensive and inclusive design. On this basis, they distinguished the role of the Task Force as not duplicating or hindering efforts under the UN Tax Convention but instead focusing on encouraging progress by states that are ready to start implementation of wealth taxes before others.

There were a number of further detailed comments on the design elements of the levy strawman proposal itself, including:

- **Threshold**: Many respondents argued that governments should use a lower threshold than $1bn in wealth as this would not be sufficient to cut off the regressivity that appears in the high end of income distribution. They argued that the levy should apply to all centimillionaires (with an option for countries to set the threshold lower). One respondent said that it should apply to all millionaires.
- **Rate**: One respondent said that for extreme wealth, a higher tax rate could be more appropriate (between 1% and 5%, depending on the wealth level). Another recommend a 2% marginal tax rate starting at $5 million, 6% above $100 million, and 10% above $1 billion.
- **Exemptions**: One respondent said there should be no exemptions except primary residences up to a certain value.

- **Environmental elements**: One respondent recommended exploring ways to include an environmental component when taxing high net worth individuals, e.g. a surcharge for ownership of fossil fuel companies and other highly polluting assets.
- **Implementation**: One respondent said that to limit tax avoidance, in addition to exit taxes, there should be an EU asset registry, full transparency of beneficial ownership, and efforts to work towards global standards on automatic information exchange under the UN Framework Convention on International Tax Cooperation. One respondent highlighted the importance of taxing offshore holdings and tax havens.
- **Revenues**: One respondent said that at least 30% of the revenues from a wealth tax should be allocated to lower-income countries. Another said that revenues must be allocated to LDCs and SDIS with at least half of the funds dedicated to adaptation and/or loss and damage.

Comments regarding assessments against principles of public finance

A few comments addressed the assessment of the proposal against the principles of public finance. Regarding the equity of the proposal, responses encouraged further consideration of the gender and racial aspects of wealth inequality and highlighted the benefit of the levy on strengthening equity within countries by closing wealth gaps.

One organisation argued the political feasibility should be assessed more positive because the proposal could include a 'tax collector of last resort' mechanism that would encourage a race to the top for enforcement among governments.

One response suggested downgrading the legal assessment on the basis that there would likely legal challenges. In a similar vein, one respondent said it is worth giving countries several options on how to implement the minimum tax since the legal systems vary from one country to another. Regarding the cost of compliance, one organisation said the claim that the new instrument would not cause additional compliance costs, because it would be addressed through national tax systems, was a bit questionable – and claimed that some costs are likely to be incurred on a national level.

Chapter 7 – Additional Reflections

Throughout the consultation, respondents shared ideas and comments that fell outside the scope of the strawman proposals presented.

Additional ideas for solidarity levies beyond the scope of the strawman options

- **A levy on the shipping of fossil fuels.** This would be a levy that only applies to the international transportation of fossil fuels on ships, which accounts for approximately 40% of all maritime transport.
- **A levy on luxury yachts and boats.** Similarly to taxing private jets, taxing superyachts could be explored as a means to target levies at those with the most wealth and most responsibility for climate change. Superyachts are exempt from both EU carbon pricing and International Maritime Organization emissions rules. One organisation shared a study that an ownership tax on superyachts of 20% of the boat's value per year would have generated £283.3m in the UK in 2022. This would be harder to avoid and more lucrative if implemented multilaterally. Other levies on the sale of luxury items were proposed such as on the sale of private jets (rather than on the emissions) and on the sale of SUVs.
- **A levy on tobacco.** Tobacco taxes already exist in over 180 countries and provide predictable revenue. The WHO and World Bank recommend increasing them as a top priority for sustainable funding. Studies in the past have estimated that tobacco taxation could generate over $10.8 billion annually. A tobacco solidarity levy (for instance $0.05–$0.10 per pack) would be straightforward to implement, leveraging existing national tax structures.
- **A levy on food waste.** Food loss and waste accounts for over 8-10% of annual global greenhouse gas emissions.
- **A media and social media levy** on revenues derived from advertising, subscription fees, or data-driven services offered by major traditional and social media companies (e.g., news conglomerates, streaming services, tech platforms). Similar to a financial transactions levy, a low but broad-based rate could generate high revenues without market distortions, such as a marginal rate (1–3%) on gross revenue or advertising turnover above a defined threshold which would be collected domestically by participating countries, based on user-base, audience share, or local ad revenue.
- **A climate treaty for carbon taxation** proposes a three-tiered approach by establishing an obligation on states to tax carbon contained in fossil fuel ore or one of its byproducts, at the level of extraction; if the country entitled to tax at the level of extraction chooses not to exercise its right to tax, it allows first the country of refining or processing, and second, the country of consumption, under a secondary and tertiary allocation of rights.
- **Voluntary donations from high net worth individuals**. This could be encouraged via rankings through an assessment whereby for example individuals who give more than a certain percentage would be assigned positive rankings compared to those who give less.

Use of revenues

Some respondents chose to make various comments on the use of revenues. This included comments such as:

- The funding from solidarity levies needs to be **additional** to existing financial flows of overseas development assistance; and therefore, should not be reportable as ODA.
- The funding from solidarity levies is well placed to **fulfil existing funding commitments**, such as those from COP29 committing to scale up the finance for the vertical climate funds, for loss and damage and for adaptation
- The **percentage of funding from solidarity levies being spent domestically should vary**; for instance, in a Global North country, this might be 20% to 50% on domestic spending. In contrast, in the countries with the least responsibility for climate change and the lowest income, it makes sense for 100% of the revenues to be spent domestically.
- There is a need for **guardrails** to ensure that the funding from solidarity levies is not misspent and is targeted to have positive impacts for people and the environment
- There is a need for international finance from solidarity levies to **serve the most impacted**, living in the greatest poverty and least responsible for causing the climate crisis in the first place should benefit the most from the revenues raised.
- **UN climate funds** should be prioritized for distributing these funds for adaptation, mitigation, just and fair transition, and loss and damage to communities in developing countries.
- Revenue raised in high-income countries with historical responsibilities for GHG emissions should commit to **earmark** a significant portion of the revenue for LMICs and SIDS, and a significant portion to support domestic public services and a just transition to renewable energy. Moreover, at least half of the revenue to be provided to LMICs and SIDS as climate finance should be earmarked for adaptation and/or loss and damage costs.
- The finance provided must **not be debt-inducing** and therefore largely delivered in the form of public finance as grants, not loans.
- Levies should **not be interpreted as a licence to pollute** and should be implemented as part of the managed phase out of fossil fuels and other extractive industries
- There is a need for **exemptions and/or revenue recycling** to make sure that levies do not disproportionately impact low-income countries or small developing states.

Relationship to global tax frameworks

Some respondents, while welcoming the GSLTF's efforts to facilitate international dialogue and action and lead a coalition of willing and/or strong national progress in some countries, also cautioned that the GSLTF should not preclude decisions to be made by the UN Framework Convention on International Tax Cooperation and encouraged the GSLTF to support and channel governance of solutions into the Convention.