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Germany Proposes EUR 550-a-Ton Tax on Plastic Packaging for 2027

The draft law says the levy could raise up to EUR 1.5 billion a year, with relief for recycled plastic.

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Germany’s federal government is planning a new tax on plastic packaging and plastic films starting July 1, 2027, under a draft law that would charge EUR 550 for each metric ton of plastic contained in those products.

The proposal is set out in a draft Plastic Packaging Tax Act, known in German as the Kunststoffverpackungssteuergesetz, according to trade publication KunststoffWeb. The draft says the measure would take the form of a consumption tax and could bring the federal government up to EUR 1.5 billion a year.

The draft also includes tax relief for the use of recycled plastic, a step that appears designed to reduce the burden on companies that include recyclate in their packaging. The source material does not specify how large that relief would be or how it would be calculated in practice.

The planned levy would apply to plastic packaging and films based on the amount of plastic they contain. That structure means the cost would rise with the volume of virgin or taxable plastic used in a package. For manufacturers, importers, retailers and consumer goods companies, the practical effect would depend on the final rules, including which businesses would be legally responsible for paying the tax and how compliance would be monitored.

KunststoffWeb reported that the draft includes estimates not only for revenue, but also for staffing needs and administrative costs tied to the new system. That suggests the government expects a sizable compliance and enforcement effort if the law moves forward.

The proposal has already drawn criticism from Plastics Europe Deutschland, or PED, the Frankfurt-based industry association. According to the report, PED said key questions remain unresolved. The group pointed in particular to uncertainty over who the taxpayers would be, how import controls would work, how much bureaucracy the system would create, and whether the tax would deliver the intended environmental benefit.

Those open issues could become central as the draft moves through the legislative process. A tax tied to the plastic content of packaging would require detailed product data, documentation and oversight. That could be especially difficult for imported packaged goods, where German authorities and companies would need a clear method to verify plastic volumes, recycled content and tax liability.

The measure could also matter well beyond the plastics industry itself. Companies that sell beverages in plastic bottles or use plastic films for secondary packaging, shrink wrap or transport bundling could face higher packaging and supply costs if the tax takes effect as drafted. That could affect producers and distributors of water, soft drinks, beer, wine and spirits, depending on the packaging format they use. At the same time, the proposed relief for recycled material could increase the incentive to use more recycled plastic in beverage packaging where technical and regulatory standards allow it.

For packaging buyers, one of the biggest unanswered questions is how much of the added cost would be absorbed by suppliers and how much would be passed through the value chain. The answer could vary by product category and by how quickly companies can redesign packaging, cut plastic weight or switch to alternatives. Businesses that already use higher levels of recycled content may be better positioned if the final law keeps the relief outlined in the draft.

The proposal comes at a time when packaging policy in Europe is moving toward tighter rules on waste, recycling and material use. In Germany, a plastic packaging tax of this kind would add a direct fiscal signal to those broader regulatory pressures. But as the industry response shows, the effectiveness of the measure may depend less on the headline rate than on the final details around scope, exemptions, controls and administration.

So far, the information available from the draft points to a broad tax with potentially significant financial impact and a stated incentive for recycled content, but with major operational questions still unsettled. Whether the measure stays in its current form will depend on the legislative debate ahead and on how the government addresses concerns from companies that would have to apply the rules in day-to-day business.