

Taxation of resource rent in fisheries, theory and policy relevance

Peder Andersen

Department of Food and Resource Economics, University of Copenhagen

Taxation of resource rent can reduce the distortion of taxes and have distributional benefit. At the same time, it is important that resource taxes give the right incentives to an efficient use of natural resources.

This paper looks at taxation of resource rent in an optimal taxation policy framework and how taxation of resource rent in fisheries can work in practice.

The empirical part of the paper is related to the Greenlandic shrimp fishery, the most important fishery in Greenland. As more than 10% of the gross value added comes from the fishery in Greenland, it is from a macroeconomic point of view of key interest to have an efficient taxation of resource rent. Model work shows that there is possible to increase resource rent taxation without compromising efficiency and at the same time reduce income inequality.