

Chile Becomes First Country in South America to Impose Carbon Tax



Santiago de Chile, September 30 (NNN-RHC) --Chilean President Michelle Bachelet has signed into law a Carbon tax making the country the first in South America to tax carbon dioxide (CO₂) emissions.

The tax will mainly apply to the power sector, particularly generators operating thermal plants with high capacity.

The tax measure intends to force power producers to move to cleaner sources so as to reduce the country's greenhouse gas emissions and meet its voluntary target of cutting these gases by 20 percent over the next six years.

Around 80 percent of Chile's energy is based on imported oil and coal. Chile's government will start measuring carbon dioxide emissions from thermal power plants in 2017 and the new tax would be charged from 2018.

The government said it expects to collect about US\$160 million from the carbon tax, a relatively small share of the forecast \$8.3 billion in additional revenue the broader tax reform will bring in.



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