

Will Finland introduce a mining tax?



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The Finnish Government unexpectedly proposed amendments to the energy taxation of mining operations. [Taxand Finland](#) discovers what these proposed amendments entail and how they could effect the sector.

The Finnish Government's decision to increase energy taxation with regards to mining operations was taken at the end of March 2014 in connection with the Government reaching an agreement on central government spending limits for 2015–2018.

The proposal constitutes a de facto mining tax.

It is anticipated that the electricity tax rate for mining operations will be increased, and at the same time, mining operations would be excluded from the scope of energy tax cutter, which aims to support companies operating in energy-intensive branches.

No precise information on the detailed structure is yet available, and the decisions still have to be approved by the Parliament, where the coalition Government holds a majority.

If enacted, these changes are, according to FinnMin and energy consumption figures for 2012, estimated to impose an annual tax burden of over EUR 20M on the mining industry. The proposal and the Government's decision have not been preceded by any consultation or public political discussion.

Taxand's Take:

Multinationals with operations within the Finnish energy sector should follow the development of these proposed amendments to energy taxation, in order to ascertain how their business could be affected.

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