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Subject: Overview of CO₂ taxes and incentives for EVs

Dear colleagues,

Please find herewith an overview of the CO₂ based taxes and incentives for electric vehicles that exist currently in the European Union.

These overviews are based on the input we received for the 2014 edition of the ACEA Tax Guide, which is now available.

Kind regards,

Marc Greven

CO2 BASED MOTOR VEHICLE TAXES IN THE EU

COUNTRY	CO2/FUEL CONSUMPTION TAXES
AT (AUSTRIA)	<p>A fuel consumption tax (Normverbrauchsabgabe or NoVA) is levied upon the first registration of a passenger car. It is calculated as follows: (CO 2 emissions in g/km minus 90 divided by 5) minus NoVA deduction/plus NoVA malus.</p> <p>The deduction amounts to € 350 for diesel vehicles, € 450 for petrol vehicles and € 600 for hybrid and other alternative fuel vehicles. Electric vehicles are exempt. The malus amounts to € 20 for each g/km emitted in excess of 250 g/km.</p>
BE (BELGIUM)	<ol style="list-style-type: none"> 1. The company car tax is based on CO2 emissions. 2. The deductibility under corporate tax of expenses related to the use company cars (50 to 120%) is linked to CO 2 emissions. 3. The Walloon Region operates a malus system whereby cars emitting more than 145 g/km pay a penalty (maximum € 2,500 for cars emitting more than 255 g/km). 4. The registration tax in Flanders is based on CO2 emissions as well as exhaust emissions standards, fuel and age.
BG (BULGARIA)	None
CY (CYPRUS)	<ol style="list-style-type: none"> 1. The registration tax is based on CO 2 emissions. 2. The annual circulation tax is based on CO 2 emissions.
CZ (CZECH REPUBLIC)	None
DE (GERMANY)	<p>The annual circulation tax for cars registered as from 1 July 2009 is based on CO2 emissions. It consists of a base tax and a CO 2 tax. The base tax is € 2 per 100 cc (petrol) and € 9.50 per 100 cc (diesel) respectively. The CO 2 tax is linear at € 2 per g/km emitted above 95g/km. Cars with CO2 emissions below 95 g/km are exempt from the CO 2 tax component.</p>

DK (DENMARK)	<p>1. The annual circulation tax is based on fuel consumption.</p> <ul style="list-style-type: none"> - <u>Petrol cars</u>: rates vary from 580 Danish Kroner (DKK) for cars driving at least 20 km per litre of fuel to DKK 20,160 for cars driving less than 4.5 km per litre of fuel. - <u>Diesel cars</u>: rates vary from DKK 240 for cars driving at least 32.1 km per litre of fuel to DKK 30,360 for cars driving less than 5.1 km per litre of fuel. <p>2. Registration tax (based on price): An allowance of DKK 4,000 is granted for cars for every kilometre in excess of 16 km (petrol) respectively 17 km (diesel) they can run on one litre of fuel. A supplement of DKK 1,000 is payable for cars for every kilometre less than 16 km (petrol) respectively 18 km (diesel) they can run on one litre of fuel.</p>
EE (ESTONIA)	None
ES (SPAIN)	The registration tax is based on CO 2 emissions. Rates vary from 4.75% (121 – 159 g/km) to 14.75% (200 g/km and more).
FI (FINLAND)	<p>1. The registration tax is based on CO2 emissions. Rates vary from 5 to 50%.</p> <p>2. The annual circulation tax is based on CO2 emissions for cars registered since 1 January 2001 (total mass up to 2,500 kg) or 1 January 2002 (total mass above 2,500 kg) respectively and for vans registered since 1 January 2008.</p>
FR (FRANCE)	<p>1. Under a bonus-malus system, a premium is granted for the purchase of a new car when its CO2 emissions are 90 g/km or less. The maximum premium is € 6,300 (20 g/km or less). An additional bonus of € 200 is granted when a car of at least 15 years old is scrapped and the new car purchased emits maximum 90 g/km. A malus is payable for the purchase of a car when its CO2 emissions exceed 130 g/km. The maximum tax amounts to € 8,000 (above 250 g/km).</p> <p>2. Cars emitting more than 190 g/km pay a yearly tax of € 160.</p> <p>3. The company car tax is based on CO2 emissions. Tax rates vary from € 2 for each gram emitted between 50 and 100g/km to € 27 for each gram emitted above 250g/km.</p>
GR (GREECE)	The annual circulation tax for cars registered since 1 January 2011 is based on CO 2 emissions. Rates vary from € 0.90 per gram of CO 2 emitted (101 – 120 g/km) to € 3.40 per gram (above 250 g/km).
HR (CROATIA)	The registration tax is based on CO 2 emissions, price and the type of fuel used. The CO 2 component varies from 1.5% (up to 100 g/km) to 31% (above 300 g/km) for diesel cars and from 1% (up to 100 g/km) to 29% (above 300 g/km) for cars using petrol, CNG or LPG as well as diesel cars meeting Euro 6 standards.
HU (HUNGARY)	None

IE (IRELAND)	<p>1. The registration tax is based on CO2 emissions. Rates vary from 14% for cars with CO 2 emissions of up to 80 g/km to 36% for cars with CO 2 emissions above 225 g/km.</p> <p>2. The annual circulation tax for cars registered since 1 July 2008 is based on CO2 emissions. Rates vary from € 120 (0 g/km) to € 2,350 (above 255 g/km).</p>
IT (ITALY)	<p>Grants are available for the purchase of alternative fuel vehicles (electric, hybrid, natural gas, biogas, LPG, biofuels, hydrogen) emitting maximum 120 g/km. Most grants are available only for companies and conditioned by the scrapping of a vehicle that is at least ten years old. The only exception is the purchase of vehicles with emissions of maximum 95 g/km, for which private individuals can also obtain a grant without having to scrap another vehicle. The grants amount to maximum € 5,000 (up to 50 g/km), € 4,000 (51 - 95 g/km) and € 2,000 (96 – 120 g/km) respectively.</p>
LT (LITHUANIA)	None
LU (LUXEMBOURG)	<p>1. The annual circulation tax for cars registered since 1 January 2001 is based on CO2 emissions. Tax rates are calculated by multiplying the CO2 emissions in g/km with 0.9 for diesel cars and 0.6 for cars using other fuels respectively and with an exponential factor (0.5 below 90 g/km and increased by 0.1 for each additional 10 g of CO2 /km).</p> <p>2. Purchasers of new electric and plug-in hybrid vehicles emitting maximum 60 g/km receive an incentive of € 5,000.</p>
LV (LATVIA)	<p>The registration tax is based on CO2 emissions. Rates vary from € 0.2 per g/km for cars emitting 120 g/km or less to € 3.5 per g/km for cars emitting more than 350 g/km.</p>
MT (MALTA)	<p>1. The registration tax is calculated through a formula that takes into account CO2 emissions, the registration value and the length of the vehicle.</p> <p>2. The annual circulation tax is based on CO2 emissions and the age of the vehicle. During the first five years, the tax only depends on CO2 emissions and varies from € 100 for a car emitting up to 100 g/km to € 180 for a car emitting between 150 and 180 g/km.</p>
NL (THE NETHERLANDS)	<p>1. The registration tax is based on price and CO2 emissions. Cars emitting maximum 85 g/km (diesel) and 88 g/km (other fuels) respectively are exempt from the registration tax.</p> <p>2. Cars emitting maximum 50 g/km are exempt from the annual circulation tax.</p>

PT (PORTUGAL)	<p>1. The registration tax is based on engine capacity and CO2 emissions. The CO2 component is calculated as follows:</p> <ul style="list-style-type: none"> - Petrol cars emitting up to 115 g pay [(€ 4.03 x g/km) – 378.98]. Diesel cars emitting up to 95 g pay [(€ 19.39 x g/km) – 1,540.30] - The highest rates are for petrol cars emitting more than 195g [(€ 143.39 x g/km) – 23,321.94] and for diesel cars emitting more than 160g [(€ 187.97 x g/km) – 23,434.67]. <p>2. The annual circulation tax for cars registered since 1 July 2007 is based on cylinder capacity, CO 2 emissions and age.</p>
PL (POLAND)	None
RO (ROMANIA)	The special pollution tax (registration tax) is based on CO 2 emissions, cylinder capacity, exhaust emission standards and age.
SE (SWEDEN)	<p>1. The annual circulation tax for cars meeting at least Euro 4 exhaust emission standards is based on CO2 emissions. The tax consists of a basic rate (360 Swedish Kroner) plus SEK 20 for each gram of CO2 emitted above 117 g/km. This sum is multiplied by 2.33 for diesel cars. Diesel cars registered for the first time in 2008 or later pay an additional SEK 250 and those registered earlier an additional SEK 500. For alternative fuel vehicles, the tax is SEK 10 for every gram emitted above 117 g/km.</p> <p>2. A five-year exemption from annual circulation tax applies for “green” cars (definition partly based on CO 2 emissions).</p>
SI (SLOVENIA)	The registration tax is based on price and CO 2 emissions. Rates vary from 0.5% (petrol) and 1 % (diesel) respectively for cars emitting up to 110 g/km to 28% (petrol) and 31% (diesel) respectively for cars emitting more than 250 g/km.
SK (SLOVAKIA)	None
UK (UNITED KINGDOM)	<p>1. The annual circulation tax for cars registered after March 2001 is based on CO2 emissions. Rates range from £0 (up to 100 g/km) to £ 490 (for cars over 255 g/km) (alternative fuels receive a £ 10 discount where a rate is paid). A first year rate of registration applies since 1 April 2010. Rates vary from £ 0 (up to 130 g/km) to £ 1,055 (more than 255 g/km).</p> <p>2. The individual’s company car tax liability is based on CO 2 emissions.</p>



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OVERVIEW OF PURCHASE AND TAX INCENTIVES FOR ELECTRIC VEHICLES IN THE EU

This table provides an overview of the incentives that are granted in the Member States of the European Union for the purchase and use of electric and hybrid electric vehicles including plug-in hybrid and conventional hybrid vehicles. Unless specified otherwise, the term “electric vehicles” refers to vehicles that are powered exclusively by an electric motor.

The incentives that are listed here relate only to the vehicle itself. Additional incentives may exist in certain countries for the installation of the necessary recharging infrastructure.

COUNTRY	INCENTIVES
AT (AUSTRIA)	<p>Electric vehicles are exempt from the fuel consumption tax and from the monthly vehicle tax.</p> <p>The Austrian automobile club ÖAMTC publishes the incentives granted by local authorities on its website (www.oeamtc.at/elektrofahrzeuge).</p>
BE (BELGIUM)	<p>Electric vehicles are exempt from registration tax in Flanders.</p> <p>They pay the lowest rate of tax under the annual circulation tax in all three regions.</p> <p>“Ecology premiums” are available in Flanders for companies investing in the purchase of pure electric, plug-in hybrid and extended range electric vehicles.</p> <p>The deductibility from corporate income of expenses related to the use of company cars is 120% for zero-emissions vehicles and 100% for vehicles emitting between 1 and 60 g/km of CO₂. Above 60 g/km, the deductibility rate decreases gradually from 90% to 50%.</p>
BG (BULGARIA)	None
CY (CYPRUS)	None
CZ (CZECH REPUBLIC)	Electric, hybrid and other alternative fuel vehicles are exempt from the road tax (this tax applies to cars used for business purposes only).
DE (GERMANY)	Electric vehicles are exempt from the annual circulation tax for a period of ten years from the date of their first registration.
DK (DENMARK)	Electric vehicles weighing less than 2,000 kg are exempt from the registration tax. This exemption does not apply to hybrid vehicles.

EE (ESTONIA)	None
ES (SPAIN)	None
FI (FINLAND)	Electric vehicles pay the minimum rate (5%) of the CO2 based registration tax.
FR (FRANCE)	<p>Vehicles emitting 20 g/km or less of CO 2 benefit from a premium of € 6,300 under a bonus-malus scheme. For vehicles emitting between 20 and 60 g/km, the premium is € 4,000.</p> <p>For such vehicles, the amount of the incentive cannot exceed 20% of the vehicle purchase price including VAT, increased with the cost of the battery if this is rented. For vehicles emitting less than 20 g/km, this is 27% of the purchase price.</p> <p>Hybrid vehicles emitting 110 g/km or less of CO 2 benefit from a premium of € 3,300.</p> <p>Electric vehicles are exempt from the company car tax. Hybrid vehicles emitting less than 110 g/km are exempt during the first two years after registration.</p>
GR (GREECE)	Electric and hybrid vehicles are exempt from the registration tax.
HR (CROATIA)	None
HU (HUNGARY)	None
IE (IRELAND)	Electric vehicles benefit from VRT (registration tax) relief up to a maximum of € 5,000. For plug-in hybrids, the maximum relief is € 2,500. For conventional hybrid vehicles and other flexible fuel vehicles, the maximum relief is € 1,500.
IT (ITALY)	Electric vehicles are exempt from the annual circulation tax (ownership tax) for a period of five years from the date of their first registration. After this five-year period, they benefit from a 75% reduction of the tax rate applied to equivalent petrol vehicles in many regions.

LT (LITHUANIA)	None
LU (LUXEMBOURG)	Purchasers of electric or plug-in hybrid vehicles emitting 60 g/km or less of CO 2 receive a premium of € 5,000. The purchaser must have concluded an agreement to buy electricity from renewable energy sources in order to obtain the premium.
LV (LATVIA)	Electric vehicles are exempt from the registration tax.
MT (MALTA)	None
NL (NETHERLANDS)	Electric vehicles are exempt from the registration tax BPM. Other vehicles including hybrid vehicles are also exempt from the registration tax if they emit maximum 85 g/km (diesel) or 88 g/km (petrol) of CO 2 respectively. Vehicles emitting maximum 50 g/km of CO 2 are exempt from the annual circulation tax.
PL (POLAND)	None
PT (PORTUGAL)	Electric vehicles are exempt from the registration tax ISV and from the annual circulation tax. Hybrid vehicles benefit from a 50% reduction of the registration tax.
RO (ROMANIA)	Electric and hybrid vehicles are exempt from the registration tax.

<p>SE (SWEDEN)</p>	<p>Five year exemption from paying annual circulation tax: Electric vehicles with an energy consumption of 37 kWh per 100 km or less are exempt from the annual circulation tax for a period of five years from the first registration. The same five year exemption applies to electric hybrid and plug-in hybrid vehicles that fulfill the new green car definition applied for new registrations from 1 January 2013. The definition is dependent on the CO2 emission in relation to the curb weight of the car. The formula for petrol, diesel, electric hybrid cars and plug-in cars is as follows: Maximum CO2-emission allowed=$95 \text{ g/km CO}_2\text{-emission} + 0,0457 \times (\text{the curb weight of the car} - 1372 \text{ kg curb weight})$. Example: a plug-in hybrid car has a CO2-emission of 50 g/km and a curb weight of 1 500 kg: $95 + 0.0457 \times (1500-1372) = 100.8$. The actual CO2-value 50 g/km is less than the calculated value 100.8 which means that the car is classified as a green car with a five year exemption from paying annual circulation tax. Moreover, for both electric cars and plug-in hybrids the electrical energy consumption per 100 km must not exceed 37 kWh to be regarded as a green car.</p> <p>Reduction of company car taxation: For electric and plug-in hybrid vehicles, the taxable value of the car for the purposes of calculating the benefit in kind of a company car under personal income tax is reduced by 40% compared with the corresponding or comparable petrol or diesel car. The maximum reduction of the taxable value is SEK 16,000 per year.</p> <p>Super green car premium new cars: A so called “Super green car premium” (Supermiljöbilspremie) of SEK 40,000 is available for the purchase of new cars with CO2 emissions of maximum 50 g/km. The premium is applied both for the purchase by private persons and companies. For companies purchasing a super green car, the premium is calculated as 35% of the price difference between the super green car and a corresponding petrol/diesel car, with a maximum of SEK 40,000. The premium will be paid for a total of maximum 5000 cars.</p>
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SI (SLOVENIA)	None
SK (SLOVAKIA)	None
UK (UNITED KINGDOM)	<p>Purchasers of electric vehicles and plug-in hybrid vehicles with CO2 emissions below 75 g/km receive a premium of £ 5,000 (maximum) or 25% of the value of a new car or £ 8,000 (maximum) or 20% of the value of a new LCV meeting eligibility criteria (for example, minimum range 70 miles for electric vehicles, 10 miles electric range for plug-in hybrid vehicles).</p> <p>Electric vehicles are exempt from the annual circulation tax. This tax is based on CO2 emissions and all vehicles with emissions below 100 g/km are exempt from it.</p> <p>Electric cars are exempt from company car tax until April 2015 and electric vans are exempt from the van benefit charge until that date too.</p> <p>Electric vehicles and other vehicles emitting less than 95 g/km of CO 2 can claim a 100% first-year allowance for depreciation.</p>