

## The Sustainable Development Paradigm through Carbon Tax Legal Construction

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### Abstract

The purpose of this research is to answer legal issues related to the implications of the legal vacuum in the procedures for implementing a carbon tax and the formulation of fulfilling future a carbon tax obligations to provide certainty in the continuation of sustainable development. The legal research method used is normative juridical with a conceptual and statutory approach. The research results confirm that the implications of the legal vacuum in the procedures for implementing a carbon tax are related to threats to the sustainability of sustainable development. The threat in question is closely related to environmental damage due to significant climate change in the form of global warming and greenhouse emissions. The formulation of future a carbon tax regulations refers to the analogous legal construction method, namely regulating a carbon tax as well as a land and building tax and a value-added tax which emphasizes the importance of the state's role in regulating the behavior of business actors toward green economic activities that are lower in carbon. Apart from that, the role of the state, especially in mitigating climate change due to greenhouse emissions, requires financing expenditure. A carbon tax provides an opportunity to increase sources of state revenue and change the behavior of business actors to be more environmentally friendly.

**Keywords:** carbon tax; legal construction; sustainable development

### Article History

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## Introduction

Environmental damage is increasing every year, this cannot be separated from industrial processes and life activities that have occurred so far in both developed and developing countries. The industrial revolution that happened influenced various social life arrangements which had an impact on the exploitation of natural resources. Exploitation activities are carried out continuously to meet the needs of unlimited industrialization which ultimately reduces the quality of the environment (Al Hidayah, 2024). Developed countries, in supporting their industrial development, sought natural resources from other countries' territories, which later became known as the history of imperialism and colonialism. Countries that have abundant resources tend to be developing countries where their development progress tends to be through loans to international financial institutions. Rapid development goes hand in hand with economic development to achieve prosperity, but on the other hand, it triggers environmental damage.

Environmental damage due to human actions, including global warming, decreasing ozone layer, biodiversity which continues to decline, water catchment areas are decreasing, acid rain occurs (Rahadyan Fajar Harris, 2022). This has become the concern of most countries through the United Nations, hereafter referred to as the UN, holding the UN Conference on Humans and the Environment. The conference was held on June 5<sup>th</sup>, 1972 in Stockholm, Sweden, producing the Stockholm Declaration. The principles contained in the Stockholm Declaration consist of 26 principles regarding human relations with the environment. The Stockholm Declaration was the first step internationally to protect the environment sustainably in a sustainable manner. There are two principles relevant to the

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development of environmental law, namely Principle I which contains human rights and obligations towards the environment, and Principle II which states that natural resources must be saved by the present generation for future generations. Principle II of the Stockholm Declaration requires comprehensive and comprehensive concepts and actions so that the welfare of the present generation can be achieved without harming future generations.

According to Edith Brown Weiss, three actions of the current generation will harm future generations (Weiss, 1991), including excessive consumption of quality resources which will harm future generations by paying more expensively, excessive consumption without knowing the exact benefits of the resources in question will make future generations pay for the inefficiency of these resources, and the exhaustive use of resources resulting in future generations not having diverse resources. To ensure the availability of resources so that the supply of raw materials is sustainable, in 1987 World The Commission on Environment and Development (WCED) formulated the concept of sustainable development. The concept of sustainable development was discussed in detail at the UN Conference on Environment and Development in Rio de Janeiro in 1992. The conference produced 5 main principles in sustainable development, namely the principle of intergenerational justice, the principle of justice within one generation, the precautionary principle, and the principle of protecting diversity. Biodiversity, and the principle that the polluter must pay. Sustainable development is not only for the benefit of the environment but must run in harmony covering various aspects. 3 aspects of sustainable development need to be integrated, namely economic aspects, environmental aspects, and socio-cultural aspects. To realize sustainable development by combining these three aspects, concrete actions are needed simultaneously and continuously.

The concept of sustainable development is aimed at reducing environmental damage while still paying attention to economic, environmental, and socio-cultural aspects so that development continues to achieve human welfare. Environmental management and protection will undoubtedly realize the sustainability of development (Sugiartha, 2020). Environmental damage in legal terminology is a direct and/or indirect change to the physical, chemical, and/or biological characteristics of the environment that exceeds the standard criteria for environmental damage (UU No. 32, 2009). According to Moestadji, legal provisions related to the environment are mostly formed by legislative bodies and other implementing regulatory bodies (Moestadji, 1994). Environmental law prioritizes ecosystem protection (UU No. 32, 2009), which is currently experiencing a shift from a conventional approach to a scientific approach. Internationally, environmental law is a set of legal rules consisting of principles or principles regarding environmental protection and management that cross national borders. Environmental damage that extends across national borders, such as climate change which causes global warming due to the use of gases or chemical compounds such as carbon that cross boundaries.

Climate change, which affects all countries in the world, is the focus of the UN holding conferences related to handling this problem. The 1992 Rio Conference produced a climate change convention that aims to reduce greenhouse gas emissions so that they do not endanger the world's climate. This convention is the first step followed by the Kyoto Protocol to reduce carbon emissions. The Kyoto Protocol is equipped with 2 Annexes that regulate greenhouse gases and technically regulate the categories of energy, energy industry, and manufacturing industry. Indonesia ratified the Kyoto Protocol with Law Number 17 of 2004 concerning Ratification of the Kyoto Protocol to the UNFCCC. The implementation of international agreements related to efforts to reduce carbon emissions experiences various obstacles because many countries in the world have different views regarding the use of carbon gases in industries in their countries that contribute to economic development (Baroleh, 2023).

Negotiations through the climate change conference took place very dynamically with unexpected decision results. Many countries have their interests, especially developed countries, which means that the results of conferences often differ from practice and many countries do not want to participate again in discussing climate issues. Since the Kyoto Protocol was implemented in 1997, which is legally binding, climate change conference activities have taken place several times with the dynamics of ups and downs. Finally, in 2015, a meeting of countries was held to discuss climate change again and look for a replacement for the Kyoto Protocol, which had begun to be ignored by most of the participating countries. The meeting held in France resulted in the 2015 Paris Agreement, which emphasized increasing the implementation of the convention to achieve goals and strengthen the global response in

controlling climate change for the sake of sustainable development by reducing the global average temperature before pre-industrial (Pramudianto, 2016). Indonesia ratified the Paris Agreement through Law Number 16 of 2016 concerning the Paris Agreement on the United Nations Framework Convention on Climate Change on October 25<sup>th</sup>, 2016 (Matheus, 2023). By ratifying the Paris Agreement, it confirms that Indonesia is committed to participating in climate change. This commitment is demonstrated through Nationally Determined Contribution (NDC) by reducing Green House Gas (*Gas Rumah Kaca/GRK*) emissions from the BaU (Business as Usual) level and estimating the costs of climate change.

Indonesia is known as a country that has a variety of natural beauty that is an attraction in the tourism industry (Mahendrawati, 2020). Indonesia's natural beauty is a national asset that needs to be protected from environmental damage through the role of the government and citizens. Environmental damage caused by carbon emissions needs to be handled for sustainable development through various government instruments and public funds. Instruments in achieving NDC include the use of the Carbon Economic Value (NEK) instrument which consists of trading and non-trading instruments. Non-trading instruments through the implementation of a carbon tax. A carbon tax is needed in addition to controlling the increase in greenhouse gas emissions which will reduce the risk of climate change. Indonesia's commitment to supporting the Paris Agreement is also to change the behavior patterns of business actors who have the potential to produce greenhouse gas emissions to more environmentally friendly behavior.

Indonesia in implementing its commitment to meet the NDC target requires financial needs both through domestic and international funding sources. Domestic funding is through the State Revenue and Expenditure Budget (APBN) and non-APBN, while international funding is through bilateral and multilateral relations. In connection with this funding matter, Presidential Regulation Number 98 of 2021 was issued concerning the Implementation of the Economic Value of Carbon to Achieve Nationally Determined Contribution Targets and Control of Greenhouse Gas Emissions in National Development, which subsequently issued implementing regulations. One of the related implementation regulations that have been issued is regarding carbon trading through the Minister of Energy and Mineral Resources Regulation Number 16 of 2022 which also regulates the carbon trading roadmap. The regulations issued relate to Indonesia's commitment and the impact of the issuance of the Job Creation Law, namely Law Number 7 of 2021 concerning Harmonization of Tax Regulations, which in Chapter VI regulates Carbon Tax. A Carbon Tax Regulations in the Law on Harmonization of Tax Regulations include the main points of regulation but do not yet regulate the technical implementation and implementation of the registration procedure scheme and the fulfillment of tax obligations for activities related to carbon use.

The formulation of the problem in this research is what is the essence of implementing a carbon tax in sustainable development and how to construct the legal regulations for carbon tax procedures to provide legal certainty. This research aims to examine and analyze the implications of the legal vacuum in the procedures for fulfilling a carbon tax as well as the formulation of carbon tax procedures to provide legal certainty. State-of-the-art (previous research) that is used as a reference in this research is research conducted by Margono Margono, Kukuh Sudarmanto, Diah Sulistiyani, Amri Panahatan Sihotang in 2022 with the title "*Keabsahan Pengenaan Pajak Karbon Dalam Peraturan Perpajakan*" which examines the legality of carbon taxes viewed from philosophical, juridical and sociological grounds and the imposition of a carbon tax according to Law Number 7 of 2021 concerning Harmonization of Tax Regulations (Margono, 2022). The thing that differentiates this research from the research conducted by the author is that the research discusses the validity of a carbon tax in terms of the philosophical basis, the juridical basis, the sociological basis, and the imposition of a carbon tax in terms of the subject, object, and tariff, while the research conducted by the author examines more about the formation of a carbon tax. Regulations so that the provisions for implementing a carbon tax are immediately realized so that there is legal certainty for funding sources in carrying out government commitments and continuing sustainable development. Other research conducted by M. Arif Hidayat ZE and Dr. Irine Handika Ikasari, SH, LL.M. in 2022 with the title "*Pengaturan Pajak Karbon di Indonesia Ditinjau dari Teori Hukum Law As A Tool Of Social Engineering*" examines how a carbon tax regulations in Indonesia are used as a social engineering tool and the design of a carbon tax regulations to be a social engineering tool based on theory law as a tool of social (Hidayat Z.E, 2022). What differentiates this research from the research conducted by the

author is that this research discusses a carbon tax regulation which is intended as a tool to change people's behavior, but the regulation is still not optimal as a social engineering tool by the legal theory of law as a tool of social engineering while the research Which carried out by the author to further examine the formation of regulations so that the implementation of a carbon tax can be implemented immediately and provide legal certainty in its implementation.

## Method

This research uses normative legal research methods by studying the absence of norms. The approaches used are the statutory approach and the conceptual approach. This research uses primary legal materials and secondary legal materials. Primary legal materials are in the form of statutory regulations along with notes on making legislative regulations and secondary legal materials are materials such as books or journals that support providing explanations of primary legal materials (Kurniawan, 2022). Data collection techniques used literature studies and study analysis used qualitative analysis. After collecting legal materials, a description is then carried out referring to the problem formulation in the research which is studied in a normative juridical manner. The study describes the situation or circumstances that occurred regarding the problems that have been raised and arguments are given to then find a conclusion.

## Discussion

### The essence of a carbon tax in the sustainable development paradigm

The UN results from the World Commission on Environment and Development (WCED) Which is a series of follow-ups to the 1972 Stockholm conference and created the concept of sustainable development (Azizi MJ, 2023). WCED provides a definition of sustainable development as development that seeks to meet the needs of today, without reducing the ability of future generations to meet their needs. The development provides meaning as a concept of managing natural resources with a touch of human resources to realize shared prosperity. Development planning is necessary so that its sustainability provides positive benefits for the future, including environmental conditions (Wilda Prihatiningtyas, 2023). Development with environmental insight provides a sustainable development paradigm as a concept of environmental preservation through optimal development planning. The results of environmentally friendly development lead to sustainable prosperity so that the next generation can enjoy and manage development with the same resources as today. The principles of environmentally sound development are divided into two, namely general and specific principles (Andi Taufan, 2021). General principles provide the concept of prudence so that future generations gain prosperity in environmental management, while specific principles emphasize wisdom in management to avoid environmental damage.

The sustainable development paradigm has 3 (three) aspects that must be combined simultaneously in implementing actions to provide optimal results. Integrated aspects of sustainable development include economic, environmental, and socio-cultural aspects. The economic concept of sustainable development is closely related to minimizing environmental losses from the use of natural resources while maintaining quality for future generations. The environmental concept in sustainable development focuses on considering the quality of natural resources and the environment so that it remains sustainable in every decision made in every development. The socio-cultural concept of sustainable development relates to patterns of human behavior in social life which should be maintained continuously, resulting in a constructive culture to maintain natural resources and the environment in harmony, known as eco-developmentalism. To combine these three aspects, there is a need for coordination between lines of government, both central and regional, through the formation of legal norms in the form of statutory regulations and implementing regulations.

The law has a function to achieve public order and justice. The implications of this understanding of the function of law are related to human relations with humans as internal legal subjects personal relations as well as in public relations, namely relations with the state. Widely recognized legal principles are limited to such relationships. The environment becomes a legal object if there is a relationship

between humans and humans or with the state. Meanwhile, if this relationship is not formed, it will result in arbitrary control of the environment by humans (Fadli, 2016). This condition was reflected in the Industrial Revolution where the pollution that occurred had an impact across national borders. Events related to environmental damage began to occur in connection with industrial development where each country felt that activities were carried out in their own country but forgot that they caused losses for other countries which ultimately led to global damage (Syarif, 2010). Disputes that occurred as a result of cross-border damage gave rise to the 1972 Stockholm Declaration which in principle regulates basic human rights related to freedom, equality, and adequate living conditions in a quality environment so that there is a responsibility to protect and improve the environment (Fadli, Hukum & Kebijakan Lingkungan, 2016).

The environmental damage caused by the use of carbon gas is a problem in various countries (Rahmasari, 2024). Carbon (C) is a chemical element found in fossil fuels, such as coal, petroleum, and natural gas. Various life activities in the form of the process of burning fuel release gases, one of which is carbon dioxide (CO<sub>2</sub>). Economic activities from production, distribution, and consumption mostly use fossil fuel processes which can produce carbon dioxide (Bima Niko Pamungkas, 2022). The accumulation of fossil fuel processes gradually causes damage to atmospheric holes, indirectly causing climate change and global warming throughout the world. The rapid development of development using technology tends to have a negative influence on environmental conditions.

The sustainable development paradigm based on the implementation of a carbon tax concerns various types of justice. The conceptualization of injustice in sustainable development due to environmental conditions is based on previous empirical findings as well as normative theories regarding justice and fairness. Aristotle divided justice into retributive, corrective, and distributive which in character does not provide a gap in providing an understanding of each type of justice. Justice retributive concerns providing sanctions for wrongdoing and how determining what punishment is equivalent to the loss. Justice distributive functions to determine who has the right to get something in connection with the division within a group. Justice corrective serves to correct unfair justice. People's perception of justice regarding a carbon tax is considered unfair because of the assumption that it will lead to unfair consequences, especially regarding procedural matters (Povitkina, 2021). World Commission on Environment and Development when discussing the distribution of welfare, argues that the conditions for sustainable development, namely meeting human needs in an equal way, increasing productive potential, and ensuring fair opportunities for all (Povitkina, 2021).

Indonesia is trying to overcome climate change with various actions, one of which is doing Energy Transition Mechanism (ETM). Sri Mulyani at the G20 Summit in Bali explained that the ETM platform aims to bring about change as part of Indonesia's participation in overcoming climate change (Alfarizy, 2023). Regulations regarding the implementation of carbon taxes in overcoming global climate change from Indonesia do not yet have strict regulations. This has the implication of a legal vacuum regarding the implementation of carbon taxes in overcoming climate change for sustainable development. Legal discovery is a phenomenon that, according to Sudikno Mertokusumo's opinion, there is no specific regulation in positive law regarding the existence of an event or legal act (Sudikno, 2014). Filling legal gaps through legal discovery is an effort in positive law that does not yet regulate an event or legal act. The legal vacuum according to Satjipto Rahardjo's view is in line with the previous opinion, which is the impact of the limitations of positive norms in providing a forum for legal development. Legal development is directly proportional to the development of human culture, so every cultural shift has an impact on the urgency of discovering or forming laws to respond to it. Legal reasoning is a priority element for Satjipto Rahardjo through legal logic in filling legal gaps (Rahardjo, 2010).

Peter Mahmud Marzuki said that the terminology of legal vacuum is not appropriate, this is different from the opinion of Sudikno Mertokusumo and Satjipto Rahardjo (Marzuki, 2017). Terminologically, legal vacancy is more ideal with the use of the term regulatory vacancy in connection with the emptiness of positive legal rules in accommodating legal acts or legal events. These three opinions provide a view of the harmony of cognition in legal discovery as a substantial element in filling the legal vacuum. The legal vacuum regarding the essence of implementing a carbon tax in sustainable development is necessary in connection with maintaining the current environment at least in the same

condition for use in the next generation.

The essence of a carbon tax based on these analyses concludes the determinants of the legal discovery of a carbon tax implementation in sustainable development. Environment plays an important role in the sustainable development of a country. Future generations will receive the same environmental conditions and can optimize development. The essentiality of a carbon tax is in efforts to achieve sustainable development through integrating economic growth, environmental protection, and social welfare. A carbon tax provides additional state income to overcome emissions costs by using environmentally friendly energy, additional funding for research and development to create green technology that accelerates the transition to a low-carbon economy, encouraging energy efficiency innovation for long-term economic competitiveness, and financing for repairing the damaged environment. A carbon tax provides social justice with the design of reducing the burden on underprivileged communities through subsidy or compensation mechanisms to create a cleaner environment. The global community will enjoy Indonesia's role in helping reduce environmental damage which indirectly brings the greatest appreciation to the Indonesian people, this is certainly a positive impact of the essentiality of implementing a carbon tax in development.

### **Ius constituendum a carbon tax through legal construction**

Taxes have a budgetary function to collect state revenues and functions regulated to implement government policies in the social and economic fields. A carbon tax substantially focuses on the regulatory function, which functions to change the behavior patterns of society, especially business actors' green economic behavior. Implementation of a carbon tax based on the principles of justice and benefit significantly reduces greenhouse gas emissions (Atahilah Restu Ilahi., 2023). Setting a carbon tax is something new in Indonesia which is aimed at keeping the environment sustainable (Novikasari, 2023). The implementation of a carbon tax as something new in Indonesia requires comparison with other countries that have implemented a carbon tax to overcome climate change and mitigate environmental damage.

Sweden and Finland are countries that implement carbon taxes with the highest rates in the world (Barus, 2021). Finland, as the first country to implement a carbon tax, uses a scheme that takes into account the implications of the country's economic growth (Elsa, 2022). The implementation of a carbon tax targets business sectors that produce carbon emissions by providing exceptions. Like Finland, Sweden applies a carbon tax to fossil fuels that produce emissions by business sectors with several exceptions. The policy implemented by the Swedish Government is related to the exception of a carbon tax in strategic sectors and reducing individual and corporate tax rates as well as eliminating several types of taxes. The combination scheme implemented by Finland and Sweden avoids negative implications for the economy so that it can reduce carbon emissions but does not have negative implications for economic sustainability. Other Nordic countries that also focus on protecting the environment and improving environmental conditions are Norway and Denmark. The Norwegian Parliament implemented a carbon tax by mandating most ministries to manage energy and water resources (Apriliyanti, 2023).

A carbon tax is an instrument as an effort to impose environmental costs on parties who emit carbon emissions as a result of burning fossil fuels. Environmental damage due to carbon emissions is repaired through the use of government and community funds. One-of-a-kind carbon pricing controlling greenhouse emissions through non-trade instruments in the form of taxes or levies on carbon aimed at carbon-emitting activities. A carbon tax aims to control greenhouse emissions to support the achievement of Nationally Determined Contributions to Indonesia and change the behavior of economic activity actors who have the potential to produce carbon emissions (Septha Lidya Purba, 2021). The implementation of a carbon tax is based on the principles of fairness, affordability, and gradualness. The fair principle refers to the responsibility imposed on the party that pollutes through carbon emissions (Green, 2021). The principle of affordable and gradual refers to the aspect of affordability in the public interest, gradually taking into account the readiness of the sector so as not to burden the community.

Carbon taxes have the advantage of being an instrument in managing the environment (Khastar, 2020) because they provide faster results compared to carbon trading, are easier to

implement, the risk of misuse for certain purposes is lower, and the application of carbon emissions in all sectors. A carbon tax through its roadmap has strategies, targets, and alignment in achieving excellence in its goals. The government has a committed strategy to reduce carbon emissions, namely reducing greenhouse gas emissions and towards Net Zero Emissions while still prioritizing principles of just and affordable transition to ensure the business climate (Rafa Raasyidah Yulia Titi, 2023). Sectors that are priority targets for reducing emissions include the energy, transportation, and forestry sectors (Wibowo, 2023). Alignment through the development of new, renewable energy and other policies so that a carbon tax roadmap can be achieved according to targets. The various targets and goals that are superior to achieving sustainable development through a carbon tax are certainly not free from shortcomings. Weaknesses in the implementation of a carbon tax are related to the legal vacuum in implementing the procedures for implementing a carbon tax as well as limited methods for assessing the amount of a carbon tax.

The problem of legal vacuum related to the regulation of a carbon tax implementation is realized through the discovery of laws to maintain sustainable development. The legal vacuum related to the implementation of a carbon tax is through legal construction which is part of legal discovery efforts (Yetniwati Yetniwati, 2021). The discovery of related laws fills the legal gaps in a carbon tax implementation through methods argumentum by analogy. Another term for this method is the discovery of analogous law by applying the rules implemented in a category of legal acts to a category of legal acts that does not yet have regulations (Pitlo, 2013). Method argumentum by analogy The legal vacuum for implementing a carbon tax is by analogy with the regulations regarding procedures for registration, reporting, and data collection on land and building tax objects as regulated in the Regulation of the Minister of Finance of the Republic of Indonesia Number 48/PMK.03/2021. The analogy of "a carbon tax" to "a land and building tax". Method argumentum by analogy related to carbon tax trading transactions carried out on "value added tax" as regulated in Article 16A of the Value Added Tax Law which was passed down through Minister of Finance Regulation Number 59/PMK.03/2022 concerning Amendments to Minister of Finance Regulation Number 231/PMK.03/2019 concerning Procedures for Registration and Deletion of Taxpayer Identification Numbers, Confirmation and Revocation of Confirmation of Taxable Entrepreneurs, Deposits and Withholdings and/or Collections, and Tax Reporting for Government Agencies.

Based on this presentation, *ius constituendum* a carbon tax in its implementation for sustainable development refers to methods argumentum by analogy through an effort to regulate the implementation of a carbon tax as a property tax regulation to increase state revenues in the context of environmental financing due to carbon emissions. A carbon tax is imposed on activities that produce carbon emissions and purchases of goods containing carbon based on the mandate of Article 13 paragraph (14) of the Law on Harmonization of Tax Regulations. The main points of regulation through the Minister of Finance's regulations include the subject of individuals/entities producing emissions and purchasing carbon-containing goods. These arrangements through the Ministry of Finance include procedures for registering carbon tax taxpayers, procedures for imposing a carbon tax on activities producing carbon emissions and reducing a carbon tax, procedures for imposing a carbon tax on purchases of carbon-containing goods, procedures for payments and deposits, and procedures for reporting via letter. Notification hereinafter referred to as SPT on a carbon tax. The implementation of a carbon tax calculation using the tax rate formula follows the finance minister's regulations including the basis for tax imposition. Fulfillment of formal obligations follows the regulatory provisions as stated in the KUP where payment is no later than the deadline for submitting the SPT as further arrangements will be needed later. Payments are made every period to achieve tax principles convenience of payment, and completion through Annual SPT reporting which requires stricter regulations to create legal certainty regarding the implementation of a carbon tax. Fulfillment of carbon tax obligations on purchases of carbon-containing goods is carried out through a carbon tax collection scheme for domestic transactions and an import scheme for cross-border transactions. The analogous method applied regarding carbon trading refers to the collection of the value-added tax which has the characteristics of an indirect tax. The party appointed regarding the collection of a carbon tax through a Minister of Finance regulation includes the confirmation of the Directorate General of Customs and Excise (DJBC) as the collector for imports of goods containing carbon, in addition to appointing the subject as well as setting the payment period as a form of transferring responsibility for a carbon tax trade transaction according to the

characteristics of an indirect tax.

## Conclusion

A carbon tax provides additional state income to overcome emissions costs by using environmentally friendly energy, additional funding for research and development to create green technology that accelerates the transition to a low-carbon economy, encouraging energy efficiency innovation for long-term economic competitiveness, and financing for repairing the damaged environment. A carbon tax provides social justice with the design of reducing the burden on underprivileged communities through subsidy or compensation mechanisms to create a cleaner environment. The essentiality of a carbon tax is in efforts to achieve sustainable development through integrating economic growth, environmental protection, and social welfare. Legal findings in the implementation of a carbon tax provide important significance for Indonesia, a country that indirectly participates in helping the world in maintaining global sustainable development.

Ius constituendum a carbon tax in its implementation for sustainable development refers to the argumentum by analogy method through an effort to regulate the implementation of a carbon tax as the regulation of property tax and the value-added tax to increase state revenues in the context of environmental financing due to carbon emissions. These regulations through the Ministry of Finance include procedures for registering carbon tax taxpayers, procedures for imposing a carbon tax on activities producing carbon emissions and reducing a carbon tax, procedures for imposing a carbon tax on purchases of carbon-containing goods, procedures for payment and deposits, and procedures for reporting via SPT. A carbon Tax. The implementation of a carbon tax calculation using the tax rate formula follows the finance minister's regulations including the basis for tax imposition. Fulfillment of formal obligations follows the regulatory provisions as stated in the KUP where payment is no later than the deadline for submitting the SPT as further arrangements will be needed later. Payments are made every term to achieve the tax principle of convenience of payment and finalization through Annual SPT reporting which requires stricter regulations to create legal certainty regarding the implementation of a carbon tax. Fulfillment of carbon tax obligations on purchases of carbon-containing goods is carried out through a carbon tax collection scheme for domestic transactions and an import scheme for cross-border transactions. The analogous method applied regarding carbon trading refers to the collection of the value-added tax which has the characteristics of an indirect tax. The party appointed regarding the collection of a carbon tax through a Minister of Finance regulation includes the confirmation of DJBC as the collector for imports of goods containing carbon, in addition to appointing the subject as well as setting the payment period as a form of transferring responsibility for a carbon tax trade transaction according to the characteristics of an indirect tax.

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