

Waste not in Sweden with tax break plan

By Richard Orange, The Guardian, adapted by Newsela staff on 09.23.16

Word Count **521**



A bicycle sits on a stand in a workshop in Sweden. Photo: Dougal Waters

Why throw out an old or broken item and buy a new one when you can fix it? The Swedish government is hoping to encourage this way of thinking by introducing tax breaks on repairs for everything from bicycles to washing machines.

Sweden's ruling Social Democrat and Green Party coalition is submitting this repair-first proposal to parliament on Tuesday. They hope to slash the value-added tax rate — a special type of tax on purchases in Europe — on repairs to bicycles, clothes and shoes. The tax would be reduced from 25 percent to 12 percent.

The coalition will also submit a proposal that would allow people to make income-tax claims on the amounts they pay to repair any home appliances. In other words, when they file taxes, they'll receive credits for getting their fridges, ovens, dishwashers and washing machines repaired.

Lowering The Cost To Repair Goods

Per Bolund, Sweden's minister for financial markets and consumer affairs, said the proposals could substantially lower the cost to repair goods. This will make getting your goods fixed seem like a smarter economic choice than buying something new.

Bolund, one of six Green Party cabinet members in Sweden, has been a key figure in promoting these new incentives. He estimates that the tax rate cut will reduce the cost of a repair worth 400 Swedish krona (about \$47) by about 50 Swedish krona (about \$6).

Bolund hopes the tax relief on appliances will spur the creation of a new home-repairs service industry. This could provide much-needed jobs for new immigrants who lack formal education.

Helps Reduce Air Pollution

The incentives indicate a shift in the government's plan to reduce carbon emissions and greenhouse gases, which scientists say are contributing to climate change. In the past, Sweden tried to reduce emissions on products made on Swedish soil. Now, by encouraging repairs, they are hoping to reduce carbon emissions on goods that have been produced in other countries.

Sweden has cut its annual emissions of carbon dioxide by 23 percent since 1990. The country generates more than half of its electricity from renewable sources, such as solar and wind generators.

But emissions linked to consumption — that is, anyone buying new goods — have consistently risen.

"Make Our Things Last Longer"

Bolund said that his party's policy is linked with international trends to cut down on waste and buying too many things.

One example is the "maker movement," whose supporters try to craft their own household items so that they don't have to buy them. Another example is the sharing economy, which is a way of connecting people who have something to sell or rent out (like a car ride or a spare room) with people who need it. Both of these movements are popular in Sweden.

"I believe there is a shift in view in Sweden at the moment. There is an increased knowledge that we need to make our things last longer in order to reduce materials' consumption," Bolund said.

The proposals will be presented in parliament as part of the government's budget proposal. If voted through in December, it will become law starting on January 1, 2017.