



GREEN TAXATION: PROMOTING ENVIRONMENT SUSTAINABILITY THROUGH TAX POLICIES

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ABSTRACT

In today's world, sustainability is no longer an option and the road to a greener planet cannot be taken by lip service alone. It needs to be followed by action in the form of stringent laws with effective enforcement and justice mechanisms. These laws will not only reduce pollution but also impose taxes, and cost-of-living fines and dissuade those who pollute the environment and disrupt ecological balance. Green taxation is a tool for policy that uses financial incentives to encourage environmental protection. It entails putting taxes or levies on products or activities that affect the environment to deter people from using them and to promote the adoption of more environmentally friendly alternatives. There are a few principles by which the green is being governed. Those are the 'Polluter pays principle' and the 'Precautionary Principle' According to the polluter pays concept, the party who caused the pollution is required to pay the costs associated with it. The Precautionary Principle promotes "action taking" to anticipate and stop environmental harm. Based on the "polluter pays principle," which holds that the polluter bears the cost of pollution and reflects it in the prices of their goods and services, green taxes are implemented. They also help to encourage economic efficiency and generate cash for the government. The government would fight pollution levels by putting in place specialized pollution or emission monitoring stations, which would be funded by the tax money it receives. These stations would significantly aid in reducing air pollution. This paper focuses on the aspects of green tax on people to reduce the pollution in the environment.

KEYWORDS - Green Tax, Sustainability, Polluter Pays, Precautionary Principle, Environment,

INTRODUCTION:

GREEN TAX:

The fury of tax cannot be escaped by environmental polluters. To deter individuals from engaging in environmentally destructive conduct and to increase the public's understanding of environmental issues, a green tax is levied on items and activities that pollute the environment. Our globe has a detrimental effect from environmental pollution, which also poses a threat to the health of both people and animals. It is common practice to finance environmental projects and programs with the money raised by these levies. This tax,

sometimes known as an environmental tax, is imposed on products and services that contribute to pollution. The funds raised from this tax assist governments in funding the nation's numerous ecological initiatives. This was put in place to stop car owners from operating outdated automobiles. This is because these cars emit a lot of pollution, adding a lot more to the environment, due to their high emission levels.

Older vehicles are more polluting than the latest models since they cannot meet the updated pollution limits because automotive technology tends to advance every 10 to 15 years. It encourages consumers to upgrade to modern cars rather than shelling out a fortune to keep their old cars in good condition. Additionally, fewer old cars may be on the road, which would reduce pollution. This would help to reduce the number of pollutants present in the environment. The government would fight pollution levels by putting in place specialized pollution or emission monitoring stations, which would be funded by the tax money it receives. These stations would significantly aid in reducing air pollution.

LAWS PROMOTING SUSTAINABLE DEVELOPMENT:

Without discussing sustainable development or the principle of polluter pay, a debate on the green tax or any other environmental topic would be lacking. According to the Brundtland Report, which was created to advance sustainability and other international papers, the following are some important concepts of sustainable development:

THE PRINCIPLE OF PAYS -

According to the polluter pays concept, the party who caused the pollution is required to pay the costs associated with it. The polluter-pays principle has practical ramifications in how it allocates financial responsibilities for activities that harm the environment, particularly in terms of liability, the use of economic tools, and the application of laws governing competition and subsidy. Distributive justice is a challenging topic that is raised by environmental levies. When a tax system is used to fund regular family activities, the issue becomes especially clear. Examples include levies on transportation, waste disposal, and energy/electricity use. The tax raises the cost to decrease demand—in terms of energy usage, automobile use, or garbage generation. The poorest sector of the population makes the most sacrifices to accomplish most of the environmental impact of taxation. The caricature of the polluter pays concept is "Those who can pay may pollute," even though it is rational from a purely economic perspective. The goal of taxes is to increase efficiency by causing the polluter to modify their behavior to produce the 'optimal' amount of pollution. The polluter pays principle in the broad sense does not entail recompense for pollution victims; rather, it is an efficiency principle of internalization of social costs. The proceeds from environmental fees and levies may not be used to make victims whole. Compensation can result in an ineffective remedy because it might take away the motivation for pollution victims to prevent the issue.¹

The principle of polluter pays states the following –

The State Government and the Statutory Authorities must initiate environmental measures to prevent the environment from degradation. Lack of scientific knowledge should not, under any circumstances, be used as an excuse to put off taking action to prevent catastrophic and irreparable environmental damage.

The burden of proof is on the person to show that his/her actions are not threatening to the environment.

¹ *Green Cess for Green India: Laws & Judgments - Indian Law Watch*, INDIAN LAW WATCH (Nov. 19, 2015), <https://indianlawwatch.com/practice/green-cess-for-green-india-laws-judgments/>

In the **Indian Council for Enviro-Legal Action vs. Union of India**,² the apex court held that the significance of the principle of polluter pays.

Facts - The Indian Council for Environmental Legal Action filed a writ petition in this matter. It is an environmental organization. This environmental group brought up a specific issue to shed more emphasis on the suffering of people living in Bichhri Village, which was home to chemical manufacturing facilities. This is a little village in Rajasthan's Udaipur district. Plants like Hindustan Zinc Limited and several more Chemical Industrial Plants control the northern part of the hamlet. In this instance, it was emphasized that these businesspeople view these chances to increase pollution in the area as ways to boost their profit margins by promoting industry and exports. In 1987, the fourth defendant, Hindustan Agro Chemicals Limited, started producing oleum, a highly concentrated form of sulphuric acid, together with a single super-phosphate, which constituted a major threat to the local population. The fifth respondent Tata Silver Chemicals started producing "H" acid within the same product, which was being produced for export. This is when the real crisis started. The eighth respondent, Jyoti compounds, was in a different compound that primarily produced 'H' acids as well as several other dangerous compounds. For the manufacturing of fertilizers and other similar chemicals that were in some way contributing to pollution, numerous other chemical enterprises were also established. In this lawsuit, all the defendants were producing hazardous waste discharges in this area that were not even being properly treated by these industrial units. Whatever met these industrial effluents, including water, air, soil, or anything else, became poisoned. According to the report that was provided, there were around 2,500 tonnes of extremely hazardous sludge being produced, coupled with roughly 375 tonnes of "H" acid that was being created exclusively for export. All the rubbish was being dumped into the local area without any suitable treatment. All these dangerous substances contaminate underground water streams and soil, as well as groundwater. All the wells and other water sources have become exceedingly toxic and unsafe for human consumption because of these deadly compounds over time. The soil fertility, which was the main source of sustenance for many locals, as well as the water supplies used for drinking, irrigating, feeding livestock, and other similar functions, were being harmed by contamination. Hazardous chemical pollution also causes several other ailments, diseases, and fatalities in the hamlet and surrounding areas.

Issues - Whether any protective measures been implemented by the industries producing dangerous chemicals?

Whether the defendant be held financially liable for paying the requisite sum to complete the required corrective actions?

Held - In this case, the principle of "Polluter Pays" was expressly implemented, as the Court ruled that, under Section 3 and Section 5 of the Environment (protection) act, 1986, the Court has the authority to undertake steps to put such a rule into effect. It was introduced under principle 16 of the Rio Summit of 1992, which specified that the polluter must principally pay for the pollution charges. The Court observed, "*We think that any principle evolved in this 'behalf should be simply practical and suited to the conditions obtaining in this country*". The Court ruled that "*Once the activity carried on is hazardous or inherently dangerous, the person carrying on such activity is liable to make good the loss caused to any other person by his activity irrespective of the fact whether he took reasonable care while carrying on his activity. The rule is premised upon the very nature of the activity carried on*". According to the Supreme Court's interpretation of the "Polluter Pays" concept, absolute culpability for environmental harm includes both the price of reversing environmental degradation and compensating those who have suffered damages because of pollution. The process of sustainable development includes remediation of the damaged environment; therefore, the polluter is responsible for both the costs associated with compensating the affected individuals as well as the costs associated with reversing the damaged ecology. Extended Producer Responsibility is another name for the polluter pays principle. EPR aims to transfer control of waste management from the government to the companies that produce it. In essence, the cost of trash disposal was internalized into the price of the product. In general, the principle does not forbid passing the expense on to

²² Aditya Singh, *Indian Enviro Legal Council v. Union of India: analysis of polluter pays principle - iPleaders*, iPLEADERS (Dec. 19, 2020), <https://blog.iplayers.in/indian-enviro-legal-council-v-union-india-analysis-polluter-pays-principle/>

the customer. The polluter pays principle and the precautionary principle has thus been incorporated into national legislation.

The "polluter pays principle" was reaffirmed by the Supreme Court in **M.C. Mehta v. Union of India and Ors**³(The Taj Trapezium case), emphasizing the necessity of its adoption. In this instance, there were concerns about the Taj Mahal, a magnificent national treasure, and its yellowing and degradation. The primary pollutants of the Taj Mahal were the chemical industry, foundries, and refineries near Mathura, according to reports by the Varadarajan Committee in 1995 and the National Environment Engineering Report Institute in 1990. The court mandated that the industries either relocate their places of business or convert from fuel to gas. Industries that disregarded directives faced an unconditional shutdown. To the "polluter pays principle," Justice Kuldeep Singh gave a new meaning. According to him, industry workers ought to bear the brunt of closures or location changes. Benefits like housing, employment security until the industry picks back up, and other compensation should be provided to the workers. Since then, the courts have repeatedly stressed that employees' rights and obligations cannot be waived. In the history of environmental law management, this episode marked a turning point.

INTERGENERATIONAL EQUITY –

Every generation "holds the Earth in common with members of the present generation and with other generations, past and future," according to the concept of intergenerational equity. The idea of fairness between generations in the use and preservation of the environment and its natural resources is articulated in the principle. A sustainable development satisfies current requirements without endangering the capacity of future generations to satisfy their own needs. The global society has acknowledged sustainable development as the most comprehensive paradigm for enhancing quality of life. The Sustainable Development Goals (SDGs) emphasize equity both within and between generations. A developmental mechanism that balances development without sacrificing the environment or the demands of the future. Equity and sustainable development are two sides of the same coin. The SDGs all share the same goal of preserving sustainability using preventative, protective, and precautionary measures. It is the process of preserving the debate about progress while safeguarding it. Intergenerational equity is a fundamental component of sustainable development, and achieving the former is the goal of the latter. Sustainable development is the only clunker on the road to a future with a better, cleaner, and safer environment. Every generation has an equal right to utilize the natural resources found in nature wisely and protect variety from exploitation.

Principle of conservation of opinions: Each generation should protect diversity and avoid limiting the possibilities open to succeeding ones for resolving their issues. The goal is to ensure that present-generation overuse does not negatively impact future generations. the conservation of equality principle This principle states that all generations should care for the planet in a way that prevents it from getting into poorer condition for the generations who follow them and that they should also be entitled to planetary quality in comparison to other generations.

Principle of conservational equality: The principle of conservational equality states that all generations should care for the world in a way that prevents it from getting worse for the generations that follow and that they should also be entitled to planetary quality in comparison to other generations.

Principle of conservation of Access: The guiding principle of access conservation is that each generation should leave behind a legacy of access to protect the next. Since there are so many environmental issues, attention from the younger generation is insufficient. It is impossible to predict what requirements or interests the next

³ Aayushi Mittra, *Taj Trapezium Case - M. C. Mehta v. Union of India, 1986 - Law Corner*, LAW CORNER (Sept. 30, 2021), <https://lawcorner.in/taj-trapezium-case-m-c-mehta-v-union-of-india-1986/>

generation will have when we talk about it. Natural diversity, environmental quality, and access for future generations are all things that should be protected.⁴

The Supreme Court of India determined that four principles—intergenerational equality, sustainable development, the precautionary principle, and the polluter pays concept—are a part of the right to life under the Constitution in the case of the **Goa Foundation v. Union of India**⁵ and others. Additionally, it has decided that the state is a trustee for the people, particularly for future generations, and that the public trust doctrine applies to all natural resources. The intergenerational equality concept, which states that future generations must inherit at least as much as the present generation does, has been acknowledged by the Supreme Court in the context of the preservation of finite resources, such as minerals.

PRECAUTIONARY PRINCIPLE –

The guiding premise is that inaction in the face of a serious environmental risk should not be justified by a lack of solid scientific evidence. The Precautionary Principle places more of the burden of proof on the shoulders of the individual claiming that their action is safe. Rather than apologizing, the idea adopts a proactive approach. This idea runs counter to the wait-and-watch strategy that is typically used when dealing with environmental challenges. The Precautionary Principle promotes "action taking" to anticipate and stop environmental harm. One of the most widely accepted legal theories in the area of environmental law nowadays is the precautionary principle. We must review the Precautionary Principle's brief history to fully comprehend the idea behind it. The Dalai Lama claimed that Tibet may be the first nation where the idea arose in one of the Parliamentary Earth Summits of the UN Conference on Environment and Development since Tibet began actively protecting the environment as early as the seventeenth century. For them, the idea originated from the conflict between preserving the environment and preserving human health. This idea has been a part of public policy since the 1950s when it was known as "safe minimum standards of conservation." The theory based on the concept of assimilative capacity was made possible by certain significant environmental difficulties in the 1960s, such as the DDT (dichloro diphenyl trichloroethane) case. This concept claimed that both the environment and people could only endure disturbances to a certain degree and that this degree could be determined and controlled. Then, in the 1970s, the Germans likely made history by becoming the first nation to include a precautionary approach in its laws and policies about the protection and conservation of the environment.

There are two frequently used definitions of the precautionary principle: The Rio Declaration of 1992 contains the first definition. It states that each state should use this principle to the best of its abilities to conserve the environment. The lack of complete scientific evidence should not be used as an excuse for delaying preventative steps where there is a risk of catastrophic and irreparable damage.

The Wingspread Statement on Precautionary Principle, issued in 1998, serves as the foundation for the second concept. According to this concept, precautionary actions should be adopted even in the absence of complete

⁴ Vishwom Revanka, *Intergenerational equity in the regime of international environmental law: Prospective justice and environmental emergence - iPleaders*, IPLEADERS (Aug. 5, 2020),

<https://blog.ipleaders.in/intergenerational-equity-regime-international-environmental-law-prospective-justice-environmental-emergence/>

⁵ Vishwom Revankar, *Intergenerational equity in the regime of international environmental law: Prospective justice and environmental emergence - iPleaders*, IPLEADERS (Aug. 5, 2020),

https://blog.ipleaders.in/intergenerational-equity-regime-international-environmental-law-prospective-justice-environmental-emergence/#Goa_Mining_Case

scientific facts where there is a hazard to the environment or human health. The guiding principle should consider all available alternatives, including the choice to do nothing.⁶

The Precautionary Principle is actively endorsed by the Indian judiciary. The **Vellore Citizens Welfare Forum v Union Of India**⁷ ruling expressed the court's opinion that sustainable development is necessary. The court stressed the need for economic expansion and environmental preservation to coexist in harmony. The Court disregarded the conventional wisdom that ecology and development are mutually exclusive. The Court additionally examined the evolution of the notion of sustainable development within the global arena. Referring to the Rio Declaration of 1992, the Earth Summit, the Stockholm Declaration of 1972, and Caring for Earth, 1991, the Court expressed its opinion that the Precautionary Principle and the Polluter Pays Principle are essential components of Sustainable Development.

Facts - Regarding pollution brought on by large-scale untreated sewage discharges from tanneries and other industries in Tamil Nadu, a non-governmental organization known as Vellore Citizens Welfare Forum has launched a Public Interest Litigation (PIL) under Article 32 of the Indian Constitution. Untreated sewage is poured into rivers, open spaces, and agricultural fields until it reaches the Palar River, which provides most of the region's population with water. It was claimed that this untreated sewage discharge had contaminated the whole water surface, including the subsoil, leaving the local inhabitants without access to clean water. A study carried out by the Tamil Nadu Agricultural University Research Centre found that the overuse of chemicals and dyes in the tanneries belt caused damage to soil quality and contaminated groundwater, rendering over 35,000 hectares of agricultural land either totally or partially unsuitable for farming. Out of 467 wells, 350 had contamination. Furthermore, it was discovered that only 443 tanneries out of 584 had submitted applications for board approval.

Issue – Whether the tanneries be allowed to continue operating at the cost of the environment, the health, and the lives of thousands of people?

Held - By section 3(3) of the Environment Protection Act of 1986, the court ordered the central government to create an authority and established the following rules for the authority's management:

The authority was granted the requisite jurisdiction to address the problems of the Tamilnadu State's tanneries and other polluting industries.

Section 5 of the Environment Act grants the authority to issue directions. Both the polluter pays and the precautionary principles ought to be applied.

Compensation should be split into two categories: individual payments and ecosystem reversal. The full amount of compensation to be awarded, the names of the polluters and affected families, and the total amount of money that needs to be paid to the district magistrate/collector of the affected region—who will reimburse the impacted—should all be listed in a statement that is created.

All tanneries in North Arcot Ambedkar, Dindigul Anna, Erode Periyar, Chennai M.G.R., and Trichy were ordered by the court to pay a pollution fine of Rs. 10,000 per, which they were to pay by October 31, 1996. The money must be given to the district magistrate or collector, who will then oversee the environment protection fund's management. This fund will be used to compensate the impacted parties and repair the environment.

⁶ Pramiit Bhattacharya, *Analysis Of The Precautionary Principle - iPleaders*, IPLEADERS (May 23, 2016), <https://blog.ipleaders.in/analysis-precautionary-principle-environmental-law-instrument/>

⁷ Nishita Gupta, *Case Analysis: Vellore Citizens Welfare Forum v/s Union of India*, LEGAL SERVICE INDIA - LAW, LAWYERS, AND LEGAL RESOURCES, <https://www.legalserviceindia.com/legal/article-13637-case-analysis-vellore-citizens-welfare-forum-v-s-union-of-india.html>

Additionally, it has mandated the creation of shared treatment facilities or private pollution control equipment in addition to getting board clearance before continuing operations. The superintendent of police and the collector/magistrate of designated areas have been instructed by the court to shut down or relocate tanneries that have not received board approval right away. It continued by saying that all businesses and tanneries in Tamil Nadu were required to abide by the board's TDS rules. A special bench known as the "Green Bench" will be established by the Madras High Court per the court's directive to address these and other environmental concerns.

The court commended MC Mehta for his active involvement and ordered the state of Tamil Nadu to pay him Rs. 50,000 in legal fees and other expenses.

The Supreme Court upheld its ruling in the Vellore Citizens Welfare Forum case, holding that the Precautionary Principle is a component of Indian environmental law, in the case of **M C Mehta v. Kamal Nath**. In the **AP Control Pollution Board v. Prof. M. V. Nayudu** case, the Apex Court examined the precautionary principle in detail. Rather than waiting for the situation to become irreversible, the Court declared that it is better to stay on the cautious side and prevent harm to the environment. According to the Court, the Precautionary Principle—which calls for predicting potential harm to the environment and taking necessary action—evolved solely because of a lack of scientific knowledge. The Apex Court very clearly established the legal proposition called the Precautionary Principle, in the case of **Narmada Bachao Andolan v. Union of India**. The Court ruled that in cases involving environmental damage, the burden of proof rests with the party arguing that their actions do not negatively impact the environment. In addition, the party bringing forward this argument must persuade the court that his actions will not cause environmental deterioration.

Indian Organisations Aiming to Address the Green Tax

Numerous laws and organizations within the Indian legal system support the use of green levies as a crucial instrument for environmental protection.

The “Central Pollution Control Board” (CPCB) is a legally mandated body that oversees and manages environmental matters. Any individual or business that pollutes the environment may be subject to penalties and fines, including green taxes, according to the board.

The “Ministry of Forests, Climate Change, and Environment” (MoEFCC): It is the ministry's responsibility to create and carry out environmental protection policies in India. Promoting the use of green taxes as a tool for pollution control and environmental conservation is one of its main goals.

The “National Green Tribunal” was founded in 2010 to provide efficient and expedited dispute resolution for environmental issues involving federal, state, and local governments, businesses, and individuals. The tribunal can charge companies that violate environmental regulations and green taxes.

To support clean energy technology in India, the “National Clean Energy Fund” was founded in 2010. For each tonne of coal produced or imported, the government levies a green tax, the proceeds of which are placed into the National Clean Energy Fund.

Thus, by using green taxes to support sustainable development and environmental conservation, India has demonstrated its commitment through these institutions and regulations.

Green Activism through State-level Green Cess Imposition in India

(i) “Goa Green Cess Act, 2013”

The Goa Cess on Products and Substances Causing Pollution (Green Cess) Act, 2013 (the "Goa Green Cess Act"), which addresses products and substances that cause pollution, went into effect in July of 2013. To reduce the carbon footprints left behind by such activities and to implement the polluter must pay principle, the State Legislature of Goa passed this Act, which addresses products and dangerous substances that pollute the state's environmental resources. There is a 0.5% cess on petroleum product sales value and a 2% cess on coke and its derivatives. In addition, the Goa Green Cess Act requires the establishment of the Environmental and Energy Audit Bureau, whose duties include identifying environmentally and energy-sensitive locations and recommending actions to lower carbon footprints. The sanction stipulated does not end with a fee; rather, it gives the authorities the ability to prevent these infringers from touching the goods. The Act forbids the civil court from interfering with topics under its purview.

(ii) “Delhi & Green Cess”

The Environment Compensatory Charge (ECC) for commercial vehicles in transit in the National Capital is levied by the Supreme Court and ranges from Rs. 700 to Rs. 1300. Nonetheless, vehicles transporting passengers, emergency personnel, and essentials like food are exempt from the green cess. This includes ambulances. The toll operators would collect the toll tax and forward it to the Delhi Government by the Court's directives. There are 127 such entry sites in the Delhi NCR for tax purposes, and the weekly account receipts must be provided to the Supreme Court. For one light-duty car and two-axle trucks, the tax slab is Rs. 700; for three- to four-axle trucks, it is Rs. 1300. In addition, the toll tax operators would have to pay for the installation of a radio frequency identifying system. For a trial period of four months, from November 1, 2015, to February 29, 2016, the tax is being levied. The state governments of Uttar Pradesh, Rajasthan, and Haryana must work with the Delhi government in this regard and implement detours on other routes for the convenience of commercial trucks.

(iii) “Go Green Gujarat”

The Green Cess Act of 2011, which was passed to raise money to support sustainable energy, was ruled unlawful and void by the Gujarat High Court, providing relief to major corporations. But the Gujarat High Court's decision to declare the State legislation illegal was upheld by the Supreme Court. The government implemented a Green Cess on each unit of conventional electricity generated in Gujarat between 2011 and 2012 to raise money for the promotion of clean energy. To establish a Green Energy Fund for environmental preservation and the advancement of renewable energy production in the State of Gujarat, a Green Cess not to exceed twenty paise per unit was imposed on the production of electricity other than that which comes from renewable sources under the Gujarat Green Cess Act, 2011. This would also apply to electricity produced by businesses' captive power facilities.

(iv) Green Cess levied in Hill Station

Every petrol and diesel tourist car from Manali heading to the Rohtang Pass is subject to an environmental cess of Rs. 1,000 and Rs. 2,500 for each visit, respectively, according to the “National Green Tribunal”. This is because the hill station's delicate ecology is at risk due to the influx of visitors.

Problems and Challenges with India's Green Tax Implementation

Strong political will and dedication are needed to execute the green tax because it entails extensive preparation, stringently enforced laws and regulations, and other legal requirements.

Public Opposition: This is another issue that can come up. The public may be against the extra tax because they regard it as an additional

Insufficient awareness: The lack of knowledge about the advantages of the proposal is a major barrier to its implementation. To succeed, the government must present its case and inform the populace.

Green tax enforcement is fraught with difficulties since it necessitates stringent auditing and monitoring procedures that rely heavily on technological advancements.

Corruption: A major problem in India, corruption could potentially undermine the execution of green tax schemes if they are not closely watched.

Inter-State Conflicts: The introduction of the green tax could lead to disagreements and confrontations between the federal government and several states.

Structural Challenges: India's economy is complex, with a wide range of industries, subsectors, and geographical areas. This makes developing and enforcing a unified national green tax difficult.

Data Accessibility: The implementation of the green tax depends on the availability of trustworthy and accurate data. India's data management and infrastructure, however, are still lacking in many respects.

To summarise, the successful implementation of a green tax system in India necessitates the resolution of intricate obstacles and issues, substantial political resolve, and efficient monitoring methods.

Green Procurement Scheme in India

India's Green Procurement Scheme was inspired by Japanese policies. The primary topic of discussion concerned what products should be produced first to facilitate the execution of this plan. The straightforward response was that to make a difference in society, consumer items with high sales and frequent use need to be changed to green products. Because of this, the MoEF determined that the "daily use" products would be transformed into green products initially. But after that, the guidelines for choosing products for the same are product categories whose standards have already been established, so people will have confidence in the product's standard and will not be as hesitant to buy the new green product. The second recommendation was to involve firms that are currently producing eco-friendly goods and are accustomed to doing so to reduce costs and improve product quality. The primary directive was to manufacture high-value items in both quantity and value. This was done to eliminate most goods that emit pollutants that cause the environment's quality to deteriorate. As a result, numerous products underwent modifications that helped to slow the deterioration of the environment's quality. Hence, the MoEF stipulated that since the idea of green procurement is completely new to the nation, its implementation must be carried out harmoniously while also considering the diverse ways in which various organizations must function. As a result, online consultations, meetings, and public awareness campaigns would be the methods that would be used. The external sources for putting these methods into practice would be the relevant ministries, associations, businesses, and companies. They would set the rules and choose who would be excluded from them and who would follow them in the prescribed format. Internal resources that may assist would be the core group, IGBC, GBC, etc., who would choose the implementation's next step based on the current situation. Moreover, a

⁸ Green Cess for Green India: Laws & Judgments - Indian Law Watch, INDIAN LAW WATCH (Nov. 19, 2015), <https://indianlawwatch.com/practice/green-cess-for-green-india-laws-judgments/>

product-based strategy was advised, with the primary focus being on environmental challenges, primarily those about climate change and the sustainable use and distribution of resources. Building on the existing policy instruments would be the second step. This would involve determining what all exists for this cause and, consequently, where the gap is that prevents the objective from being achieved. Lastly, the proposed policy would address what kind of system should be adopted to meet environmental quality standards, as well as how to adopt new policies and evaluate the gap. These criteria, then, are the initial set created for the Green Procurement Scheme's initial deployment. The regulations would be altered by societal developments, which would enhance environmental quality.

CONCLUSION

Environmentally friendly processes and product technologies can find a ready market thanks to financial incentives like green taxes. To achieve sustainable living in the face of issues like globalization, climate change, and aging populations while promoting inclusive growth, high employment, and fair income distribution, green tax system design is essential. Social, economic, and environmental factors should all be considered in sustainable tax systems. We can conclude that the influence of green taxes has been significantly restricted by the original reliance on the double dividend idea. A consumption tax reform based on product impact differentiation could be a more effective and economical way to implement a green tax. The tension between commercial and ecological interests is not new, particularly when practices include unsustainability in operating standards. The government has previously said that starting on November 15, 2015, all services currently subject to service tax will be subject to a 0.5% Swachh Bharat cess. In this case, 14.5% would be the effective service tax rate. This levy will result in a tax of 50 paise on each Rs 100.00 in taxable services; the money raised will only be used for Swachh Bharat projects. This paper considers implementing green tax will reduce environmental degradation.

