

Greens call for 'dirty profits tax' as BP announce 'astronomical' profits



Green Party

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Responding to the massive profits announced by BP, which have risen to £9.5bn – the highest level for eight years [1] – the Green Party is calling for an emergency ‘dirty profits tax.’

Green spokesperson on Economy and Finance, Molly Scott Cato, said:

“BP’s astronomical profits on the back of soaring energy prices come at a time when millions are being plunged into fuel poverty and we face a climate crisis. This is dirty money. Greens want to see an emergency ‘dirty profits tax’ imposed on companies like BP that make most of their profits out of pollution.

“We say the tax on the profits of oil giants such as BP should rise from its current level of 10% to 35% [2], and the proceeds used to provide an immediate uplift in payments to people qualifying for Income Support schemes [3].

“This will make the polluter pay and is a fair tax, helping those in greatest need at such a difficult time. Ultimately, we need a comprehensive carbon tax which is a key Green Party policy [4].”

Notes

[1] <https://www.bbc.co.uk/news/business-60299886>

[2] In 2011, George Osborne’s 32% windfall tax (“supplementary charge”) on North Sea oil & gas companies raised £2 billion.

If the supplementary charge were increased from the current 10% to 35% this year (only slightly higher than the level set by Osborne in 2011), the additional £3,725,000,000 this would raise (on Wood Mackenzie’s profits forecast of £14.9 billion) equate to £1,164 per household if this were distributed to the 3.2 million households estimated to be in fuel poverty in 2019.

A higher number of households will be facing fuel poverty this year than in

2019, so the actual “dividend” per household will be lower. But the amount raised by a windfall tax set at this level would, even without other measures, go a very long way toward closing the fuel poverty gap for households in fuel poverty – and help them to meet the much higher costs of other basic essentials.

[3] Income Support schemes such as Universal Credit, Pension Credit, Income Support, Income-based Jobseeker’s Allowance, Income-related Employment and Support Allowance, Support for Mortgage Interest.

[4] <https://www.greenparty.org.uk/news/2021/10/13/greens-call-on-government-to-bring-in-carbon-tax-at-cop26/>

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