

LET LUXURY

PAY ITS FARE



Taxes on VIP Transportation



OXFAM

México

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INTRODUCTION

In Mexico and around the world, the **climate crisis is an inequality crisis**. On the one hand, the wealthiest generate a disproportionate amount of emissions through intensive patterns of investment, consumption, and mobility. Meanwhile, the most impoverished populations face the effects of environmental deterioration —such as heat waves, droughts, floods, and other extreme climate phenomena— with fewer resources. **The extreme concentration of wealth is directly reflected in the distribution of greenhouse gas emissions and in people’s capabilities to cope with its consequences.**

According to data from 2023, the wealthiest 10% of the planet is responsible for 48% of total global emissions, while the poorest 50% barely generate 8% of emissions worldwide.¹ Inequality is even more stark if we take a look at the ultra-rich in global society, given that one person in the wealthiest 0.1% emits more carbon in one day than a person in the most impoverished 50% of the world in an entire year.²

These figures reflect a growing trend that has persisted for more than thirty years, since the share of emissions belonging to the wealthiest has increased by 13% since 1990, and that which belongs to the richest 0.1% has grown by 32%, while the emissions corresponding to the most impoverished 50% have decreased by 3% in the same period.³ In turn, carbon emissions from the wealthiest 1% of global population in 2019 were enough to cause 1.3 million excess heat-related deaths, and it is estimated that these emissions will cause damages equivalent to 44 trillion dollars in low and lower-middle income countries by 2050.⁴ It seems that **for the super-rich being great polluters and not paying what is fair for using everyone else’s resources and infrastructure turns out to be quite cheap.**

One of the most visible expressions of this climate inequality is luxury consumption. Goods whose consumption is non-essential and produce disproportionate environmental impacts can be identified as **dirty luxury**.⁵ Such goods and services are associated with high purchasing power, and their use implies elevated levels of energy consumption, resource extraction, and emission generation. Besides, higher-income groups concentrate a disproportionate amount of the emissions associated with air travel and energy consumption. Greenpeace has pointed out that the richest 1% is responsible for half the emissions of global aviation, while 80% of the world’s population has never even flown in their lives.⁶

Thus, **luxury consumption not only indicates the excesses of a few and how they take advantage of their economic power and status, but it also points to a relevant source of emissions that deepens the climate crisis.** As the concentration of wealth increases, so does the demand for carbon-intensive goods that benefit a minority, but whose environmental costs are to be paid by everyone else.

¹ Nafkote Davi, Alex Maitland, and Astrid Nilsson Lewis, *Climate Plunder. How a Powerful Few Are Locking the World into Disaster*, Nairobi, Oxfam International, 2025, p. 19.

² *Climate Plunder*, p. 6.

³ *Ibid.*

⁴ *Climate Plunder*, p. 9.

⁵ Victoria J. Haneman, “Taxing Dirty Luxuries”, *Case Western Reserve Journal of International Law*, 56 (2024), pp. 197-222.

⁶ Greenpeace, *Las emisiones de CO2 de la aviación privada en Europa. Resultados clave*, March 2023, available at: <https://tinyurl.com/5bned8av>.

Luxury transportation is one of the most polluting forms of conspicuous consumption, especially private airplanes, superyachts, and high-end cars. These vehicles are responsible for an extremely high energy consumption, intensive and inefficient use of fossil fuels, and concentrated access among a very high-income minority. Simply put, they generate massive amounts of emissions to benefit very few people, thus becoming part of a veritable **carbon aristocracy**.

Private aviation reached at least 15.6 megatons of CO₂ in 2023, with an average 3.6 tons per flight, and its emissions increased by 46% between 2019 and 2023. Moreover, private jets are between five and fourteen times more polluting per passenger than commercial flights and fifty times more than trains.⁷ For instance, a private flight from London to Paris is six times more polluting per passenger than a commercial flight.⁸ Currently, Mexico competes with Brazil for being the second country with the most private planes in the world.⁹

In turn, superyachts represent another expression of extreme emissions associated with luxury: a megayacht with a permanent crew, helideck, submarines and swimming pools can emit around 7,020 CO₂ tons per year, approximately 1,400 times more than the global per capita carbon footprint.¹⁰ The steady growth of these kinds of vessels and aircraft shows how certain exclusive mobility patterns produce disproportionate environmental damages and reinforce dynamics of elitism and inequality.

In such a context, this document's objective is to show that **there are public policy measures capable of discouraging the use of luxury means of transportation and obtaining funds to be allocated to specific climate actions, while reducing polluting emissions**. Particularly, this document argues that taxes on luxury means of transportation are a relevant tool to achieve fiscal and climate justice.

To this end, we first analyze general arguments regarding why the regulation of luxury means of transportation is relevant for climate and fiscal justice. The situation of the international debate on the topic and some advanced initiatives in the matter are also analyzed. Subsequently, information is presented to explain the issue of luxury means of transportation in Mexico and the environmental and fiscal problem they represent at different levels. Later, the main section of the document presents three scenarios that combine different tax instruments to regulate luxury means of transportation in Mexico. In each case, some technical details of the proposals are discussed, and the estimates of potential revenue and spending are explained. Finally, the main arguments of the text are summarized and some conclusions are offered regarding the urgent need to take action in this sphere.

⁷ Sophia Appl Scorza, Emilio Sánchez Salazar and Diego Merla López, *Más verdes, más justos: impuestos que cuiden al planeta y a las personas*, Mexico City, Alianza por la Justicia Fiscal, 2025, pp. 18-19.

⁸ Oxfam UK, "The Impact of Superyacht and Private Jet Emissions", available at: <https://tinyurl.com/yc3b6m8e>.

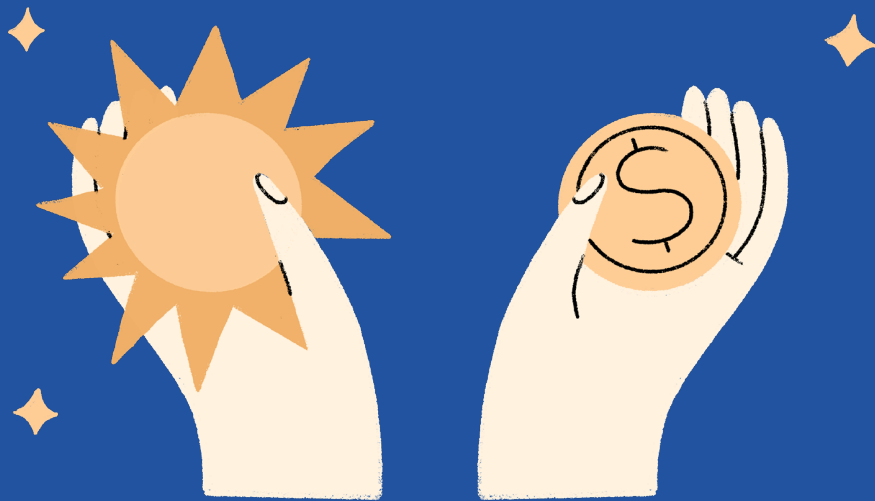
⁹ *Más verdes, más justos*, p. 19.

¹⁰ *Ibid.*

AN OPPORTUNITY FOR

CLIMATE JUSTICE AND

FISCAL JUSTICE



Regulating luxury transportation is increasingly relevant to both fiscal and climate justice. Taxes on this kind of vehicle address two core problems of contemporary economies simultaneously: the extreme concentration of wealth and the disproportionate environmental impact associated with luxury consumption.

In terms of fiscal justice, these taxes are based on a basic principle: those with greater economic capacity should contribute more to financing of public goods. **Luxury means of transportation are not essential goods; they represent forms of consumption that are significantly concentrated among the highest-income sectors and those that hoard the most assets.** Taxing this type of assets and consumption helps strengthen tax progressivity, that is, it ensures that those who have the most pay more, rather than excessively relying on consumption taxes that proportionally affect more those with lower incomes.¹¹

Besides, **these taxes have a significant tax-collection potential.** Although they affect a relatively small group of people, the goods and items to be taxed are of very high economic value and have lofty operating costs, which makes it possible to collect significant revenue **without affecting the population's basic consumption.** These resources can be allocated to financing sustainable mobility, climate mitigation and adaptation, and energy transition.

At the same time, taxing extreme wealth and the consumption of the richest is the measure which contributes the most in strengthening the perception of justice and, therefore, the legitimacy of the fiscal system. Recent studies in Mexico suggest that **people are more willing to contribute to public revenue if the wealthiest do so as well, and if spending objectives coincide with clear environmental goals.**¹²

Finally, taxation policy not only fulfills a collection function, but it also serves as regulation and guidance for economic behavior. Taxes on luxury consumption can discourage consumption patterns that are particularly carbon-intensive and socially costly. In this sense, **taxation can contribute in correcting incentives that, today, deeply favor unequal and environmentally destructive forms of consumption.**¹³

However, it is important to emphasize that taxes are a means, not an end in themselves. Their legitimacy does not solely derive from raising more, but from contributing to broader objectives of collective well-being, democratic equality, and sustainability. The discussion about these taxes must be inserted into a wider reflection with regard to the type of society that we seek to build, the distribution of responsibilities in the face of the climate crisis, and the role of the state in guaranteeing rights and public goods.

From the perspective of climate justice, the relevance of these taxes is equally significant. As already mentioned, luxury means of transportation have climate effects that are highly disproportionate relative to the small number of people who use them. A single private jet flight can emit more carbon than the average person generates in several months or, in certain countries, even years. Similarly, large yachts or luxury sports vehicles concentrate intensive consumption of fossil fuels and materials.

¹¹ Oxfam México, *Decálogo por la justicia fiscal*, Mexico City, Oxfam México, 2025, p. 4.

¹² Aurora A. Ramírez-Álvarez, "Economía política de los desafíos fiscales en México", in Raymundo M. Campos Vázquez, Gerardo Esquivel and Nora Lustig (coords.), *Los desafíos del sistema fiscal en México*, forthcoming.

¹³ Lucas Chancel, Philipp Bothe and Tancrède Voituriez, "The Potential of Wealth Taxation to Address the Triple Climate Inequality Crisis", *Nature Climate Change*, 14 (2024), pp. 5-7.

This situation reveals a profound climate inequality: those who pollute the most are often those who suffer the least from the immediate consequences of climate change, while the costs fall disproportionately on lower-income populations and on more vulnerable countries. For this reason, **taxing these forms of luxury consumption can be understood as a tool to make those who pollute more pay more, and to partially correct inequality.** Furthermore, the resources obtained can be allocated specifically to funding climate mitigation and adaptation policies, thus strengthening public capacity to face environmental impacts with fairness and solidarity.

As a whole, this type of measure links two debates that, for a long time, were treated separately: economic redistribution and sustainability. **There can be no legitimate ecological transition, nor a politically sustainable one, if the costs mainly fall on the majority, while the most intensive and ostentatious forms of consumption remain practically untouched.**

Thus, it is particularly relevant to tax luxury rather than ordinary or essential consumption. **The discussion is not focused on restricting basic conditions of well-being, but rather on questioning forms of excessive consumption whose private benefit generates disproportionate collective costs.** Along these lines, philosopher Ingrid Robeyns has developed the concept of limitarianism, according to which there are ethical and democratic reasons to set limits on the accumulation of wealth and extreme consumption by the richest.¹⁴ From this perspective, taxing luxury means of transportation not only responds to tax collection criteria or to the correction of externalities, but also to a more egalitarian notion of democracy and of shared responsibilities in the face of the climate crisis and inequality.

At the international level, the idea of taxing major luxuries has ceased to be a theoretical matter: it has already become part of the international climate agenda.¹⁵ In 2025, during the COP30, progress was made in these conversations on how the private aviation sector and the use of fuels—such as kerosene, specific to this type of aircraft—should be taxed.

Likewise, the Global Solidarity Levies Taskforce (GSLT), co-chaired by Barbados, Kenya, and France, presented a proposal for the implementation of levies on luxury airplanes and fuels for maritime transport at a global scale. This proposal is based on taxing both luxury aviation travel and the fuel used in private planes. The group advances these two measures as part of a program of reforms that are technically feasible, politically viable, and consistent with international law, since it identifies luxury aviation as an international problem requiring coordinated mechanisms among countries so as to prevent tax evasion.¹⁶

Another representative case is the advancement of this debate in Canada. In 2022, the Select Luxury Items Tax Act became effective. It established a 10% rate on the total value of the vehicle for luxury airplanes, automobiles, and vessels. If any of these goods surpassed the threshold established by law (100,000 Canadian dollars for airplanes and automobiles, and 250,000 for vessels), a 20% rate was charged. In addition, exemptions were established for heavy-duty cargo vehicles, ambulances, patrol cars, and commercial fishing boats. With this measure, 135 million Canadian dollars were collected during the act's first year, and a potential 654 million was estimated over five years. However, after pressure from several sectors, the levy was eliminated for airplanes and vessels, remaining only for luxury cars.¹⁷

¹⁴ Ingrid Robeyns, *Limitarianism. The Case Against Extreme Wealth*, New York, Astra House, 2024, pp. 96-117.

¹⁵ See, for example, the Sevilla Platform for Action (SPA), launched during the Fourth UN International Conference on Financing for Development. More information available at: <https://tinyurl.com/yxv6s64n>

¹⁶ Daniel Mulé, Clémentine Baldon and Juliette Robert, *Levies on Premium Flyers*. Legal Handbook, Global Solidarity Levies Task Force, 2025, available at: <https://tinyurl.com/2s3ymw8>.

¹⁷ Department of Finance Canada, *A Study on the Potential Economic Impacts of the Select Luxury Items Tax Act*, March 2023, available at: <https://tinyurl.com/3x836w2f>.

Another country that has implemented these kinds of measures is Australia. Unlike the Canadian model, Australia's threshold system is adjusted every year according to inflation. For 2025 and 2026, for example, the limit for standard vehicles was set at 80,500 Australian dollars, and at 91 thousand for fuel-efficient vehicles. In this sense, regulation promotes increases in revenue collection, as well as behaviors consistent with energy transition.¹⁸

These international examples help comprehend two relevant points. On the one hand, these measures are feasible and are already being discussed at the international level. On the other hand, the revenue potential for these measures is significant. As will be seen in the following section, the situation in Mexico warrants paying attention to these experiences.

¹⁸ Australian Taxation Office, "Luxury Car Tax", Australian Government, available at: <https://tinyurl.com/pk8yfhxs>.

LUXURY MEANS

OF TRANSPORTATION

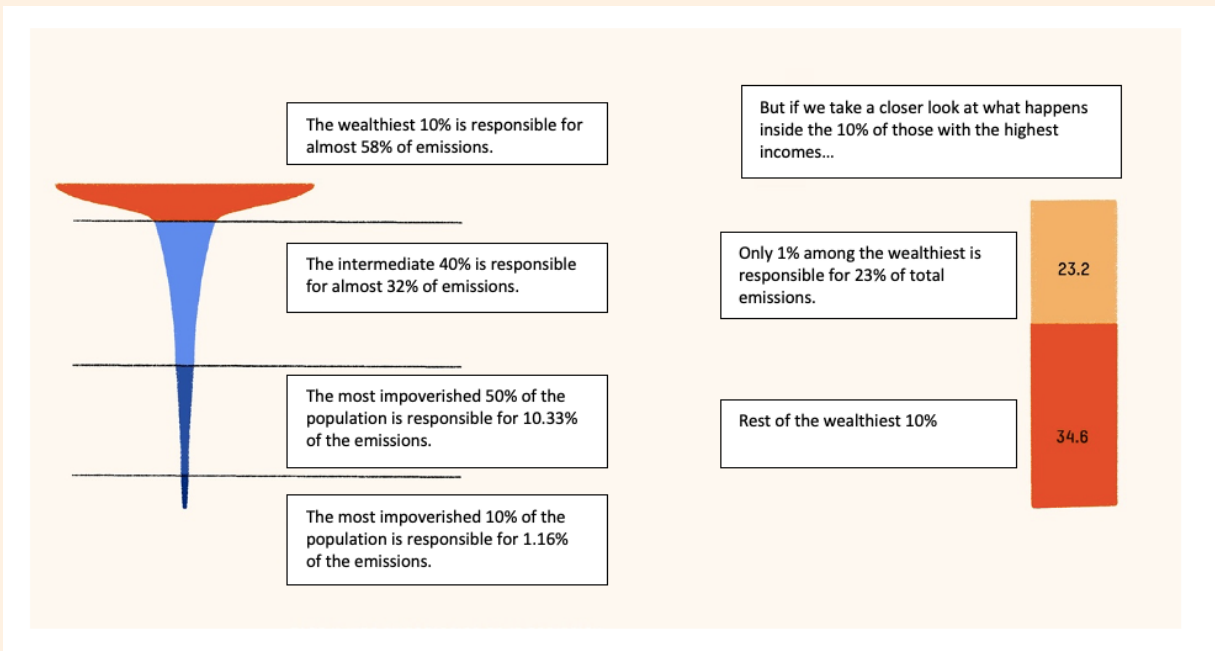
AND THE PROBLEM THEY

REPRESENT IN MEXICO



Mexico is one of the most unequal countries in the world. The richest 1% of the population – barely 1.3 million people– hoards 35% of total income, holds 40% of national private wealth, and is responsible for 23% of polluting emissions, as shown in Graph 1.¹⁹ This means that **the wealthiest 1% in Mexico pollutes as much as the most impoverished 74% of the country's population.** As if that were not enough, the 0.1% of the population –only 130,000 people– pollutes almost six times more than the most impoverished 10% of our country, which corresponds to 13 million people. In this way, a few contribute in a considerable manner to national emissions due to their investments in polluting but profitable sectors, such as oil and fossil gas, and their enormous consumption of private planes, mansions, and yachts.²⁰

Graph 1. The wealthiest pollute much more than the rest
Proportion of total national emissions by income groups in Mexico, 2023



Source: authors' calculations based on data from Oxfam International and the Stockholm Environment Institute.

How to read this graph: The graph represents the proportion of polluting emissions for which each income group is responsible. On the left side, the wider the band corresponding to each income group, the larger the proportion of emissions it accounts for relative to the total. It can be observed that the most impoverished 10% of the population, in the darkest blue, is responsible for only 1.16% of emissions, while as income increases, so does the contribution to polluting emissions; however, the most significant difference is seen between the richest 10% and the rest of the population. The top 10% income group alone, shown in orange, is responsible for nearly 58% of the country's total emissions. On the right side, a closer look at the wealthiest 10% is provided to show that the richest 1% of the Mexican population is responsible for almost one-fifth of the country's total emissions (23.2%).

¹⁹ Oxfam México, *Oligarquía o democracia. Nueve propuestas contra la acumulación extrema del poder en México*, Mexico City, Oxfam México, 2026, p. 4.

²⁰ *Ibid.*, p. 6.

In such a context, the most important climate policy and economic planning instrument of recent years already identifies the need to pay special attention to the transportation sector. **According to the Nationally Determined Contribution 3.0 (NDC), in 2024, the transportation sector was the country's main emitter, accounting for 23% of total emissions.** These emissions are mainly attributed to fuel consumption in motor transport and to the rapid growth of the vehicle stock. As this document identifies, **it is one of the sectors with the greatest opportunities to implement feasible mitigation measures** with effects on public health, economic development, and social well-being, especially at the local level. These measures have to do with replacing passenger transport with low-emission vehicles, incorporating sustainable fuels and low-intensity carbon options in aviation and maritime transport, fostering behavioral changes to reduce emissions associated with transport, and promoting electrification and modernization of transportation infrastructure, among others.²¹

In our country, wealth and vehicle ownership are highly concentrated in the hands of a small, predominantly male elite. For example, **the wealthiest 10% of the population holds 78% of total assets and ownership of patrimonial goods, such as housing, land, or vehicles.** In turn, according to data from the 2020 National Census of Population and Housing, only 13.1% of women who are heads of household reported owning a vehicle, compared to 36.3% of men who are heads of household.²² In other words, **a man is almost three times more likely to own a vehicle than a woman.**

Despite this, **the Mexican tax system does little to address wealth and gender gaps.** It has been documented how tax policy is not gender neutral and, to a greater extent, favors those who already own capital. By abandoning taxes on net worth and on property, as well as weakening instruments such as the vehicle ownership tax (known in Mexico as *tenencia*), some of the few mechanisms capable of wealth redistribution have been erased, therefore disproportionately favoring those who hoard wealth. This has allowed for a handful of people to amass assets without paying the social, environmental, and economic costs they entail.²³

Furthermore, **Mexico charges little and poorly for the use of public infrastructure by private and luxury means of transportation, such as private planes and yachts.** The state does little to utilize other fiscal instruments to regulate polluting activities associated with wealth accumulation. The category of *derechos* (fees or charges), for example, constitutes a type of non-tax revenue collected for the use or exploitation of public assets belonging to the nation, or for the provision of public services, such as the issuance of permits, registrations or official documents.

In that regard, barely a little over 17,600 pesos is charged for the registration of a luxury vessel, with no progressivity criteria based on the craft's size or luxury. Regarding fees for the use of port infrastructure, in Cozumel, for example, 20 pesos are charged per day, per foot of boat length, while in countries such as the United States or Italy, the fee is up to 240 times higher.²⁴ As for air transport, the Federal Fees Law and the Civil Aviation Law do not distinguish between commercial and private flights when charging fees for flight authorizations, and, in fact, private aircraft are exempt from paying fees for flight permits.

²¹ Semarnat, *Actualización de la Contribución Determinada a nivel Nacional 3.0 de México*, Mexico City, Semarnat, 2025, pp. 48-50.

²² Inegi, *Censo de Población y Vivienda 2020*.

²³ Carlos Brown, *Redistribución, justicia fiscal y género en México*, Mexico City, Intersecta, 2023.

²⁴ *Más verdes, más justos*, pp. 19-21.

As part of luxury consumption, private planes are a prime example of the environmental damage caused by this minority. This occurs on two levels: greenhouse gases and compounds (GHGs), which contribute directly to the climate crisis, and local pollutants, those compounds released in the vicinity of airports that directly affect air quality. Thus, airports are not neutral spaces, but rather fixed sources of pollutants that can be conceived as "flight factories."

This kind of pollution is observed in **takeoff and landing operations at the thirteen airports with the most private flights in Mexico**. At these sites alone, 26.7 tons of nitrogen oxides (NOx) were emitted in a single year. This is a set of greenhouse gases 298 times more harmful than CO₂, meaning that the pollution just described would be **equivalent to having more than 2,200 cars circulating for an entire year**.²⁵ As if that were not enough, those who use private planes do not suffer the consequences of the environmental damage they produce; rather, these impacts directly affect 6.8 million people who live or work in areas surrounding the airports, 23.7 % of whom lack access to healthcare services to treat the respiratory illnesses caused by exposure to GHGs.

Likewise, land-based luxury vehicles, such as sports utility vehicles (SUVs), are far more polluting than regular cars. **If the total CO₂ emitted by SUVs worldwide were compared to the emissions of a country, this kind of vehicle would be the fifth-largest global emitter, surpassing Japan**.²⁶

These levels of pollution have been increasing over the last three years, alongside the growth in SUV sales. Between 2022 and 2023, the number of SUVs globally rose from 32.3 to 37.1 million vehicles.²⁷ While an increase of nearly five million SUVs may seem small, it must be considered that these vehicles weigh between 200 and 300 kilograms more than an average car and take up more space, which results in 20% more CO₂ emissions than a standard automobile. Thus, it was found that one-fifth of the CO₂ emitted globally between 2022 and 2023 came from SUVs. This increase is roughly equivalent to half of the growth in emissions from the global electricity sector.²⁸

²⁵ Aydın Tokuşlu, "Calculation of Aircraft Emissions during Landing and Take-Off (LTO) Cycles at Batumi International Airport, Georgia", *International Journal of Environment and Geoinformatics*, 8 (2021), pp. 186-192.

²⁶ N. S. Khadka, "Small Electric Cars Were Said to Be the Future - but SUVs Now Rule the Road", *BBC News*, March 18th, 2025, available at: <https://tinyurl.com/3mutkefx>.

²⁷ *Ibid.*

²⁸ Laura Cozzi and Apostolos Petropoulos, "SUVs Are Setting New Sales Records Each Year - and So Are Their Emissions", *IEA*, May 28th, 2024, available at: <https://tinyurl.com/2vv6pynm>.

Mexico also follows this trend. Between 2005 and 2025, the number of sports and luxury cars has remained relatively stable, at around 1,015 and 230 units, respectively. In contrast, SUV purchases have grown since 2019. While in 2005, 635 SUVs were sold in our country, 3,047 new units were recorded by 2025. Although the upward trend has been relatively steady throughout the entire period, the turning point was 2019, given that, as from that year onward, SUV sales have experienced a growth rate above 7% in every year.²⁹ These data confirm that, although there has been progress in regulations related to the fuel efficiency of models marketed domestically, such progress is being offset by the increase in SUV sales and by an automotive market increasingly dominated by large-sized vehicles.³⁰ Faced with these facts, it is hard for emissions associated with transportation to decrease anytime soon.

Finally, yachts are a particularly opaque mode of luxury transportation. There is little to no information about the pollutants they emit and, in many cases, the available data is provided by the owners of these vessels themselves.³¹ Some media outlets have estimated that **a single superyacht can emit more than 7,000 tons of CO₂ yearly, equivalent to 1,500 family cars over the course of a year.**³² This is so because superyachts have a permanent crew, a helideck, submarines and swimming pools. Moreover, the 300 largest superyachts in the world generate even more pollutants than the entire population of Burundi, that is to say, 13 million inhabitants.³³

In the case of Mexico, the environmental impact of luxury craft can be seen along the coasts of Quintana Roo. **It is estimated that around 4,000 tourist and recreational vessels operate in the Cancún and Isla Mujeres area.** It is calculated that 90% of them lack retention tanks, meaning they discharge their wastewater directly onto coral reefs.³⁴ According to complaints from local diving associations, **the impact of these anchored vessels is equivalent to an 80-room hotel dumping its waste directly onto the reef,** which has already caused coral bleaching and led to the detection of microplastics.³⁵

These examples help us grasp the scale of just how costly these means of transportation can be. Besides, they expose the enormous regulatory and legal gaps surrounding these kinds of vehicles, as well as the scant efforts to hold accountable those who pollute and harm the environment the most. For this reason, in the following section, we propose some fiscal instruments and their respective revenue-raising potentials, aimed at contributing to the reduction of the damage that these dirty luxuries entail.

²⁹ Inegi, Registro Administrativo de la Industria Automotriz de Vehículos Ligeros, monthly series from January 2005 to December 2025, available at: <https://tinyurl.com/muvxh6e5>.

³⁰ David Bonilla, David Banister and Adriana Caballero Castillo, “Car Sales, Fuel Economy and Decarbonization in Mexico”, *Energies*, 17 (2024), <https://doi.org/10.3390/en17194928>.

³¹ Carolyn Fortuna, “Superyacht s for the Super Rich Cause a Whole Lot of Environmental Damage”, *CleanTechnica*, June 19th, 2024, available at: <https://tinyurl.com/3kvkdz8d>.

³² Jon Ungood-Thomas, “Superyacht Sales Surge Prompts Fresh Calls for Curbs on Their Emissions”, *The Guardian*, January 29th, 2022, available at: <https://tinyurl.com/326zv73f>.

³³ Grégory Salle, *Superyachts: Luxury, Tranquility and Ecocide*, Cambridge, Polity, 2024, p. 69.

³⁴ Gilda Piña, “Cancún: yates irregulares provocan daño ambiental en arrecifes”, *Novedades Quintana Roo*, September 25th, 2025, available at: <https://tinyurl.com/mr2w7z7a>.

³⁵ *Ibid.*

HOW TO END

THE UNJUST PRIVILEGES OF

LUXURY VEHICLES



In order to start regulating luxury means of transportation and to understand the revenue potential of the tax measures proposed herein, it is first important to know the number of private planes, superyachts, and luxury cars. These data are shown in Table 1.

In land transportation, the estimate of nearly half a million luxury cars represents only 0.34% of the total number of vehicles, so any tax measure would only affect an extremely limited portion of the car-owning population. These vehicles include sports models and high-end SUVs, where a significant part of the country's wealth is concentrated, as their unit prices can reach up to five million pesos, with a mean value of 900,000 pesos. By focusing on this small group, the state can generate a significant amount of revenue without affecting middle-income and low-income taxpayers.

Table 1. Luxury means of transportation in Mexico, vehicular stock (2025)

Means of transportation	Estimated sector size	Price
Private planes	1,841	35 million pesos (mean value)
Yachts	1,796	24.3 million pesos per unit (median value)
Luxury automobiles	417,740	900 thousand pesos per unit (mean value)

Source: authors' calculations based on sale prices from specialized websites (YachtWorld, A21) and agencies.

With regard to luxury maritime transport, 1,796 vessels were identified. The median value of these vessels is 24.3 million pesos per unit, which means that a single yacht can be equivalent to dozens of conventional land vehicles. The distribution of these vessels corresponds to areas with port infrastructure that allows the docking of deep-draft ships, such as Quintana Roo and Baja California. These two states alone concentrate 68% of the port operations of luxury yachts.

Finally, it is observed that Mexico has a stock of 1,841 private aircraft. Most of these vehicles are located in states with significant business and tourist activity, such as Nuevo León, Sinaloa, and Sonora. This sector is so concentrated that almost all of these aircraft operate out of just 13 airports across the entire national territory.

As a whole, Table 1 reflects that the number of owners who would be required to pay taxes associated with their luxury means of transportation is very small. In contrast, the value of the vehicles in question is extremely high relative to the average income of people in our country. According to the figures presented in the table, **a luxury car represents nearly three and a half years of work for a person earning 21,825 pesos per month, while it would take 93 years of uninterrupted work to be able to purchase an average yacht, and 133 years to buy an average private jet**, assuming no other expenses are made during those entire periods.³⁶ The means of transportation that we propose to tax here are not those of the working class, but rather the luxury consumption of the wealthiest in the country.

³⁶ Calculated based on average per capita income in 2024, adjusted using national accounts (Indesig and Oxfam México, *¿Derechos o privilegios? Una mirada a la ENIGH 2024 desde las desigualdades*, Mexico City, Indesig-Oxfam México, 2025, p. 6).

The scenarios presented below follow two considerations. On the one hand, the fiscal instruments available to the Mexican state can fulfill different functions in terms of public revenue, economic regulation, and perception of justice, as well as promoting or deterring consumption or investment practices. In other words, **taxes, as well as tariffs and fees (*derechos*) are not only revenue collection tools, but they also serve a social function.**

Therefore, each of the following scenarios incorporates a combination of taxes and duties that seek to address three aspects related to climate justice and fiscal justice. First, they include the principle of progressive taxation on the ownership of high-value assets: **those who have greater wealth must pay more.** Second, they propose establishing a fair price for the use that private luxury transportation makes of public infrastructure for takeoff, landing, or docking: **if private jets and luxury yachts use the airports and docks that we all pay for, they must contribute to their maintenance and financing.** Finally, these scenarios propose imposing a significant cost on the emission of GHGs that are very harmful to the environment: **those who pollute the most must pay more to repair the damage they cause.**

The second consideration guiding these scenarios is the need to strengthen public finances at the federal level, but also at the subnational level. Any proposal for regulating luxury means of transportation through the fiscal system must take into account that the public treasuries of states and municipalities are excessively dependent on federal transfers.³⁷ In addition to this, measures for climate adaptation and mitigation are more effective when they respond to local needs and vulnerabilities, so states and municipalities must have sufficient resources to tackle the challenges of preventive investment and response that they must implement in the face of extreme climate events.³⁸ It follows that **fiscal measures to regulate luxury means of transportation must include federal and subnational approaches.**

Consequently, **the scenarios presented here have a revenue potential of between 30.4 and 234.7 billion pesos (approximately between 1.6 and 13 billion USD).** In all cases, the revenue potential is estimated using the data from Table 1 on the approximate number of luxury vehicles and on the rates and fees proposed in each scenario. Furthermore, these scenarios bring together instruments that would provide more resources both to state governments and to the federal government. Each combination of fiscal options also seeks to tax progressively, to charge in a fair manner for the use that the wealthiest make of public infrastructure, and to tax the negative environmental effects that luxury means of transportation entail.

Scenario 1: Building with the tools we already have

A reform of existing tax instruments

The first set of proposals includes three fiscal instruments. This scenario is considered to have high political feasibility because it involves relatively simple reforms to provisions that already exist, in order to align them with criteria of climate and fiscal justice. Of the three options presented in this document, this one has the lowest revenue potential, although such potential is by no means negligible.

³⁷ Oxfam México, *Financiar el futuro: la hacienda pública mexicana más allá de la austeridad*, Mexico City, Oxfam México, 2026, pp. 14-15.

³⁸ Oxfam México, *La construcción social de la desigualdad climática: un análisis interseccional para impulsar cambios sistémicos*, Mexico City, Oxfam México, 2024, pp. 14-19.

First, it is proposed to **reform the Tax on New Automobiles (known as ISAN by its initials in Spanish) to extend its scope to aircraft and to maritime vessels.** It is also suggested to increase the rates for luxury land vehicles and eliminate the 7% discount currently applied to higher-priced automobiles, which is a regressive measure. With this, the new rates for luxury segments would reach up to 19.1% of the vehicle's value.

The revenue potential of this measure amounts to 29.973 billion pesos, of which the land sector would contribute 3.956 billion; the aviation sector, 17.209 billion; and the maritime one, 8.807 billion. Although the ISAN is a federal tax, the resources collected are incorporated into the federal participations distributed to the states, so they would receive the benefits of this reformed levy.

This first measure would incorporate sectors that have been historically excluded from vehicle taxation: those that entail high levels of energy consumption and emit large amounts of waste and GHGs, such as private jets and luxury yachts. At the same time, the reform would correct regressive elements of the current ISAN for automobiles, and could increase the financial contributions of taxpayers with greater economic capacity. Furthermore, it would strengthen state public finances through potential increases in federal participation.

Second, it is proposed to **update and strengthen the fees charged for the use of airport infrastructure by private aircraft.** This would make it possible to take advantage of an already existing fiscal instrument –fees (*derechos*) on account of authorizations and flight permits contemplated in the Federal Fees Law and in the Civil Aviation Law– to more adequately tax the economic and environmental impacts of private aviation, including foreign aircraft that use national infrastructure.

The proposal considers two main modifications. The first consists of **separating private flight authorizations from commercial ones**, which are currently not differentiated. Additionally, to include a progressivity criterion, the current fee should be multiplied by 14, based on the argument that a private plane flight can pollute up to 14 times more per passenger than a commercial one. In this way, the fee would go from 1,434.62 pesos to 20,084.68 pesos per authorization.

The second modification would involve **eliminating the current exemption for private aircraft in the payment of flight permits.** The amount of this permit would be 23,914.39 pesos per registered aircraft. The charge would initially be applied to the total number of registered aircraft and, subsequently, only to new aircraft or those that modify their operational characteristics. The estimated federalized revenue potential from permits for luxury aircraft would amount to 44.03 million pesos. Furthermore, the update of fees for flight authorizations could significantly increase revenue derived from the use of airport infrastructure by private planes, whereby the amount collected in years following the entry into force of the tax could be adjusted according to inflation or to infrastructure usage dynamics. The collection of these fees corresponds to the federation, since airport and flight permits are part of the federal regulatory framework.

The third component of this scenario would be to **update port fees and docking tariffs for yachts and luxury vessels.** Current fees in Mexico are considerably lower than those observed in international ports, and even lower than some national charges applicable to commercial vessels. Therefore, the proposal contemplates modifying the flagging (registration) fee for luxury vessels and increasing docking tariffs and port infrastructure usage charges.

Hence, it is proposed to increase the flagging fee to 17,976 pesos per luxury maritime vessel, and to raise the docking tariff using as a reference the highest fee currently identified in Mexico –that of Puerto Vallarta– and multiplying it by five to bring it closer to international standards. The resulting fee would be 1,383.60 pesos per day, per meter of length overall, equivalent to 13,836 pesos per day for a 10-meter vessel (that is to say, deck length).

The estimated federalized revenue potential from flagging fees for luxury vessels amounts to 29 million pesos, and that from raising docking tariffs is 451.30 million pesos. The scheme combines federal and local competencies. Flagging fees correspond to the federation, while part of the port infrastructure usage fees may include additional charges that benefit local treasuries.

These last two measures seek to ensure that the owners of private planes and luxury vessels assume a greater share of the environmental and infrastructure costs that their vehicles entail. As already described, these are among the most emission-intensive means of transportation per passenger. Moreover, these measures would make it possible to tax polluting activities carried out by domestic and foreign aircraft or vessels that use Mexican public infrastructure.

At the same time, the scheme would focus on charging high-income users and activities linked to luxury transportation, so its progressivity would be ensured. It would also make it possible to recover public resources derived from the use of collectively funded infrastructure, and it would reduce fiscal privileges, such as the exemption from charging permit fees to private aircraft. Furthermore, these charges would partially correct the existing gap between current Mexican tariffs and international standards.

Overall, **Scenario 1 comprises a revenue potential of more than 30 billion pesos** (Table 2). Given the nature of the fiscal instruments, the charges would depend on the acquisition of new luxury vehicles, on the registration of new aircraft or vessels, or on the number of flights or dockings at Mexican air and seaports. Therefore, the revenue potential in subsequent years would be variable.

With this amount, it would be possible to purchase nearly 4,000 12-meter electric buses, or just over 2,000 18-meter trolleybuses. This would allow each of the 92 metropolitan areas of our country³⁹ to receive 43 electric buses or 22 18-meter trolleybuses, reaching nearly two-thirds of the country's total population. The estimated revenue from the expanded ISAN alone is 67.5 times greater than the average budget of local departments dedicated to climate or environmental issues, and if divided equally among the country's 32 states, it would mean that each one would receive an additional 936 million pesos.

³⁹ Although the publication *Metrópolis de México 2020* distinguishes between three categories—48 metropolitan zones, 22 municipal metropolises, and 22 suburban zones— this report considers the 92 metropolises, identified by the Interinstitutional Group SEDATU-CONAPO-INEGI as the reference universe for estimating the potential reach of the proposed measures.

Table 2. Building with the tools we already have (Scenario 1 summary)

Fiscal instrument	Level of government in charge	Revenue potential (in millions of pesos)
Expanded ISAN for luxury means of transportation	State governments	29,973
Docking tariffs for luxury vessels	State or municipal governments	451.3
Flight permit fees for luxury aircraft	Federation	44.03
Flagging fees for luxury vessels	Federation	29
Total		30,497.33

Source: authors' calculations.

Scenario 2: Reducing emissions with a progressive approach Stronger fees and a new tax on luxury goods

The second set of proposals is composed of five fiscal instruments. This scenario is somewhat less feasible than the previous one because it involves the creation of a new tax with a subnational focus. Nevertheless, it has an intermediate revenue potential, more than double that of the first case, since it takes up the idea of strengthening measures that already exist today, but is complemented by a proposal for a property tax with a strong commitment to progressivity.

The first element is to **create a new Tax on Select Luxury Items, inspired by the Canadian model** mentioned before. The proposal consists of taxing, at a 10% rate, the total value of vehicles whose price exceeds a threshold of 743,587 pesos.⁴⁰ This design seeks to build an instrument that is simple in normative and administrative terms: starting at a certain market value, the owner must pay the tax regardless of the type of vehicle.

The estimated total revenue potential is 38.557 billion pesos. Of this amount, 22.384 billion would correspond to the land sector, 11.346 billion to air transport, and 4.826 billion to maritime transport. The calculation considers only vehicles that exceed the established price threshold, which accounts for 43.5% of luxury cars sold in 2025, and barely 0.34% of the total cars in circulation. In the case of private jets and yachts, they would all be automatically taxed, given that their value far exceeds the threshold.

⁴⁰ This figure was obtained by adding half a standard deviation to the mean price of luxury cars, based on the review of retail prices in January 2026. For more details, see the methodological annex of this document.

The scheme contemplates that the states may exercise these resources through fiscal coordination agreements, under the assumption that state governments operate a large part of public transportation services, and could include a lock-in mechanism to require that the new revenues be earmarked for this type of investment. This tax would generate a greater perception of justice in the fiscal system, at the same time that it would discourage both the consumption and property of emission-intensive luxury vehicles, especially private aircraft and vessels. It also promotes that vehicle owners assume a greater share of the environmental costs associated with these forms of mobility. By design, it would also concentrate the tax burden on higher-income and wealthier sectors, without affecting the majority of the population. Furthermore, it strengthens the revenue-generating capacity of the states and generates potential resources to finance infrastructure, public transportation, and climate mitigation and adaptation policies.

Secondly, **an update to the Special Tax on Production and Services (known as IEPS for its initials in Spanish) is proposed when applied to jet fuel (*turbosina*) and other types of kerosene** used primarily by private and luxury aircraft. This would imply increasing the current rate from 12.91 cents per liter to 37.79 pesos per liter, with the objective of bringing the price of aviation fuel closer to its social and environmental costs, as well as to the international standards proposed by the GSLT. The estimated revenue potential is 23,423 million pesos, considering an estimated consumption of more than 621 million liters of kerosene in private flights during 2025. As this is a component of the IEPS, the tax would be administered by the federation. This measure seeks to correct the environmental underestimation of the damage caused by fuels for private aircraft and, thereby, discourage highly emission-intensive activities. The tax burden would fall solely on consumers of private air transport, thus realizing the principle of progressivity from its design. Besides, the resources could be earmarked to finance policies directly related to the harmful effects of private airplanes.

In third place, this scenario also includes **reforming or creating subnational carbon taxes to incorporate emissions generated during takeoff and landing operations at airports**. This type of tax is relatively recent in Mexico. In 2017, Zacatecas took the first step in this direction at the state level by proposing to tax emissions from the mining industry. In our case, this component of the scenario considers airports as fixed sources of emissions, which facilitates their oversight and would make it possible to include nitrous oxides (NO_x) emissions in the tax system.

The estimated revenue potential for this measure is 34.78 million pesos. The calculation was made based on the 10,824 tons of equivalent CO₂ derived from NO_x emissions recorded at 62 airports in Mexico, where the highest number of private aircraft arrivals and departures were observed during 2023, using an equivalence factor between NO_x and CO₂ of 298. Collecting this tax would be the states' responsibility, according to their respective subnational carbon tax schemes, a measure which would strengthen state finances.

The proposal would allow those who pollute the most to pay more taxes, and it would be a measure to discourage the frequent use of private aircraft. It could also have a direct effect on the public health of areas surrounding airports, where luxury aircraft take off and land most frequently. Due to its progressive design, it would generate subnational revenue from emission-intensive activities linked to social sectors that concentrate wealth.

In fourth and fifth places, this scenario incorporates the **modifications to permit fees for luxury aircraft and to flagging fees and docking tariffs for luxury vessels that were explained in the previous scenario**. These measures would be relatively simple to implement, and would have a direct benefit for federal finances, with an estimated revenue potential of 44, 29, and 451.30 million pesos, respectively.

Thus, **Scenario 2 has a combined revenue potential of more than 62 billion pesos** (Table 3). It includes a subnational property tax and a carbon tax, an indirect tax on fuel for luxury aircraft, and two modifications to federal fees associated with the use of luxury vehicles in Mexican territory. In all cases, the revenues associated with the five measures would depend on behavior regarding both the acquisition and the usage of luxury means of transportation in subsequent years.

Table 3. Lowering emissions through a progressive approach (Scenario 2 summary)

Fiscal instrument	Level of government in charge	Revenue potential (in millions of pesos)
New Tax on Select Luxury Items	State governments	38,557
Update of IEPS on kerosene	Federation	23,423
Docking tariffs for luxury vessels	State or municipal governments	451.30
Permit fees for luxury aircraft	Federation	44.03
Subnational tax on nitrous oxides emissions	State governments	34.7
Flagging fees for luxury vessels	Federation	29.0
Total		62,539.03

Source: own elaboration.

With the amount collected, it would be possible to acquire a total of 6,888 12-meter hybrid buses, or 4,211 18-meter trolleybuses. In this way, each of the 92 metropolitan areas of our country—from the Metropolitan Zone of the Valley of Mexico to the Conurbation Zone of Salina Cruz— could receive 74 buses or 45 trolleybuses, benefiting 82.5 million people. The revenue collected in this scenario through fiscal instruments managed by state governments is 7.7 times what the states have as an average budget for public investment in their territories. If divided equally among the 32 states, each one would receive just over 1,200 million additional pesos. Although this would only be a small fraction of the budget available in Mexico City, it would almost quadruple the available resources for public investment in a state such as Colima.

Scenario 3: Limiting the consumption of luxury means of transportation from various angles

Bring back the tax on vehicle ownership (*tenencia*) and tax polluting wealth decisively

This set of proposals is made up of seven fiscal instruments. This scenario would also face political challenges because it requires creating a new tax and reinstating the vehicle ownership tax (*tenencia*) as a nationwide standard. Nevertheless, it has the highest revenue potential.

In the first place, this combination of proposals brings together all those already put forward in the previous cases: the new Tax on Select Luxury Items based on the Canadian model, the expanded ISAN for automobiles, aircraft, and luxury vessels, updating the IEPS on kerosene, strengthening permit fees for private aircraft and for flagging of luxury vessels, and subnational taxes. In coordination, these measures can contribute to taxing accumulated wealth, making the emissions that arise from it more costly, and establishing fair compensation for the private use of public infrastructure.

Secondly, this scenario is characterized by **reinstating the vehicle ownership tax (*tenencia*) as a progressive federal taxation standard with a climate justice perspective**. Moreover, it is proposed to expand the scope of the *tenencia*, so that it is charged not only on automobiles but also on private planes and luxury yachts. To this end, it would be necessary to establish progressive rates for land vehicles that incorporate environmental components, as well as specific rates for maritime and air vehicles. Thus, the structure would seek to tax more heavily those vehicles with greater value, luxury, and emissions.

Reinstating the *tenencia* seems politically unfeasible after it was repealed as a federal tax between 2010 and 2011, especially because its elimination was immediately associated with campaign promises that appeared to be electorally profitable.⁴¹ Nevertheless, this proposal joins previous calls to restore this levy on vehicle ownership, the *tenencia*, as a cutting-edge tax.

In 2020, the Institute for the Technical Development of Public Finances (Indetec by its Spanish acronym) conducted a review of the situation regarding the vehicle ownership tax, known in Mexico as *tenencia*, which mentioned that it was “necessary to analyze alternatives so that this contribution regains its importance as an instrument for financing public expenditure in the current scenario of greater social demands”.⁴² In turn, in a 2024 article, Hernández and Urzúa suggested “revisiting” the levy on vehicle ownership and use. In 2025, two documents from the Alianza por la Justicia Fiscal (Tax Justice Alliance) also included the *tenencia* as a necessary instrument in order to strengthen subnational finances,⁴³ and as a tool to include GHGs emission levels generated by vehicles in the tax base.⁴⁴ For our part, at Oxfam México, we have joined the call for a new General Law on Vehicle Ownership or Use with a minimum standard for the collection of this tax in all states, one that taxes both ownership and how polluting each vehicle is, based on the principle of progressivity.⁴⁵

⁴¹ Oxfam México, *Financiar el futuro: la hacienda pública mexicana más allá de la austeridad*, Mexico City, Oxfam México, 2026, p. 15.

⁴² Indetec, *Impuesto a la tenencia o uso de vehículos. Antecedentes, situación actual y reflexiones*, Mexico City, Indetec, 2020, p. 229.

⁴³ Emilio Sánchez Salazar, *Propuestas de reforma para fortalecer los gobiernos subnacionales*, Mexico City, Alianza por la Justicia Fiscal, 2025, pp. 7-9.

⁴⁴ *Más verdes, más justos*, pp. 14-15.

⁴⁵ Oxfam México, *Decálogo por la justicia fiscal*, Mexico City, Oxfam México, 2025, pp. 9-10.

In that sense, this scenario takes up the proposals put forward by the Alianza por la Justicia Fiscal and Oxfam Mexico, and also contemplates that maritime and air vehicles be charged the highest rates existing at the national level: 3.0% and 2.4%, respectively. To this end, it would be necessary to promote a new General Law on Vehicle Ownership or Use that establishes a minimum standard for the collection of this tax in all states, based on a logic of progressivity and climate justice. In this way, the new ownership tax should be established on the basis of the value of the vehicles, but also on how much they pollute. This information can be obtained from vehicle invoices, based on engine characteristics and other specific technical data.

Charging the vehicle ownership tax or *tenencia* for automobiles should be progressive based on the value of the vehicles, their polluting potential, and the private use of public infrastructure. For the first objective, the thresholds established in the Fiscal Code of Mexico City may be used as a reference.⁴⁶ So as to fulfill the second purpose, it is proposed to charge a tariff of 40 pesos for every 100 cubic centimeters of engine size, since there is a relationship between an engine's dimensions and its emissions. Regarding the third objective, it is also proposed to charge a contribution for the maintenance of public infrastructure that automobiles use to circulate, based on a fee equivalent to 2% of the depreciated value of the vehicle, adjusted by its volume in cubic meters.⁴⁷

Thus, the revenue potential of such a tax on vehicle ownership would be 142 billion pesos in total: 134 billion pesos from land vehicles, 6.5 billion from the aviation sector, and 1.7 billion from the maritime sector. This tax would be managed by the states, directly strengthening their public finances, as well as their capacity to guarantee rights at the local level.

The progressive structure has the potential to discourage the acquisition and ownership of high-value vehicles that have an elevated environmental impact. Additionally, it includes environmental and proportionality criteria that can promote a transition toward less carbon-intensive consumption patterns. On the other hand, the scheme strengthens tax progressivity by establishing significantly higher rates for luxury segments. It also improves the financial autonomy of states and municipalities, while allowing for a more equitable distribution of public resources.

⁴⁶ Article 165, bis 5.

⁴⁷ *Decálogo por la justicia fiscal*, pp. 9-10; *Propuestas de reforma para fortalecer los impuestos subnacionales*, pp. 8-9.

Table 4. Limiting the consumption of luxury means of transportation from various angles (Scenario 3 summary)

Fiscal instrument	Level of government in charge	Revenue potential (in millions of pesos)
Expanded tax on vehicle ownership (<i>tenencia</i>) for luxury means of transportation	State governments	142,262
New Tax on Select Luxury Items	State governments	38,557
Expanded ISAN for luxury means of transportation	State governments	29,973
Update of IEPS on kerosene	Federation	23,423
Docking tariffs for luxury vessels	State or municipal governments	451.30
Permit fees for luxury aircraft	Federation	44.03
Subnational tax on nitrous oxides emissions	State governments	34.7
Flagging fees for luxury vessels	Federation	29.0
Total		234,774.03

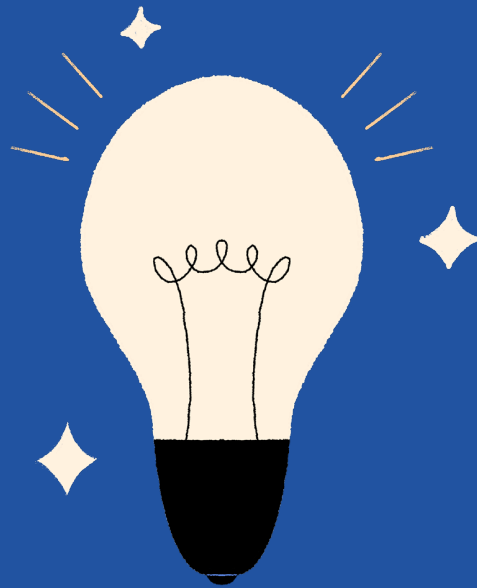
Source: own elaboration.

Thus, Scenario 3 has a joint revenue-raising potential of 234,774 million pesos. In addition, it includes a broad catalog of measures that, if working together, could have a significant effect in discouraging environmentally harmful luxury consumption behaviors and in beginning to redistribute wealth that has been hoarded in very few hands. It is also worth noting that this set of proposals would raise nine times more resources for subnational treasuries than for the federal treasury, thereby having the potential to significantly strengthen fiscal federalism

The estimated revenue potential would be equivalent to 30,769 electric 12-meter buses, or to 15,809 18-meter trolleybuses. With these vehicles, each of the country's metropolitan areas could receive 334 buses, or 171 trolleybuses for mass public transportation. If this were the case, approximately 2 out of every 3 people in the country would benefit. It would also be possible to finance twelve metrobus networks in different cities, with a total length of 125 kilometers each, similar to that of Mexico City.

In turn, the subnational revenues raised in this scenario represent 475 times the average budget of local departments dedicated to climate or environmental issues in the country, and more than 41 times the average state budget allocated to public investment. If the total were divided equally among the federal entities, each one would receive an additional 6.6 billion pesos. Thus, for example, the Department of Ecology and Environmental Management of San Luis Potosí would have 110 times its current budget, or the government of Colima could invest 21 times more to provide public goods and services within its territory.

CONCLUSION



The proposals developed in this document show that **the climate crisis and extreme inequality are not separate problems, but rather distinct expressions of the same model of concentration of wealth, power, and consumption.** In Mexico, a minority concentrates income, assets, and privileged access to highly polluting forms of mobility, while the majority faces the environmental, health, and economic consequences of climate deterioration with fewer resources to protect themselves. Luxury means of transportation represent one of the most visible manifestations of this inequality: enormous amounts of emissions, energy consumption, and public infrastructure used to benefit an extremely small group of people.

In the face of these issues, dismantling the aspirational myth of luxury is essential. For decades, the idea that extreme consumption symbolizes success, modernity or development has been promoted, even when its collective costs are deeply regressive. **Private jets, superyachts, and luxury automobiles do not represent basic needs or shared social well-being; rather, they are forms of polluting ostentation that generate disproportionate environmental damage and deepen climate and class segregation.** While a minority concentrates the capacity to pollute, the majority of the population faces heat waves, poor air quality, urban deterioration, and vulnerability to extreme climate events.

Moreover, this document demonstrates that **there are alternatives to finance climate action and to redistribute wealth: what we need are different political decisions.** The scenarios presented show that it is possible to raise between 30 and 234 billion pesos through technically viable instruments targeted at high-income and high-wealth sectors. The proposals combine progressive taxes on property, updating fees and tariffs for the use of public infrastructure, environmental levies, and the strengthening of subnational instruments. In all cases, the principle is clear: **those who concentrate more wealth and those who pollute the most must contribute more to the financing of the public sphere.**

Likewise, the proposed measures allow for the articulation of two agendas that are only beginning to be discussed together: fiscal justice and climate justice. Urgent climate transitions will hardly be legitimate if their costs fall on the majority, while the most carbon-intensive consumption remains virtually untouched. In contrast, the scenarios presented here are consistent with the commitments and lines of action included in the NDC 3.0 regarding mitigation policy in the transport sector. Therefore, **taxing luxury means of transportation does not only make sense from a revenue-raising perspective, but also as a tool to correct structural inequalities and discourage environmentally destructive consumption patterns.**

It is also important to emphasize that **the potential beneficiaries of these measures are far more numerous than those who might be affected by them.** The vehicles considered in this document represent only a tiny fraction of the national vehicle pool, and are concentrated among very high-income sectors. In contrast, the resources potentially raised could finance electric public transportation, resilient infrastructure, climate adaptation policies, institutional strengthening, and public services for millions of people. The scenarios show that even the least far-reaching proposals could significantly transform the public investment capacity of states and municipalities.

In this sense, it is **essential to limit the mechanisms through which climate vulnerability and environmental damage are transferred from the elites to the rest of society.** Today, a large portion of the costs associated with luxury means of transportation –air pollution, environmental degradation, pressure on public infrastructure, health impacts– are absorbed collectively. Public action must be directed in the opposite direction: strengthening shared welfare mechanisms, expanding access to sustainable mobility, and reducing the territorial and social gaps that deepen climate vulnerability.

Finally, this document underscores the need to **recover the state's fiscal agency to address the climate crisis, particularly at the subnational level.** State and municipal governments are central actors in implementing mitigation, adaptation, mobility, and territorial planning measures, but they have limited fiscal capacities and a strong dependence on federal transfers. Strengthening instruments such as vehicle ownership taxes, subnational environmental taxes, and other progressive taxes would allow for greater financial autonomy and a greater capacity to respond to local needs.

Climate justice also demands transforming the rules that govern public resources from a fiscal justice perspective. **It is unacceptable that the majority of the population finances –with their health, their territory, and their living conditions– the environmental costs of a minority's extreme consumption.** Taxing luxury means of transportation is a concrete way to begin correcting such an inequality, and to start building a model where those who pollute the most, and who concentrate the most wealth, contribute proportionally more to collective well-being, to ecological transition, and to the country's sustainability.

Planes come and go, yachts dock and then set sail, luxury cars leave their trails of smoke, until a new model replaces them, but in all these cases, environmental damages and other costs remain in the communities and territories without there being reparation measures. **It is time for luxury to pay its fare and to adequately compensate the rest of society through their contributions for financing both public goods and services and a just climate transition.**



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