Netherlands to levy 'green' road tax by the kilometre

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Cars sit in traffic on a highway. The Dutch government said Friday it wants to introduce a "green" road tax by the kilometre from 2012 aimed at cutting carbon dioxide emissions by 10 percent and halving congestion.

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"Each vehicle will be equipped with a GPS device that tracks how many kilometres are driven and when and where. This data will be then be sent to a collection agency that will send out the bill," the transport ministry said in a statement.

Ownership and sales taxes, about a quarter of the cost of a new car, will be scrapped and replaced by the "price per kilometre" system aimed at cutting the Netherlands' carbon dioxide emissions by 10 percent.

"Traffic jams will be halved and it helps the environment," the ministry said.

Dutch motorists driving a standard family saloon will be charged 3 euro cents per kilometre (seven US cents per mile) in 2012. That would increase to 6.7 cents (16 US cents per mile) in 2018, according to the proposed law.

Every vehicle type will have a base rate, which depends on its size, weight and carbon dioxide emissions.

Taxis, vehicles for the disabled, buses, motorcycles and classic cars will all be exempt.

"An alternative payment will be introduced for foreign vehicles," the ministry statement added.

The Dutch cabinet approved the road tax bill on Friday. It will need the backing of parliament before it becomes law.

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