



Car ownership and use taxes as pollution correcting instruments

Mabit, Stefan Lindhard; Mulalic, Ismir

Publication date:
2013

Document Version
Publisher's PDF, also known as Version of record

[Link back to DTU Orbit](#)

Citation (APA):

Mabit, S. L., & Mulalic, I. (2013). *Car ownership and use taxes as pollution correcting instruments*. Abstract from Strategisk forskning i transport og infrastruktur, Kongens Lyngby, Denmark.
http://wwwx.dtu.dk/Sites/strategisk_transportforskning2013/Program.aspx

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

ACTUM

Car ownership and use taxes as pollution correcting instruments

Stefan Lindhard Mabit, Ismir Mulalic

DTU Transport

There have been many attempts to alter the taxation of private vehicles to obtain more energy-efficient car transport. The last significant reform in Denmark was completed in 2007. The most important objective was to improve fuel efficiency and consequently to reduce emissions related to car transport. To analyse the effects of such a reform it is necessary to model both long term decision like car ownership and short term decision like car usage in a combined framework. The purpose of this paper is to study to what extent Danish households change their car ownership and their car use after a change in car taxes. Based on a simple theoretical framework we use a large sample of detailed Danish data to estimate the joint demand for vehicles and kilometres. The empirical results point at effects that have important implications.

Keywords: car market, car ownership, car use, car taxation, fuel efficiency.

JEL codes: D12, L62, L68, R41.

Acknowledgements The authors thank to Statistics Denmark for providing the data. Research support from the Danish Council for Strategic Research is acknowledged.