

Abstract

Although much of the emphasis in taxation studies relates to a particular type of tax, the contribution of this paper is to try to combine different taxes in one tax, whereby it was widely agreed that a mixture of the different taxes is regarded as an ideal to reduce vehicle emissions. The study used existing empirical literature to prove that the taxes on vehicles alone are not sufficient to reduce vehicle externalities or short-term effects of these taxes, therefore there is a need to impose a tax on emission source strongly due to the fact that many contemporary scholars proposed taxation based on the actual emissions test, and car types/engines. The approach of the study was shown in the diagram which was used to design a proposed progressive tax system which consists of a mix of different taxes. Therefore, the current study will add to the current literature, by providing background and details on taxes on vehicles and their operations. The aim will be to comment on them in terms of design and effectiveness in reducing emissions.