



# **Green Tax Awareness and Perception among Millennial and Generation Z**

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## **ABSTRACT**

This study investigates the mind-sets and comprehension of Millennial and Generation Z on environmental taxation, as well as their knowledge and perception of green taxes. This study uses a mixed-methods approach that includes research and questionnaires in order to find out how well-informed these groups are about the idea of green taxes, how effective they think they are at promoting environmental sustainability, and what factors influence their support or opposition to such policies. This study intends to offer insights for policymakers and environmental advocates looking to improve the acceptance and implementation of green taxation policies in tackling current environmental concerns by throwing light on the viewpoints of these younger generations.

**Keywords:** Green taxes, Millennial, Generation Z, Awareness, Perception, Environmental policy, Sustainability.

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## **INTRODUCTION**

Every nation on the planet has a fairly similar tax structure. In India, taxes are levied on imported goods, revenue, and goods and services. A percentage of every commerce activity and wealth gained must be given to the government as taxes. However, there are additional taxes, known as pollution taxes on carbon emissions and green taxes, which must be paid on automobiles in India. Green tax is basically an environment tax levied on emission of harmful gases such as carbon dioxide etc. It is also levied on emission of all greenhouse gases which are harmful to the environment. The main aim of this tax is to reduce the emission of harmful gas, thus by controlling pollution.

The pressing need to tackle environmental issues like pollution and climate change has made it more evident in recent years, which has led governments as well as lawmakers to look into new and creative ways to support sustainability. A crucial tool for encouraging ecologically conscious behaviour and reducing ecological harm among these tactics is the imposition of green levies. This tax can be applied to gasoline and other fuels based on the amount of CO<sub>2</sub> they contain, to industries that release dangerous gases, and to automobiles that are older than the legal maximum.

The Organization for Economic Co-operation and Development, or OECD, is in charge of handling related issues worldwide. India, which has 67 member countries, is one of the OECD's major key members. It is required of all these nations to abide by the guidelines set forth by this organization in order to reduce pollution by imposing taxes on harmful gases. Almost every nation have implemented the green tax or environmental tax to compel the parties that pollute the environment to pay taxes for the harm they bring to the ecosystem.

Fuel usage and the purchase or use of a motor vehicle account for the entirety of the money received from green taxes. An OECD report claims that the majority of its member nations have solid data supporting the benefits of green levies.

Different Green Tax Types: There are several different kinds of green taxes, such as:

- Carbon taxes: levied on the carbon content of fuels or on carbon dioxide emissions.
- Emissions trading schemes (cap-and-trade): where a cap is set on the total amount of emissions allowed, and permits to emit are traded among polluters.
- Pollution taxes: imposed on specific pollutants such as sulphur dioxide or nitrogen oxides.
- Waste disposal taxes: levied on the disposal of waste in landfills or incinerators.
- Energy taxes: imposed on the consumption of energy from non-renewable sources.

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## REVIEW OF LITERATURE

The study by **Uddin, Rahman, and Saha (2023)** explores the relationship between green taxes and energy efficiency in Bangladeshi manufacturing companies. They find that while green taxes positively impact social and environmental sustainability, their impact on economic sustainability is minimal.

**Ajay Raju's 2022** research explores India's green tax implementation in Bangalore, Mumbai, and Chennai, focusing on its effectiveness in reducing pollution. The study suggests that while the tax achieves revenue targets, it may prioritize economic development over environmental concerns due to long implementation periods and unclear regulations. Using a dynamical systems approach.

The study by **Fan, Li, and Yin (2019)** explores the impact of environmental taxes on green development, highlighting their potential to boost economic growth, resource conservation, and pollution reduction. It emphasizes the importance of government legislation, consumer education, and technology advancements in supporting green growth.

In their 2019 paper, **Natrah Saad and Zaimah Zainol Arrifin** discuss empirical data regarding Malaysians' perceptions of the green and environment taxes. The primary focus of the study was the rising number of environmental contamination occurrences in the nation as a result of growing business activity. Thus, through the analysis of papers and interviews, qualitative data was gathered.

**Aratrika Deb (2018)** highlights the importance of environmental taxes in coordinating financial incentives with environmental objectives, raising consumer and industry awareness, and encouraging sustainable actions. The effectiveness depends on contextual factors and market dynamics, but they offer flexibility for adapting and innovating. Deb emphasizes the need for meticulous policy design to reduce costs and ensure fair tax burden distribution

### RESEARCH GAP:

- Lack of awareness among green tax among individuals
- The challenges to the government while introducing green tax and its effectiveness is studied less

### Objective:

1. To study on green tax in India
2. Assessing the level of awareness among Millennial and Generation Z regarding green taxes
3. Investigating the perception of green taxes among different demographic groups.
4. Analysing the impact of green tax policies in decision making.

### HYPOTHESIS:

H0 – There is no significant relation between demographic variables and awareness level regarding green tax

H1 – There is significant relation between demographic variables and awareness regarding green tax

H02: There is no significant difference in the perception of green taxes among different demographic groups.

H2: There is no significant difference in the perception of green taxes among different demographic groups.

H03– Green tax policies have no significant impact on decision making.

H3– Green tax policies have a significant impact on decision making.

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### LIMITATION:

- The study is limited to millennial's and generation Z because it focuses on specific age groups.
- Reported awareness and perception of green taxes may be biased due to response bias.
- Integration of environmental factors with green tax awareness difficult.
- Lack of causality can only be established using cross-sectional data.

## DATA AND METHODOLOGY:

**Table 1: Data collection details**

Sl. No.	Objectives	Research Methodology	Resources Utilised
1	Study on green tax	Secondary Data	Literature Review
2	Assessing the level of awareness	Primary Data	Questionnaire, analysis
3	Investigating the perception	Primary Data	Questionnaire, analysis
4	Evaluate impact	Secondary data	Internet, journals
5	Decision making	Primary data	Questionnaire, analysis

### Period of the study: 3 months to 4 months

- First-hand information was gathered using questionnaires. Through Google Forms, responses were gathered from 100 respondents, including citizens of Goa, Karnataka, Maharashtra, and a few other states (Kerala, Arunachal Pradesh, and Andhra Pradesh). These states form the basis of the study. The analysis was carried out using SPSS and Excel. The method of convenient sampling was applied.
- Third-party information was gathered from scholarly publications, theses, government websites, and online resources.

### Challenges faced in making awareness and perception of green tax:

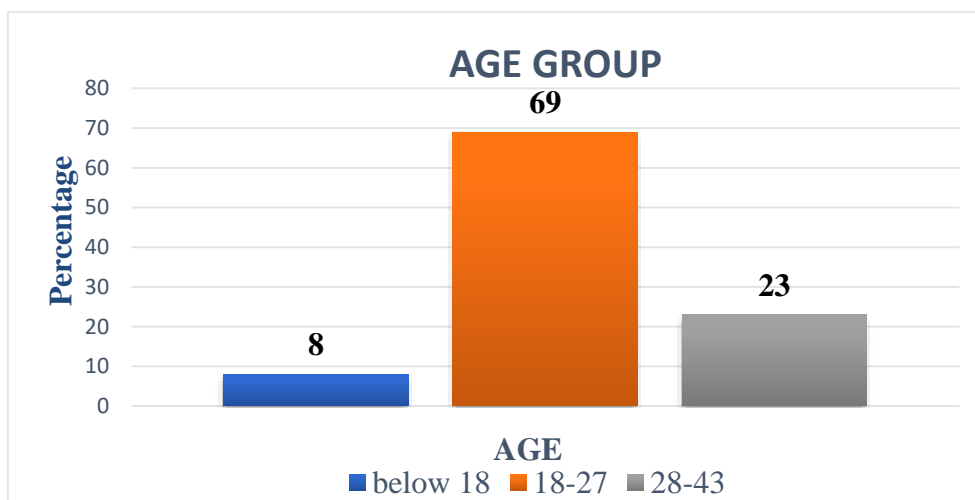
1. Insufficient public knowledge and comprehension of the consequences of the green tax
2. Perceptions of unfairness in the way taxes and benefits are allocated.
3. Firms and industry sectors are resisting because of the possible financial consequences.
4. Political resistance and hesitancy to implement fresh environmental regulations.
5. Challenges in creating efficient communication plans to explain the advantages of the green tax.
6. Restricted resources and enforcement authority to ensure that green tax laws are being followed.
7. Difficulties in coordinating green tax laws with more general economic and environmental goals.

## ANALYSIS OF DATA:

**1. Table 2.1 : Classification of respondents by age group**

Age Group	No. of Respondent	Percentage
below 18	8	8
18-27	69	69
28-43	23	23

**Bar Graph 2.1**

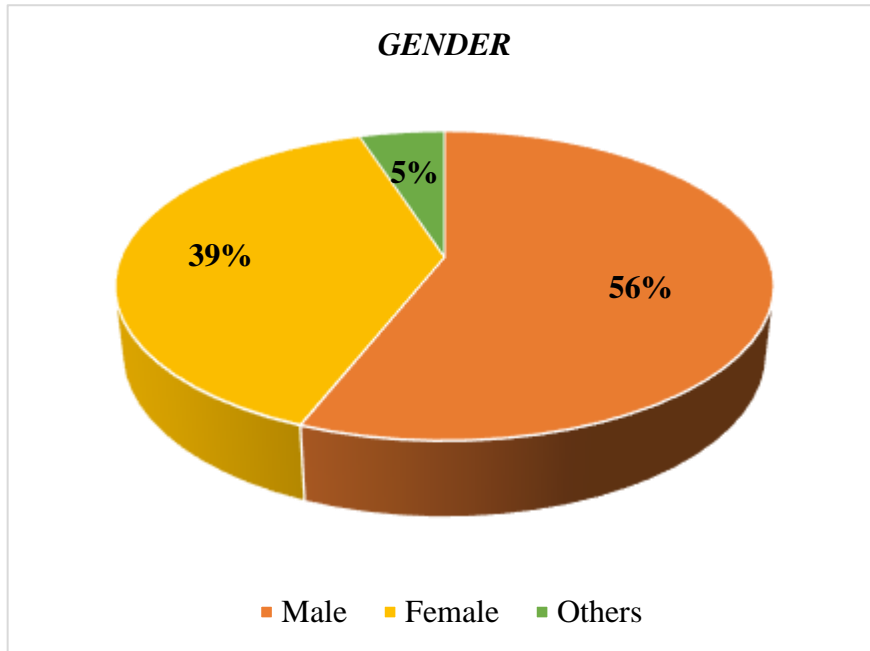


**Inference:** The table 2.1 indicates that 69% of the respondent belong to 18 – 27 age group, 23.% fall under age group 28 – 43 age group, 8% fall under below age 18.

2. Table 2.2 : Classification of respondents by gender

Gender	No. of Respondent	Percentage
Male	56	56
Female	39	39
Others	5	5
<b>Total</b>	100	100

Pie chart 2.2



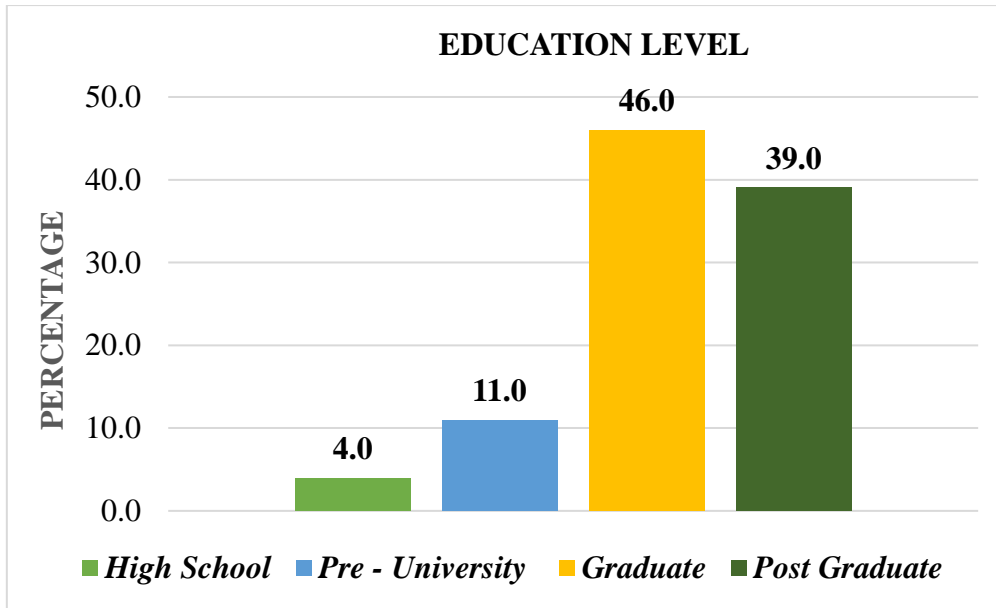
**Inference:** The table and figure show in 2.2 indicates that 56% of the respondents are male, 39% are female and 5% are others.

3. Table 2.3: Classification of respondents by qualification

Education	No. of Respondent	Percentage
High School	4	4.0
Pre - University	11	11.0
Graduate	46	46.0
Post Graduate	39	39.0
<b>Total</b>	100	100.0

**Inference:** The table 2.3 and below mentioned figure 2.3.(bar graph) prorate that 46% of the respondent are graduates, 39% fall under post graduate, 11% are pre – university and 4% are high school individual's

Figure 2.3: Bar Graph

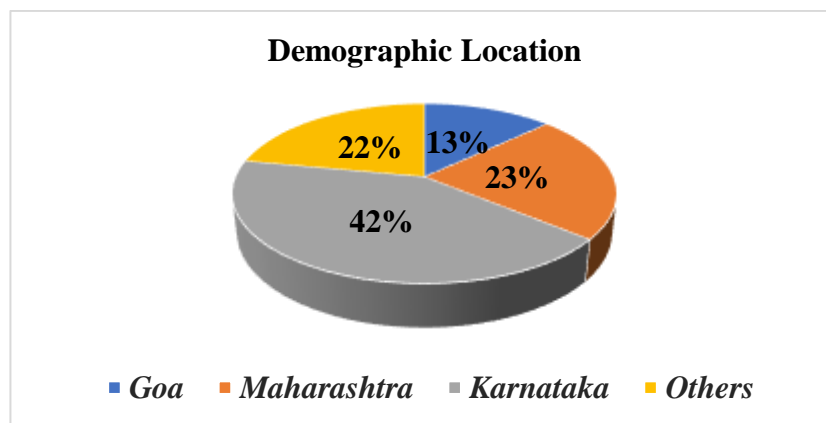


4. Table 2.4: Classification bases on demographic projection

Demographic Location	No. of Respondent	Percentage
Goa	13	13.0
Maharashtra	23	23.0
Karnataka	42	42.0
Others	22	22.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

**Inference:** The above table 2.4 and mentioned below figure shows the demographic location of the respondents who have responded to the survey the 42% of the respondent are from **Karnataka**, 23% are from **Maharashtra**, 22% are from **other states**, and 13% are from **Goa**.

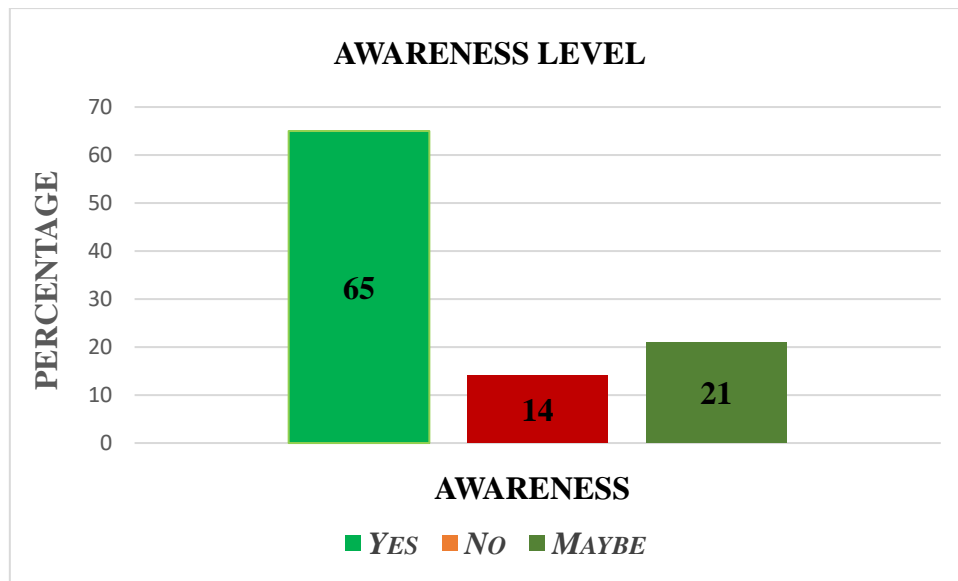
Figure 2.4 pie chart



5. Table 2.5: Awareness of green tax among public

Awareness	No. of Respondent	Percentage
Yes	65	65
No	14	14
Maybe	21	21
<b>Total</b>	<b>100</b>	<b>100.0</b>

Figure 2.5 Bar Graph



**Inference:** The above table indicates that 65% of people aware or heard about the green tax concept, 21% of the respondents are somewhat aware about the concept where as 14% are not yet all are aware about this concept.

**On demographic variables Gender basis Chi- Square Test**

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.802 <sup>a</sup>	4	.099
Likelihood Ratio	8.502	4	.075
Linear-by-Linear Association	2.427	1	.119
N of Valid Cases	100		

Since the p – value of the Pearson Chi-square is (p=0.099) which more than the significance value (0.05), the null hypothesis is accepted and alternative hypothesis is rejected. Thus, there is no significant relation between gender variables and awareness level regarding green tax.

**On demographic variables Age group basis Chi- Square Test**

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.537 <sup>a</sup>	4	.110
Likelihood Ratio	7.153	4	.128
Linear-by-Linear Association	3.822	1	.051
N of Valid Cases	100		

Since the p – value of the Pearson Chi-square is (p=0.110) which more than the significance value (0.05), the null hypothesis is accepted and alternative hypothesis is rejected. Thus, there is no significant relation between age group variables and awareness level regarding green tax.

**ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
Perceptions of green tax policies	Between Groups	.096	2	.048	.123	.884
	Within Groups	38.014	97	.392		
	Total	38.110	99			
Awareness level and understanding of green tax	Between Groups	2.364	2	1.182	1.796	.171
	Within Groups	63.826	97	.658		
	Total	66.190	99			

The F-test results show no significant difference in perceptions of green tax policies among different demographic groups, with a p-value of 0.884, indicating no significant difference.

The F-test results show no significant difference in awareness level and understanding of green tax among different demographic groups, with a p-value =0.171 greater than 0.05 and a low F-value.

#### ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Perceptions of green tax policies	Between Groups	2.456	3	.819	2.205	.093
	Within Groups	35.654	96	.371		
	Total	38.110	99			
Awareness level and understanding of green tax	Between Groups	7.550	3	2.517	4.120	.009
	Within Groups	58.640	96	.611		
	Total	66.190	99			

The F-test results show p-value= 0.093 no significant difference in perceptions of green tax policies among different demographic groups, with a p-value close to 0.05, indicating no statistical significance.

The F-test results show p-value = 0.009 a significant difference in awareness and understanding of green tax among different demographic groups, rejecting the null hypothesis and indicating strong evidence of differences.

The findings of the ANOVA show that there is no significant difference between the demographic categories in terms of how people perceive green tax policies, and hence we are unable to reject the null hypothesis.

Regarding awareness and comprehension of the green tax, we reject the null hypothesis, pointing to a substantial variation across demographic groups.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.370 <sup>a</sup>	0.137	0.128	0.756

The R Square value of 0.137 indicates that approximately 13.7% of the variance in decision making can be explained by the predictor variable (green tax policies) in the model.

#### ANOVA <sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.916	1	8.916	15.583	.000 <sup>b</sup>
	Residual	56.074	98	.572		
	Total	64.990	99			

The F-test results show p-value as 0.000 which less than 0.05 a significant impact of green tax policies on decision making, rejecting the null hypothesis and accepting alternative hypothesis at a p-value of 0.000.

## FINDING AND CONCLUSION

- The majority of respondents (69%) fall within the age group of 18-27, followed by 23% in the age group of 28-43, and 8% below the age of 18.
- The respondent pool comprises 56% male, 39% female, and 5% other genders.
- Most respondents are graduates (46%), followed by post-graduates (39%), pre-university (11%), and high school individuals (4%).
- The largest proportion of respondents are from Karnataka (42%), followed by Maharashtra (23%), other states (22%), and Goa (13%).
- 65% of respondents are aware or heard about the green tax concept, 21% are somewhat aware, and 14% are not aware at all.
- Both gender and age group variables showed no significant relation to awareness level regarding green tax, as indicated by the p-values (>0.05).
- There is no significant difference in perceptions of green tax policies among different demographic groups. However, there is a significant difference in awareness and understanding of green tax among different demographic groups, suggesting variations in awareness levels across demographics.

- The model assessing the impact of green tax policies on decision making shows that approximately 13.7% of the variance in decision making can be explained by the predictor variable (green tax policies), with a significant impact indicated by a p-value of 0.000.

Although respondents are generally aware of green taxes, there are significant variations between demographic groups, according to the findings. The level of awareness varies significantly among demographics, regardless of perceptions of green tax policies. It would be useful to conduct research on factors that affect awareness levels in the future, such as educational background and geographic location, so that targeted awareness campaigns could be developed. Furthermore, different communication channels and messaging strategies could be examined in order to increase awareness. Additionally, since green tax policies have a profound impact on decision making, further research could identify the specific aspects of these policies that resonate most with various demographic groups, which may contribute to the formulation of more effective and tailored communication strategies and policies.

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