
2019

ACEA Tax Guide



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Foreword

This 2019 edition of the annual Tax Guide published by the European Automobile Manufacturers' Association (ACEA) presents a comprehensive overview of specific taxes that are levied on motor vehicles in Europe, as well as in other major markets around the world.

Counting almost 350 pages, this is the most complete edition to date, which makes it an indispensable tool for anyone interested in the European automotive industry and related policies. The 2019 Tax Guide contains all the latest information about taxes on vehicle acquisition (VAT, sales tax, registration tax), ownership (annual circulation tax, road tax) and motoring (fuel tax).

In addition to looking in detail at the 28 member states of the European Union and the three EFTA countries Iceland, Norway and Switzerland, the Guide also provides in-depth tax information for Brazil, China, India, Japan, Korea, Russia, Turkey and the United States.

The ACEA Tax Guide is compiled with the help of the national associations of motor vehicle manufacturers or importers in all these countries. ACEA would like to extend its sincere gratitude to all involved for making up-to-date information available for this publication.

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ACEA TAX GUIDE 2019

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CHAPTER

01

ACEA TAX GUIDE 2019

EU summary tables

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1 MOTOR VEHICLE TAXATION: EU SUMMARY

1.1 TAXES ON ACQUISITION

Country	VAT ¹	Registration Tax
Austria	20%	Based on CO2 emissions (max 32% + bonus/malus)
Belgium	21%	Based on cylinder capacity and age (Brussels-Capital) Fuel, age, emission standards and CO2 (Flanders) Cylinder capacity, age and CO2-based bonus/malus scheme (Wallonia)
Bulgaria	20%	Plate costs (BGN 25) + eco tax (BGN 160)
Croatia	25%	Based on purchase price, CO2 emissions and fuel type
Cyprus	19%	Based on CO2 emissions and cylinder capacity
Czech Republic	21%	Registration tax (max CZK 800) + eco tax based on emission standards
Denmark	25%	85% of vehicle's value up to DKK 193,400 + 150% of the rest. Reductions based on safety equipment and fuel consumption.
Estonia	20%	Registration label (€62) + registration card (€130)
Finland	24%	Based on retail value and CO2 emissions (min 2.7%, max 50%)
France	20%	Registration tax (varies by region) + CO2-based bonus/malus scheme
Germany	19%	Registration fees (€26.3)
Greece	24%	Based on net retail price, emissions technology and CO2
Hungary	27%	Based on cylinder capacity and emission standards
Ireland	23%	Based basic price and CO2 emissions
Italy	22%	Based on vehicle type and horsepower + registration fees (+ €145.00) + CO2-based bonus/malus scheme
Latvia	21%	Registration costs (€43.93) + national resources tax (€55)
Lithuania	21%	Based on vehicle type
Luxembourg	17%	Registration stamp (€50) + supplement (€24 or €50)
Malta	18%	Based on vehicle's value, CO2 emissions and length
Netherlands	21%	Based on CO2 emissions and fuel efficiency
Poland	23%	Based on cylinder capacity (up to 18.6% of vehicle's value)
Portugal	23%	Based on cylinder capacity and CO2 emissions
Romania	19%	Registration fees (€8.6)
Slovakia	20%	Registration fees (min €33 based on vehicle's value, engine power and age) + plate costs (€16.5)
Slovenia	22%	Based on selling price, CO2 emissions and fuel type
Spain	21%	Based on CO2 emissions (max 14.75% for 200g/km or more)
Sweden	25%	None
United Kingdom	20%	First registration fee (£55)

¹ Situation on 1 January 2019

1.2 TAXES ON OWNERSHIP

Country	Passenger cars	Commercial vehicles
Austria	Engine power (kW)	Gross vehicle weight (GVW) and kW
Belgium	Cylinder capacity, CO2 emissions, fuel type and emission standards	Maximum permissible weight (MPW) (Brussels-Capital and Wallonia) MPW, CO2 emissions, fuel type and emission standards (Flanders)
Bulgaria	Engine power (kW), year of production and emission standards	Maximum permissible weight and number of axles
Croatia	Engine power (kW) and age	Engine power (kW) and age
Cyprus	CO2 emissions	CO2 emissions
Czech Republic	Engine size	Weight and number of axles
Denmark	Fuel consumption and weight	Permitted total weight
Estonia	None	Weight, number of axles and suspension type
Finland	CO2 emissions, weight and fuel type	Weight and number of axles
France	Fiscal power (hp) and CO2 emissions	Weight, number of axles and suspension type
Germany	CO2 emissions and cylinder capacity	Weight, pollution and noise category
Greece	Engine capacity or CO2 emissions	Gross vehicle weight
Hungary	Engine power and year of production	Weight (reduction based on emission standards)
Ireland	Cylinder capacity or CO2 emissions	Deadweight
Italy	kW, emission standards and fuel type	Global weight, number of axles and suspension type
Latvia	GVW, engine capacity (cc), power (kW)	Weight, number of axles and suspension type
Lithuania	None	Weight, number of axles and suspension type
Luxembourg	CO2 emissions or cylinder capacity	Maximum vehicle weight (MVW), axles, suspension type
Malta	CO2 emissions and age	CO2 emissions and age
Netherlands	GVW, province, fuel, CO2 emissions	GVW and number of axles
Poland	None	Weight and number of axles
Portugal	Cylinder capacity and CO2 emissions	GVW, number of axles and suspension type
Romania	Cylinder capacity (cc)	GVW and number of axles
Slovakia	Cylinder capacity and age	GVW and number of axles
Slovenia	None	None
Spain	Engine rating (hp)	Payload
Sweden	Weight, fuel type and CO2 emissions	GVW, number of axles, fuel type, exhaust emissions and CO2
United Kingdom	Engine size or CO2 emission	Dead weight and environmental characteristics

1.3 TAXES ON MOTORING²

Excise duties on fuels in €/1,000 litres		
Country	Unleaded Petrol	Diesel
Austria	482	397
Belgium	600	600
Bulgaria	363	330
Croatia	519	412
Cyprus	429	400
Czech Republic	498	425
Denmark	626	426
Estonia	563	493
Finland	703	530
France	683	594
Germany	655	470
Greece	700	410
Hungary	380	349
Ireland	588	479
Italy	728	617
Latvia	476	372
Lithuania	434	347
Luxembourg	465	338
Malta	549	472
Netherlands	778	496
Poland	391	343
Portugal	643	486
Romania	437	407
Slovakia	547	393
Slovenia	547	469
Spain	504	379
Sweden ³	649	457
United Kingdom	651	651
EU minimum rates	359	330

Source: European Commission, TEDB - "Taxes in Europe" database

² Situation on 1 January 2019

³ Includes energy and CO2 tax

1.4 FISCAL INCOME FROM MOTOR VEHICLES IN THE EU⁴

	AT (€ bn) 2016	BE (€ bn) 2017	DK (DKK bn) 2017	DE (€ bn) 2017	ES (€ bn) 2017	FI (€ bn) 2017	FR (€ bn) 2017	GR (€ bn) 2017	IE (€ bn) 2015	IT (€ bn) 2017	NL (€ bn) 2017	PT (€ bn) 2018	SE (SEK bn) 2017	UK (£ bn) 2017/2018 ⁵
Purchase or transfer	2.868	7.343	-	30.323	-	1.673	17.848	-	0.601	18.260	1.311	4.211	25.000	12.500
1. VAT on vehicle sales, servicing, repair & parts														
2. Fuels & lubricants	5.124	7.874	17.337	42.798	19.712	4.147	39.239	4.153	3.028	35.940	9.842	3.198	45.000	28.100
3. Sales & registration taxes	0.418	0.444	20.143	-	4.809	0.977	2.245	0.256	0.684	1.800	2.000	0.767	-	-
Annual ownership taxes	2.299	1.664	10.333	8.948	2.766	1.169	0.738	1.151	1.124	6.800	4.070	0.644	14.200	6.000
Driving license fees	-	0.017	-	0.170	0.058	-	-	-	-	-	0.266	-	-	-
Insurance taxes	0.343	0.977	1.519	4.500	-	0.373	4.842	-	-	3.850	1.071	-	2.900	-
Tolls	1.951	0.676	0.459	4.700	-	-	12.204	-	-	2.110	-	1.056	2.700	-
Customs duties	-	-	-	0.600	-	-	-	-	-	-	-	-	-	-
Other taxes	0.340	0.636	-	-	0.793	-	1.850	0.126	-	5.650	1.750	-	-	1.500
TOTAL (national currencies)	13.343	19.631	49.791	92.039	28.138	8.339	78.966	5.686	5.437	74.410	20.310	9.876	89.800	48.100
TOTAL (€)⁶	13.3	19.6	6.7	92.0	28.1	8.3	79.0	5.7	5.4	74.4	20.3	9.9	8.6	56.3
GRAND TOTAL = €427.6 billion														

⁴ Latest available data; only countries for which sourced data is available are listed⁵ 2012 estimates for income from VAT and other taxes⁶ Euro foreign exchange reference rates at 3 April 2019; source: ECB



CHAPTER

02

ACEA TAX GUIDE 2019

Austria

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1 TAXES ON ACQUISITION

1.1 VAT

All vehicles (new cars, second-hand cars, passenger cars, caravans, commercial vehicles, buses, etc) are subject to VAT (*Umsatzsteuer*) at a rate of 20% when the vehicle is acquired from a taxable person registered for VAT. VAT is levied on the effective invoice price.

It is possible to deduct the VAT (through input VAT) on the purchase of commercial vehicles for professional use. Except for certain exemptions, such as cars for driving schools and taxis, deductions are not allowed for passenger cars and station wagons (*Kombinationswagen*). Since 1 January 2016 a deduction of VAT (through input VAT) is also applicable for zero-CO₂-emission passenger cars (eg electric vehicles and hydrogen-powered cars).

1.2 FUEL CONSUMPTION/POLLUTION TAX

1.2.1 Calculation of fuel consumption/pollution tax

Fuel consumption/pollution tax (*Normverbrauchsabgabe – NoVA*) is levied on the purchase price (net) or commercial leasing fee of new passenger cars and motorcycles and on passenger cars and motorcycles not yet registered nationally. There are tax exemptions for, inter alia, electric or electrohydraulic cars, cars for driving schools, taxis, ambulances, vehicles for diplomatic use, specific-use vans and vehicles for disabled people.

The percentage is calculated as follows (from 1 March 2014):

Motorcycles with a cylinder capacity exceeding 125cm³

$0.02 \times (\text{cylinder capacity in cm}^3 \text{ minus } 100)$

The maximum NoVA rate for motorcycles is 20%. Motorcycles with a cylinder capacity not exceeding 125cm³ will not be charged NoVA.

Passenger cars (including minibuses and caravans) and station wagons

$[(\text{CO}_2 \text{ emissions in g/km minus } 90) \text{ divided by } 5] \text{ minus NoVA deduction, plus NoVA malus fee (if applicable)}$.

The NoVA malus fee is €20 for each g/km of CO₂ emission exceeding 250g/km (eg CO₂ emissions of 270g/km would result in a malus fee of €400).

CO₂ emissions are calculated based on type permission in accordance with the Austrian Kraftfahrzeuggesetz 1967 or on EU type permission.

A NoVA deduction of €350 for diesel vehicles and of €450 for gasoline vehicles was granted from 1 March 2014 to 31 December 2014. In 2015, this deduction was brought to €400 for diesel and gasoline cars. On 1 January 2016, the deduction was reduced for both types of cars (diesel and gasoline), to €300.

A NoVA deduction of €600 for environmentally friendly vehicles (hybrid, E85, LNG, and hydrogen cars, etc) applied until 31 December 2015. On 1 January 2016 the deduction was reduced to €300.

The maximum NoVA rate for passenger cars is 32% (not including malus fee, if applicable) and is rounded to the nearest whole number. NoVA is incorporated into the basic retail price of the vehicle, but VAT is not applied to the total amount anymore and is now charged separately. NoVA can be refunded for rental/leasing cars exported from Austria based on the standard market value of the car.

Since 1 January 2007, NoVA has also been refunded for vehicles exported from Austria in proportion with the common value of the vehicle. Since 1 January 2016, such a refund has also been available to private persons selling their vehicle to a buyer in a foreign country.

1.3 TAX ALLOWANCES

Taxable persons have several options for recording the acquisition and use of a business vehicle in their financial records.

- Deduction of VAT/other tax benefits: for business vehicles that are not passenger cars or combination cars (except for cars for driving schools, taxi companies, and leasing companies), the VAT on the purchase price can be deducted. Since 1 January 2016 a deduction of VAT (through input VAT) is also applicable for zero-CO2-emission passenger cars (eg electric vehicles and hydrogen-powered cars). In addition, a tax allowance (*Gewinnfreibetrag*, §10 of the *Einkommensteuergesetz*) up to 13% (ie 4.5-13%) of a company's profit can be granted for investing in such vehicles, up to a maximum of €45,350, if the company's profit exceeds €30,000.
- In case of sale of a vehicle owned for at least seven years, the profit resulting from the difference between the sale price and the registered book value can be deducted from the acquisition price of new goods (instead of being treated as profit from the sale).
- Depreciation can be applied to all vehicles if they are used for business purposes. Depreciation of a vehicle is generally calculated on eight years or more (passenger cars) or three to ten years (all other vehicles) based on the purchase price (including pollution tax and VAT, if not deductible). If the value of a car is such that it is considered a luxury product (ie purchase price exceeding €40,000), only the percentage up to this amount (including all accessories) is deductible in the tax declaration for depreciation.
- Operating costs – or at least the percentage of the operating costs that result from business use of the car – can be deducted from profit. If the car is used for private means to a certain extent, this percentage of the total cost is not deductible from corporate income. The operating costs (including depreciation) of a private car used for business purposes can be deducted at a rate of €0.42/km (since 1 August 2008).

1.4 REGISTRATION CHARGES

For the registration of vehicles, the following administration fees are charged:

Vehicle type	New vehicles (€)	Second-hand vehicles (€)
Passenger cars, station wagons	193.50	193.50
Lorries, coaches	193.50	193.50
Heavy machinery	183.00	183.00
Special vehicles, trailers	183.00	183.00
Motorcycles	184.50	184.50
Deregistration	–	–

2 TAXES ON OWNERSHIP

2.1 VEHICLE TAX

Vehicle tax is levied on all Austrian vehicles and on all foreign vehicles registered in Austria. The basis of taxation is cylinder capacity for motorcycles and horsepower for all other vehicles.

Passenger cars and station wagons subject to compulsory third-party insurance – from 1 January 1997 for all vehicles with a gross weight below 3.5t – Engine-Related Insurance Tax (*Motorbezogene Versicherungssteuer*) is applicable, whereas Vehicle Tax (*Kraftfahrzeugsteuer*) applies to all other vehicles.

2.1.1 Calculation of Vehicle Tax

The monthly rates of vehicle tax can be calculated using the following formula:

Type of vehicle (gross weight)	Monthly rate (€)	Notes	Minimum rate (€)	Maximum rate (€)
Motorcycles ¹	0.025/cm ³ (for yearly payment in advance)	Per cm ³ cylinder capacity	-	-
Passenger cars, station wagons and vehicles < 3.5t ^{2 3}	For all vehicle engines: 0.62 × (kW – 24) × f (for the first 66kW) 0.66 × (kW – 24) × f (for the next 20kW) 0.75 × (kW-24) × f (for each exceeding kW)	kW = kilowatts f = number of months (for yearly payment in advance)	6.20	72.00 (doesn't apply to passenger and station wagons)
Vehicles 3.5-12t	1.55/t	-	15.00	-
Vehicles 12t-18t	1.70/t	-	-	-
Vehicles > 18t	1.90/t	-	-	80.00
Trailers 3.5-12t 12-18t > 18t	1.55/t 1.70/t 1.90/t	-	15.00	66.00

For motorcycles, passenger and station wagons, and other vehicles registered abroad and being temporarily used in Austria, a daily rate of vehicle tax (*Kraftfahrzeugsteuer*) of €1.10; €2.20; and €13.00, respectively, may be applied.

2.1.2 Tax exemptions

The main tax exemptions apply to vehicles used in official services (eg local authorities, ambulance services, the fire brigade, etc); buses and coaches; taxis; vehicles for disabled people; electric cars; heavy equipment (construction equipment, bulldozer, excavators, etc); motorcycles with a cylinder capacity

¹ For monthly payment in advance, the rate increases by 10%. For motorcycles, then, a monthly payment rate of €0.0275/cm³ applies. An increase of 6% and 8% applies to 6-monthly and quarterly payments, respectively.

² The tax is payable together with the insurance premium. The rate increases by 20% for vehicles registered before 1 January 1987 if they do not meet certain emission standards.

³ For monthly payment in advance, the rates mentioned increase by 10% (§6 *Versicherungssteuergesetz*) – ie €0.682/month, €0.726/month, €0.825/month – and a maximum rate of €80 applies. An increase of 6% and 8% applies to 6-monthly and quarterly payments, respectively.

below 100cm³; vehicles with a gross weight of over 3.5t used for combined transport to and from inland railway stations only; vehicles exempt due to bilateral contracts (eg holiday traffic).

According to EU law, there are further exemptions for vehicles with a gross weight of over 12t registered in another EU Member State and used in Austria; cars owned by foreign students registered in another EU member state and used in Austria; and passenger cars and combination cars registered in another EU member state and used in Austria for a period not exceeding six months.

3 TAXES ON MOTORING

3.1 FUEL TAX

	Diesel	LPG	Super95	Super100
Product cost incl profit (€/1000l)	877.03	488.17	826.64	1,001.64
<i>Pflichtnotstandsreserve</i> ⁴ (€/1000l)	12.64	0.00	11.36	11.36
Fuel tax (€/1000l)	397.00	261.00	482.00	482.00
Subtotal (€/1000l)	1,286.66	749.17	1,320.00	1,495.00
VAT (%)	20.00	20.00	20.00	20.00
Price at the pump (€/1000l)	1,544.00	899.00	1,584.00	1,794.00

Figures as at 12 February 2019

In general, fuel tax rates depending on the fuel type, the amount of sulphur and the amount of biogenous material in the fuel are as follows:

Type of fuel	Rate of MÖSt ⁵ in €/1000l
Unleaded/Eurosuper (Super95)/SuperPlus (Super100) with an amount of sulphur ≤ 10mg/kg (≤ 0.013g Pb/l)	515.00
Unleaded/Eurosuper (Super95)/SuperPlus (Super100) with an amount of sulphur > 10mg/kg (≤ 0,013g Pb/l)	515.00
Unleaded/Eurosuper (Super95)/SuperPlus (Super100) with an amount of sulphur ≤ 10mg/kg (≤ 0.013g Pb/l) with biogenous amount min 46l/1000l	482.00
Diesel with an amount of sulphur ≤ 10mg/kg	425.00
Diesel with an amount of sulphur > 10mg/kg	425.00
Diesel with an amount of sulphur ≤ 10mg/kg with biogenous amount min 66l/1000l	397.00

Figures as of 29 December 2015

3.2 INSURANCE TAXES

All vehicles must be covered by a third-party insurance policy. Insurance policies are subject to an insurance tax (*Versicherungssteuer*) amounting to 11% of the annual fee.

⁴ Compulsory emergency reserves

⁵ Fuel Tax. Basis legal act published on 1 January 2011

3.3 TOLLS/ROAD PRICING CHARGE

Passenger cars and light commercial vehicles

It is compulsory for motorcycles, passenger cars, and other vehicles with a gross weight of up to 3.5t to carry a toll sticker (*Vignette*) for circulation on all Austrian highways and expressways. In addition to the traditional toll sticker (*Vignette*), a digital form (*Digital Vignette*) has been introduced in 2018.

Tolls on other specified roads can be levied in addition.

Toll sticker prices, including VAT, are as follows:

	Yearly toll sticker	2-month toll sticker	10-day toll sticker
Validity	1 December of the previous year to 31 January of the following year	2 consecutive calendar months	0:00 hours on the day of issue to 24:00 hours on the 9 th consecutive day
Cost for motorcycles (€)	35.50	13.40	5.30
Cost for cars and other vehicles up to 3.5t (gross weight)⁶ (€)	89.20	26.80	9.20

Figures as at 1 December 2018

On 1 September 2008, a *KorridorVignette* was introduced for vehicles with a gross weight of more than 3.5t driving along the A14, the corridor between the German border and the *Hohenems* junction (near the Swiss border crossing), costing €2.00 one way or €4.00 return, inclusive of VAT. The revenue from the toll stickers is used for construction and maintenance on the highly developed sections of the road network and infrastructure.

Certain Austrian road sections (eg *Brenner*, *Tauerntunnel*, *Bosruck/Gleinalm*, *Karawankentunnel*, *Arlbergtunnel*) have had a distance-related toll for some time. Drivers on these roads do not need to purchase toll stickers.

The following applies to circulation of passenger cars up to 3.5t on these roads:

- Commuters on their way to work do not have to pay to use these sections of road
- With the possession of a yearly toll sticker (*Vignette*), €40 is deducted from the purchase price of a yearly toll road ticket for certain Austrian road sections (eg *Brenner*, *Tauerntunnel*, *Arlbergtunnel*)

Heavy commercial vehicles

A distance-related road pricing charge (*Fahrleistungsabhängige Maut*) was introduced on 1 January 2004 for all vehicles, vehicle combinations and buses exceeding 3.5t in gross weight for circulation on all Austrian highways and expressways. The road pricing charge is based on kilometres travelled and number of axles, and, since 1 January 2010, on the EURO emission class of the vehicle (for environmental reasons). Since 1 January 2017 noise pollution is also considered along with air pollution (EURO emission classes as well as purely electric drives and hydrogen fuel cell drives).

⁶ Trailers towed by these vehicles are not obliged to carry toll stickers. Camping vehicles require only one toll sticker for a vehicle up to 3.5t, regardless of the actual gross weight.

Buses, vehicles and vehicle combinations with a gross weight > 3.5t (valid from 1 January 2019)						
Road pricing per km in € (excluding 20% VAT). Mileage-based toll including surcharges for air and noise pollution						
EURO emission class/drive type	Category 2 (two axles)		Category 3 (three axles)		Category 4+ (four or more axles)	
	Day	Night ⁷	Day	Night ⁷	Day	Night ⁷
Drive type E/H2 (covers purely electric drives and hydrogen fuel cell drives)	0.18550	0.18590	0.26033	0.26125	0.39011	0.39127
A: EURO-emission class EURO VI	0.18820	0.18860	0.26411	0.26503	0.39443	0.39559
B: EURO-emission class V and EEV ⁸	0.20240	0.20280	0.28399	0.28491	0.41875	0.41991
C: EURO-emission class EURO IV	0.20870	0.20910	0.29281	0.29373	0.42883	0.42999
D: EURO-emission class EURO 0 to III	0.22870	0.22910	0.32081	0.32173	0.46083	0.46199

Figures as at 1 January 2018

For charging reasons, each vehicle exceeding 3.5t in gross weight must be equipped with a GO-Box electronic transmitter. The GO-Box can be obtained for a rental price of €5 at border stations and other specific points of sale (eg gas stations, highway restaurants, etc).

For certain Austrian road sections (eg *Brenner, Tauern tunnel, Arlberg tunnel*) having a distance-related toll system, the toll will now be charged electronically through the GO-Box.

4 PRIVATE USE OF A COMPANY CAR

As of 1 January 2016, the amount of the taxable total benefit in kind for the private use of a company car considers the CO₂ emissions of the car in the year of purchase.

Year of purchase	CO ₂ -emissions limit (g/km)
before 2017	130
2017	127
2018	124
2019	121
from 2020	118

If car emissions do not exceed the CO₂ emissions limit in the year of purchase, the total benefit is based at 1.5% of the purchase price (including VAT, NoVA, accessories, etc) per month; the maximum amount is €720. For the use of a car exceeding the relevant CO₂ emission limit in the year of purchase, the total benefit is estimated at 2% of the purchase price (including VAT, NoVA, accessories, etc) per month; the maximum amount is €960.

A reduction of 50% on the total benefit (calculated as above) is applicable if a maximum of 500km of private use can be proven each month. If a kilometre-driven calculation approach at €0.50/km and €0.67/km (€0.72/km and €0.96/km if a driver is added) leads to a lower result than 50% for 1.5% (low CO₂ emissions) and 2% (ordinary rated cars), the lower result may be considered a benefit in kind (under the condition that true records on private use are kept).

⁷ The night rates apply between 10pm and 5am

⁸ EEV: Energy Efficient Vehicles

The private use of zero-CO₂-emission cars (eg electric cars) is fully exempt from the taxation mentioned above. The benefit of fuel is not charged separately.

For providing a free parking lot in areas with regular on-street parking controls, a benefit in kind of €14.53 per month is estimated.

Employers as well as employees are obliged to pay national insurance contributions on this sum.

5 PERIODIC INSPECTION OF VEHICLES

Periodic inspections (§57a KFG) must be carried out annually. The cost in euros of the inspection (including 20% VAT) is as follows:

Passenger and station wagons (M1)	62.00
Taxis, rental cars	62.00
Lorries < 3.5t (gross weight)	70.68
Lorries with two axles	134.16
Lorries with three axles	147.12
Lorries with four axles	180.48
Buses, coaches	156.00
Trailers < 0.750t (gross weight), motorcycles	29.00
Trailers > 0.750t (gross weight) with two axles or more	69.60
Trailer > 0.750t (gross weight) with three axles or more	69.60

There is an additional administration fee of €1.90 for the inspection sticker.

New passenger cars and station wagons (M1) must be inspected after three years for the first time and after other two years for the second time before starting an annual inspection frequency.

Buses and coaches for public transport must be checked – in addition to the yearly periodic inspections (§57a KFG) – also every three months (for scheduled services) and every six months, in general carrying out a basic safety check.



CHAPTER

03

ACEA TAX GUIDE 2019

Belgium

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Manufacturers
Association

1 ENGINE RATINGS

1.1 PASSENGER CARS (CARS, MULTI-PURPOSE CARS (MPC) AND MINIBUSES)

The engine rating or horsepower (hp) of motor vehicles is determined by means of the formula below, where cc stands for cylinder capacity in litres, and *K* for the coefficient that varies according to the cylinder capacity of the engine:

$$hp = (4 \times cc) + K$$

Cylinder capacity (l)	Coefficient <i>K</i>	Cylinder capacity (l)	Coefficient <i>K</i>
≤ 0.9	1.5	2.4 - 2.6	3.25
1.0 - 1.2	1.75	2.7 - 3.3	3.50
1.3 - 1.5	2	3.4 - 3.9	3.75
1.6 - 1.7	2.25	4.0 - 4.9	4
1.8 - 1.9	2.5	5.0 - 5.9	4.5
2.0 - 2.1	2.75	> 6	5
2.2 - 2.3	3		

Resulting table (fiscal hp):

Cylinder capacity (cc)	Fiscal hp	Cylinder capacity (cc)	Fiscal hp
≤ 750	4	3,951 - 4,150	20
751 - 950	5	4,151 - 4,350	21
951 - 1,150	6	4,351 - 4,650	22
1,151 - 1,350	7	4,651 - 4,850	23
1,351 - 1,550	8	4,851 - 5,050	24
1,551 - 1,750	9	5,051 - 5,250	25
1,751 - 1,950	10	5,251 - 5,550	26
1,951 - 2,150	11	5,551 - 5,750	27
2,151 - 2,350	12	5,751 - 5,950	28
2,351 - 2,550	13	5,951 - 6,150	29
2,551 - 2,750	14	6,151 - 6,350	30
2,751 - 3,050	15	6,351 - 6,650	31
3,051 - 3,250	16	6,651 - 6,850	32
3,251 - 3,450	17	6,851 - 7,150	33
3,451 - 3,650	18	7,151 - 7,350	34
3,651 - 3,950	19	7,351 - 7,550	35

1.2 VANS, TRUCKS, ARTICULATED GOODS VEHICLES, TRAILERS

The tax is assessed according to the weight of the vehicle. The taxable weight is that of an empty vehicle in working order, that is, including the body, all attachments and accessories and a full tank of fuel but without passengers or load.

2 TAXES ON ACQUISITION

2.1 TAXES, CHARGES AND INCENTIVES ON VEHICLE ACQUISITION AT FEDERAL LEVEL

2.1.1 VAT in the context of the purchasing and selling of vehicles

The purchase of private cars and commercial vehicles is subject to VAT at the rate of 21%. VAT is levied on the actual invoice price at the time of sale of the vehicle.

Whether or not VAT is due depends on the VAT liability of the seller and purchaser, the vehicle and owner type, and the origin and destination of the vehicle. The different possible VAT schemes, as well as whether or not the Tax on Entry into Service (TES) is due (see also section 2.2), are shown in the tables below.

Purchase of a vehicle in Belgium by a person living in Belgium

Cars, minibuses, motorcycles, camping vehicles, light and heavy commercial vehicles, buses and coaches

State of vehicle	Seller	Purchaser	VAT	TES
New	Anybody	Anybody	VAT to be paid in destination state	Yes
Second-hand	VAT-liable	VAT-liable	VAT to be paid in destination state	Yes
	VAT-liable	Non-liable	VAT to be paid in Belgium	Yes
	Non-liable	Anybody	No VAT due	Yes

Trailers, semi-trailers, camping trailers

State of vehicle	Seller	Purchaser	VAT	TES
New or second-hand	VAT-liable	VAT-liable	VAT to be paid in destination state	No
	VAT-liable	Non-liable	VAT to be paid in Belgium	No
	Non-liable	Anybody	No VAT due	No

Purchase of a vehicle in Belgium by a person living in another EU member state

Cars, minibuses, motorcycles, camping vehicles, light and heavy commercial vehicles, buses and coaches

State of vehicle	Seller	Purchaser	VAT	TES
New	Anybody	Anybody	VAT to be paid in destination state	No
Second-hand	VAT-liable	VAT-liable	VAT to be paid in destination state	No
	VAT-liable	Non-liable	VAT to be paid in Belgium	No
	Non-liable	Anybody	No VAT due	No

Trailers, semi-trailers, camping trailers

State of vehicle	Seller	Purchaser	VAT	TES
New or second-hand	VAT-liable	VAT-liable	VAT to be paid in destination state	No
	VAT-liable	Non-liable	VAT to be paid in Belgium	No
	Non-liable	Anybody	No VAT due	No

Purchase of a vehicle in Belgium by a person living outside the EU

The purchase of a vehicle by a person not living in an EU member state is not subject to VAT on condition that the Belgian dealer can prove that the vehicle was exported.

Purchase of a vehicle in another EU Member State by a person living in Belgium

State of vehicle	Seller	Purchaser	VAT	TES
New	Anybody	Anybody	VAT to be paid in Belgium	Yes
Second-hand	VAT-liable	VAT-liable	VAT to be paid in Belgium	Yes
	VAT-liable	Non-liable	VAT to be paid in origin member state	Yes
	Non-liable	Anybody	No VAT due	Yes

Light and heavy commercial vehicles, articulated vehicles

State of vehicle	Seller	Purchaser	VAT	TES
New	Anybody	Anybody	VAT to be paid in Belgium	No
Second-hand	VAT-liable	VAT-liable	VAT to be paid in Belgium	No
	VAT-liable	Non-liable	VAT to be paid in origin member state	No
	Non-liable	Anybody	No VAT due	No

Trailers, semi-trailers, camping trailers

State of vehicle	Seller	Purchaser	VAT	TES
New or second-hand	VAT-liable	VAT-liable	VAT to be paid in Belgium	No
	VAT-liable	Non-liable	VAT to be paid in origin member state	No
	Non-liable	Anybody	No VAT due	No

Purchase of a vehicle outside the EU by a person living in Belgium

The purchaser living in Belgium has to inform the dealer that the vehicle will be exported.

VAT exemptions

Taxable persons are entitled to deduct a maximum of 50% of the VAT paid on the purchase of cars for professional use and on goods and services relating to them (see 'VAT deductibility' in section 4.4.1). The 50% deduction rate entitlement does not apply to:

- trucks, light commercials, buses and coaches;
- cars sold or hired in the course of the specific occupation of the sale or hiring of cars;
- vehicles adapted for exclusive use in the fare-paying transport of persons (taxis);
- specifically adapted cars, devoted exclusively to practical driving instruction within approved driving schools.

The portion of non-deductible VAT may be treated as a general expense or may be written down by 100% at the same rate as the net realisable or resale value of these vehicles.

2.1.2 Registration plate

Since 1 January 2012, the price of a registration plate delivered by the Federal Public Service Mobility and Transport is €30. The price for a personalised registration plate is €1,000.

2.1.3 Incentives for the acquisition of clean vehicles at federal level

Since 1 January 2013, the granting of environmental incentives has, in principle, no longer been exercised at federal level. From that date onwards, the regions had to decide to grant incentives for low-emissions cars. However, some federal incentives exceptionally still remain effective in 2019 (as they did in 2018):

- Personal Income Tax (PIT) reduction of 15% (to a maximum of €3,140) on the purchase price of a powered two- or three-wheeler purchased by a private person and which is exclusively powered by an electric motor, which can transport at least two persons and for which a driving licence is needed

- PIT reduction of 15% (to a maximum of €5,150) on the purchase price of a powered four-wheeler (no M1 cars) purchased by a private person and which is exclusively powered by an electric motor, which can transport at least two persons and for which a driving licence is needed

2.2 TAXES, CHARGES AND INCENTIVES ON ACQUISITION AT REGIONAL LEVEL

A Tax on the Entry into Service (TES) or *Taxe de mise en circulation* (TMC) or *Belasting op de inverkeersstelling* (BIV), is levied in Belgium on new and second-hand cars, minibuses and motorcycles at the moment of their registration. The TES amounts (expressed in euros) apply to cars, minibuses and motorcycles depending on their power (expressed in fiscal hp or kW) and age. They are set out in the table below:

hp	Up to 8 ≤ 1,550cc	9 1,551- 1,750cc	10 1,751- 1,950cc	11 1,951- 2,150cc	12 2,151- 2,350cc	13 2,351- 2,550cc	14 2,551- 2,750cc	15 2,751- 3,050cc	16 3,051- 3,250cc	17 3,251- 3,450cc	> 17 >3,450cc	
kW	Up to 70	71-85	71-85	86-100	101-110	101-110	101-110	111-120	121-155	121-155	> 155	
New vehicle	61.50	123.00	123.00	495.00	867.00	867.00	867.00	1,239.00	2,487.00	2,487.00	4,957.00	
Vehicles which have been registered	< 1 y	61.50	123.00	123.00	495.79	867.00	867.00	1,239.00	2,487.00	2,487.00	4,957.00	
	< 2 y	61.50	110.70	110.70	445.50	780.30	780.30	1,115.10	2,230.20	2,230.20	4,461.30	
	< 3 y	61.50	98.40	98.40	396.00	693.60	693.60	991.20	1,982.40	1,982.40	3,965.60	
	< 4 y	61.50	86.10	86.10	346.50	606.90	606.90	867.30	1,734.60	1,734.60	3,469.90	
	< 5 y	61.50	73.80	73.80	297.00	520.20	520.20	743.40	1,486.80	1,486.80	2,974.20	
	< 6 y	61.50	61.50	61.50	272.25	476.85	476.85	681.45	1,362.90	1,362.90	2,726.35	
	< 7 y	61.50	61.50	61.50	247.50	433.50	433.50	619.50	1,239.00	1,239.00	2,478.50	
	< 8 y	61.50	61.50	61.50	222.75	390.15	390.15	557.55	1,115.10	1,115.10	2,230.65	
	< 9 y	61.50	61.50	61.50	198.00	346.80	346.80	495.60	991.20	991.20	1,982.80	
	< 10 y	61.50	61.50	61.50	173.25	303.45	303.45	433.65	867.30	867.30	1,734.95	
	< 11 y	61.50	61.50	61.50	148.50	260.10	371.00	371.00	371.00	734.40	734.40	1,487.10
	< 12 y	61.50	61.50	61.50	123.75	216.75	216.75	309.75	619.50	619.50	1,239.25	
	< 13 y	61.50	61.50	61.50	99.00	173.40	173.40	247.80	495.60	495.60	991.40	
	< 14 y	61.50	61.50	61.50	74.25	130.05	130.05	185.85	371.70	371.70	743.55	
	< 15 y	61.50	61.50	61.50	61.50	86.70	86.70	123.90	247.80	247.80	495.70	
≥ 15 y	61.50	61.50	61.50	61.50	61.50	61.50	61.50	61.50	61.50	61.50	61.50	

If the power of one and the same engine, expressed in fiscal hp and in kW leads to two different TES amounts, the higher amount is due.

The TES, as well as the related charges and incentives, are a competence of the regions. Some aspects of the TES scheme are the same in the three regions; others differ from region to region (eg a minimum tariff applies to battery electric vehicles (BEV) in Brussels-Capital and the Walloon Region, whereas they are exempt from the TES in the Flemish Region).

2.2.1 Brussels-Capital Region

The TES scheme described in section 2.2 remains fully applicable in the Brussels-Capital Region.

Bruxell'air premium

Any person living in the Brussels-Capital Region who deregisters his/her licence plate and/or provides the proof of the destruction of the vehicle will, under certain conditions, receive the 'Bruxell'air' premium (which may mean the 'mobility package', depending on the option chosen).

Under certain conditions, deregistration of the licence plate entitles a person to:

- a metro/tram/bus subscription for one year and a 'Cambio Start' (car sharing system) subscription for one year; or
- a 'bike premium' and a Cambio Start subscription for one year.

Under certain conditions, a deregistration of the licence plate and the destruction of the vehicle entitles a person to:

- metro/tram/bus subscription for one year and a Cambio Start subscription for one year, both renewable once; or
- a metro/tram/bus subscription for one year, a Cambio Start subscription for one year, renewable once, and a bike premium; or
- a Cambio Start subscription for one year, renewable once, and a double bike premium.

For more details, see: www.prime-bruxellair.be/

"LEZ" premium

Following the introduction of a LEZ scheme (Low Emission Zone) on 1 January 2018, the most polluting vehicles are prohibited in the Brussels-Capital Region. Year after year, the access conditions become stricter. In this context, the Brussels-Capital Region wants to help micro and small companies replace their old light commercial vehicles. This boost is reflected in a premium of up to €3,000. Conditions for obtention are:

- be a micro (< 10 workers) or small company (10 to 49 workers) active in one of the admitted sectors of activity;
- submit the premium request before signing any order form.

The investment must:

- have a link with the company's activities;
- be recorded as fixed assets in the annual financial statements (legal entities) or in the depreciation table (natural persons);
- concern new property: second-hand vehicles are not allowed (with the exception of those acquired from a professional whose activity involves the sale of such vehicles);
- certain types of investments are not allowed: lavish spending, export-related, rental, etc. The vehicle to be replaced must be of N1 category (light commercial vehicles) and must be registered in the Brussels-Capital Region.

Furthermore, the entitled vehicle must:

- from 1 January 2019 to 31 December 2019 (year of application for the premium), be a Euro 3/III standard diesel vehicle (prohibited in RBC from 2020);
- from 1 January 2020 to 31 December 2021, be a Euro 4/IV standard diesel vehicle (prohibited in RBC from 2022);
- from 1 January 2022 to 31 December 2024, be a Euro 5/V diesel vehicle or a Euro 2/II petrol or natural gas vehicle (prohibited in RBC from 2025). Attention: in each period defined for the application for a premium, the replaced vehicle must only be of the mentioned standard (eg in 2019, only Euro 3/III vehicles can be replaced, not Euro 4/IV or Euro 5/V vehicles).

The new vehicle:

- may not be powered by a diesel engine;
- must be of N1 category (light commercial vehicles);
- must be registered in the Brussels-Capital Region (except in the case of leasing);
- must be purchased for effective operation in the Brussels-Capital Region.

The premium consists of 20% of the eligible expenses with a maximum of €3,000 per vehicle replaced. A company can benefit from a premium for a maximum of three vehicles per period.

Financial incentives for environmental investments of companies

These incentives apply to companies which acquire electric, hybrid or fuel-cell road vehicles. Financial assistance is capped at €80,000 per company, at €5,000 for commercial vehicles, and 20% of the eligible investment of €3,000 for other vehicles.

See also:

<http://werk-economie-emploi.brussels/investissements-environnementaux>

2.2.2 Flemish Region

In the Flemish Region, there is a 'green' TES for private persons and for companies that do not lease cars as part of their activities. Companies that carry out car-leasing activities remain subject to the TES scheme described in section 2.2.

For other companies and private persons, the TES is calculated on a different basis: fuel, age, Euronorm (the limit values of the different pollutants) and CO2 emissions of the car. This formula applies to newly registered cars (new or second-hand). Cars already registered remain out of scope. As from 1 January 2019, the formula is as follows:

$$\text{TES} = \frac{[(\text{CO}_2 \times f + x)^6 \times 4,500 + c] \times LC}{246}$$

Where:

- the minimum TES amount is fixed at €40, the maximum at €10,000. These amounts are indexed with the national consumer price index on 1 July of each year (they are €44.51 and €11,126.51 from 1 July 2018 to 30 June 2019)
- f = fuel correction factor; $f = 1$, except for liquefied petroleum gas (LPG) ($f = 0.88$) and natural gas ($f = 0.93$)
- x = CO2 correction factor; $x = 0$ in 2012 and increases by 4.5g/km CO2 per year as from 2013 (= 9 in 2014; = 13.5 in 2015; = 18 in 2016; = 22.5 in 2017; = 27 in 2018; = 31.5 in 2019)
- LC = age correction factor, based on the age of the vehicle calculated from the date of its first entry into service; $LC = 100\%$ when the vehicle's age is less than 12 full months, and decreases by 10% per extra 12 months of age until a minimum rate of 10% is reached (at an age of at least 108 months)
- c = fixed price by Euronorm and fuel type, as shown in the table below:

Diesel	Euronorm	Amount for c from 1 July 2018 to 30 June 2019 (€)	Petrol, LPG and natural gas	Euronorm	Amount for c from 1 July 2018 to 30 June 2019 (€)
		Euro 0		3,034.65	
	Euro 1	890.32		Euro 1	530.16
	Euro 2	659.86		Euro 2	161.41
	Euro 3	522.91		Euro 3	101.25
	Euro 3 with DPF	495.04			-
	Euro 4	495.04		Euro 4	24.30
	Euro 4 with DPF	486.27			-
	Euro 5	486.27		Euro 5	21.84
	Euro 6	481.27		Euro 6	21.84

Note: DPF, diesel particulate filter

Exempt:

- Exclusively electrically powered passenger cars
- Plug-in hybrid cars emitting no more than 50g/km CO₂ (until 31 December 2020)
- CNG/LNG passenger cars with no more than 11 fiscal hp (until 31 December 2020). For vehicles with more than 11 fiscal hp (2,151cc), the TES amount is reduced by €4,000.

Incentives for electric and hydrogen-powered cars and vans: 'Zero Emission Bonus'

Effective as of 1 January 2016.

- The bonus is only for zero-emission battery electric vehicles (BEVs) or H₂ (hydrogen-powered) vehicles in the M1 and N1 vehicle categories. As from 1 April 2018, the bonus will also be granted to class B mopeds ($\leq 45\text{km/h}$), excluding e-bikes and motorcycles.
- It is for purchased or leased by private persons, non-profit associations and car sharing providers (as from 1 January 2018); the bonus premium applies only once.

The bonus amount depends on the list value (catalogue value) of the vehicle, defined by the Flemish Government as 'the recommended list price (catalogue price) of the vehicle in new state excluding options and including the VAT actually paid, without taking into account any promotional discounts, rebates, etc.

In case of leasing or renting of the battery, the leasing/renting price for a period of 36 months is standard added to the list value of the vehicle (if leasing/renting price depends on mileage and/or duration, the price for 15,000 km/year for 36 months is standard use).

The bonus has to be requested within three months following the date of registration of the vehicle. The date of request is decisive for the year for which the bonus is granted.

As from 2019, the amount of the bonus will be defined as follows:

List value (catalogue value = C)	2016 (€)	2017 (€)	2018 (€)	2019 (€)
$C < €31,000$	5,000	4,000	4,000	4,000
$€31,000 \leq C < €41,000$	4,500	3,500	3,500	3,500
$€41,000 \leq C < €61,000$	3,000	2,500	2,500	2,500
$C \geq €61,000$	2,500	2,000	2,000	2,000

For hydrogen-powered vehicles, the amount of the bonus is fixed at €4,000 regardless of the catalogue value.

Incentives for a retrofit DPF on Euro 3 and Euro 4 cars

The Flemish Government grants incentives to private and legal persons residing in the Flemish Region for a retrofit DPF on Euro 3 and Euro 4 cars registered for the first time before 3 September 2010 (ie the date of publication of the law): the incentive is 100% of the DPF purchase and installation cost, with a maximum amount of €600.

Ecology Premium for green investments by companies

The Flemish Government grants a so-called Ecology Premium to companies that invest in environmentally friendly and/or energy-efficient technologies, which are listed in a Limited Technology List. This list is regularly reviewed and updated by the Flemish Administration for Environment (last update on 1 February 2019).

The amount of the subsidy is determined by:

- the type of investment (environment, (renewable) energy (efficiency) or cogeneration);
- the size of the company (whether it is a small or medium-sized enterprise (SME) or not);
- the environmental performance/potential of the technology (expressed as 'eco-classes' and 'ecology scores'); and
- the subsidy bonus (as a percentage of the investment amount that can be taken into account).

The table below (last update on 1 February 2019) shows the automotive-related technologies and investments that qualify for the Premium, as well as the conditions under which they qualify:

Limited Technology List: automotive-related technology	Eco-class	Ecology score	Additional investment cost considered (%)	Premium for SME (%)	Premium for large enterprise (%)
Fuel-cell transport system	B	6	65	30	15
Transformation from ICE to hydrogen engine (off-road vehicles included)	B	6	100	30	15
New CNG light duty vehicles (Monofuel or dual fuel)	B	6	20	30	15
New CNG trucks (Monofuel, maximum investment amount of €100,000)	A	9	30	50	40
New LNG trucks (maximum investment amount of €120,000)	A	9	40	50	40
New dual fuel trucks (> 90% LNG; < 10% diesel) (maximum investment amount of €120,000)	A	9	40	50	40
Transformation from ICE to CNG/LNG engine for trucks	B	6	100	30	15
Fuelling infrastructure for LNG	A	9	80	50	40
Fuelling infrastructure for LNG & CNG	A	9	80	50	40
Fuelling infrastructure for hydrogen with a maximum of €2m per fuelling infrastructure	A	9	90	30	15

Example: ecology premium for:

- €50,000 fuel-cell vehicle purchased by an SME: $65\% \times €50,000 \times (30\% \text{ for SME}) = €9,750$

Subsidy requests can only be made electronically via www.ecologiepremie.be

2.2.3 Walloon Region

The Walloon Region has a CO₂-based Ecobonus and Ecomalus scheme for car purchases (NEDC test values until at least 2020).

The TES scheme described in section 2.2 remains fully applicable in the Walloon Region, but since 1 January 2014 private and legal persons (except companies with leasing activities) residing in the Walloon Region and purchasing a car have also been subject to a CO₂-based Ecomalus scheme in addition to the TES scheme.

The Ecomalus range starts from 146g CO₂/km; penalties start from €100 and gradually increase to €2,500 (from 256g/km). The conversion table is as follows:

Registration of a new or second-hand car													
CO ₂ (g/km)	≤145	146-155	156-165	166-175	176-185	186-195	196-205	206-215	216-225	226-235	236-245	246-255	>255
Tariff (€)	0	100	175	250	375	500	600	700	1,000	1,200	1,500	2,000	2,500

For cars for which CO₂ values are unknown, the CO₂ value will be assumed to be 205g/km for petrol cars and 196g/km for diesel cars.

Some malus compensation is granted to large families and to cars powered by LPG or alternative powertrains:

- Large families with three children are granted an upward category shift of 10g (malus starts from 156g instead of 146g); for four children or more, a shift of two categories, or 20g, is applied (malus starts from 166g instead of 146g).
- For LPG cars, malus starts from 156g (the 10g or 20g advantage for large families is granted in addition to this (eg LPG + three children -> malus starts from 166g; LPG + four children -> malus starts from 176g).

3 TAXES ON OWNERSHIP

3.1 TAXES ON OWNERSHIP AT FEDERAL LEVEL

CO₂-based 'solidarity contribution' for company cars

Since 1 January 2005, employers have had to pay a 'solidarity contribution' (*cotisation de solidarité; solidariteitsbijdrage*) for company cars and light-duty vehicles (M1 and N1) if they allow private use of these vehicles by their employees.

The monthly contribution amount in euros is based on the CO₂ emissions (NEDC test values until 31 December 2020) of the vehicle according to EU Directive 80/1268/CEE and computed as follows:

- Petrol vehicles: $[(Y \times 9) - 768] \div 12$
- Diesel vehicles: $[(Y \times 9) - 600] \div 12$
- LPG vehicles: $[(Y \times 9) - 990] \div 12$

Y = CO₂ emissions expressed in g/km.

For 2019, the amounts have to be indexed by 1.2950 and will in any case never be lower than €26.97 per month.

If CO₂ emissions data are not available, they are assumed to be:

- 182g/km for vehicles with a petrol engine; and
- 165g/km for vehicles with a diesel engine.

Examples:

- Petrol: CO₂ = 120g/km: $(((120 \times 9) - 768) \div 12) \times 1.2950$
⇒ monthly contribution amount in 2019: €33.67
- Diesel: CO₂ = 100g/km: $(((100 \times 9) - 600) \div 12) \times 1.2950$
⇒ monthly contribution amount in 2019: €32.38

3.2 TAXES ON OWNERSHIP AT REGIONAL LEVEL

Vehicle ownership taxes are a competence of the regions. Until further notice, the basis and amounts for ownership taxes are more or less the same in the three regions.

Basis of ownership taxes	
Private vehicles	engine rating
Coaches and buses	engine rating
Commercial vehicles	deadweight

3.2.1 Ownership taxes for cars, multipurpose cars and minibuses (M1)

Annual circulation tax (ACT) is based on engine rating and is yearly adjusted to take into account retail price fluctuations. This indexation is made on 1 July of each year, with reference to the variation of the retail price index from May of the preceding year to May of the year in question. The table below shows the ACT amounts valid from 1 July 2018 to 30 June 2019:

cc	Fiscal hp	ACT in Flemish Region (€)	ACT in Walloon & Brussels Regions (€)
≤ 750	4	81.97	82.10
751 - 950	5	102.56	102.70
951 - 1,150	6	148.37	148.37
1,151 - 1,350	7	193.78	193.91
1,351 - 1,550	8	239.71	239.71
1,551 - 1,750	9	285.38	285.65
1,751 - 1,950	10	330.79	330.92
1,951 - 2,150	11	429.26	429.40
2,151 - 2,350	12	527.74	527.87
2,351 - 2,550	13	626.08	626.21
2,551 - 2,750	14	724.55	724.68
2,751 - 3,050	15	823.02	823.15
3,051 - 3,250	16	1,078.04	1,078.18
3,251 - 3,450	17	1,333.33	1,333.33
3,451 - 3,650	18	1,588.49	1,588.62
3,651 - 3,950	19	1,842.98	1,843.12
3,951 - 4,150	20	2,098.14	2,098.40
4,151 - 4,350	21	2,212.45	2,212.85
4,351 - 4,650	22	2,326.76	2,327.29
4,651 - 4,850	23	2,441.08	2,441.74
for each additional unit of fiscal hp above 23		114.31	114.44

An additional ACT is levied on LPG vehicles to compensate for the abolition of excises on LPG fuel. This ACT amounts to:

- €89.16 for 1 to 7 fiscal hp
- €148.68 for 8 to 13 fiscal hp

- €208.20 for 14 and over fiscal hp

These LPG amounts are not indexed and nor are they subject to municipal taxes.

Since 1 January 2016, the Flemish Region applies an environmental correction on the ACT for private persons and companies that do not lease cars as part of their activities.

The new formula applies to newly registered cars (new or second-hand). Cars already registered remain out of scope. The ACT (based on fiscal hp; see table above) is increased or decreased depending on CO2 emissions (NEDC test values until at least 2020), fuel type and Euronorm of the vehicle.

a) Based on CO2 emissions, ACT base amounts are:

- increased by 0.30% per g CO2/km above 122g/km up to a maximum of 500g/km;
- decreased by 0.30% per g CO2/km below 122g/km with a minimum of 24g/km.

b) Depending on the Euronorm (+ DPF – particulate filter) and fuel type, the ACT base tariff is increased or decreased by a percentage as follows:

Euronorm	Petrol and other fuels (€)	Diesel (%)
Euro 0	+30	+50
Euro 1	+10	+40
Euro 2	+5	+35
Euro 3	0	+30
Euro 3 + DPF	–	+30
Euro 4	-12,5	+25
Euro 4 + DPF	–	+17.5
Euro 5	-15	+17.5
Euro 6	-15	+15

The minimum ACT is indexed on 1 July of each year. From 1 July 2018 to 30 June 2019, the minimum ACT amount in the Flemish Region is at €46.64. LPG-powered cars receive a rebate of €105.96 (also indexed each year). Exempt from ACT (only in the Flemish Region) are:

- exclusively electrically-powered passenger cars;
- hybrid (plug-in) passenger cars emitting up to 50g CO2/km (until 31 December 2020); and
- CNG/LNG passenger cars with no more than 11 fiscal hp (until 31 December 2020).

3.2.2 Ownership taxes for commercial vehicles

3.2.2.1 Buses and coaches (M2, M3)

For vehicles M2 and M3, a specific method based on the fiscal hp applies. In practice, this is a rather complicated formula in which two calculations are performed and the lowest hp applies.

When the taxable power does not exceed 10 fiscal hp, the tax is fixed at €4.44 per hp with a minimum amount of €82.29 in the Flemish Region and €82.30 in Brussels-Capital and Walloon Region.

When the taxable power exceeds 10 fiscal hp, the tax rate per hp applicable to the fully taxable power is €4.44, plus €0.24 per hp over 10, with a maximum of €12.48 per hp.

See also:

https://belastingen.vlaanderen.be/VKB_tarief-autobussen-en-autocars

Under the terms of a permit for the operation of coaches and buses, municipal tax does not apply to vehicles used exclusively for the fare-paying transportation of passengers.

3.2.2.2 Light Commercial Vehicles (LCV) up to 3,500kg MPW (N1)

Brussels-Capital and Walloon Region

ACT, based on the maximum permissible weight (MPW), is fixed at €19.32 for every 500kg, with a minimum of €32.61 (excluding 10% municipal tax) or €35.87 (including 10% municipal tax).

MPW (kg)	ACT amount (€) (excl. of 10% municipal tax)	ACT amount (€) (incl. of 10% municipal tax)
≤ 500	33.82	37.20
501 - 1,000	38.64	42.50
1,001 - 1,500	57.96	63.76
1,501 - 2,000	77.28	85.01
2,001 - 2,500	96.60	106.26
2,501 - 3,000	115.92	127.51
3,001 - 3,500	135.24	148.76

Flemish Region

The Flemish Government has introduced, as from 1 July 2017, an environmental correction on the LCV's base ACT amount for private and legal persons who do not lease cars as part of their activities. The new formula applies to newly registered LCV's (new or second-hand). LCV's already registered remain out of scope. LCV's powered by CNG/LNG and plug-in hybrids (the latter not exceeding 50g/km of CO₂) will be exempted from any ACT until 31 December 2020. Pure electric LCV's will be exempted with no time limit.

As from 1 July 2018, the basic rate is €21.52 by every 500kg (inclusive municipal tax) with a minimum tax of €44.80.

3.2.2.3 Light Commercial Vehicles (LCV) with ≤ 2.5t MPW – Flemish Region

The ACT (based on MPW; see the table above) is increased or decreased depending on CO₂ emissions, fuel type and Euronorm.

- a) Based on CO₂ emissions (normalised consumption), ACT amounts are:
 - increased by 0.30% per g CO₂/km above 122g/km to a maximum of 500g/km;
 - decreased by 0.30% per g CO₂/km below 122g/km with a minimum of 24g/km.
- b) Depending on the Euronorm (+ DPF standards, - particulate filter) and fuel type, the ACT tariff is increased or decreased by a percentage as follows:

Euronorm	Petrol and other fuels (%)	Diesel (%)
Euro 0	+30	+50
Euro 1	+10	+40
Euro 2	+5	+35
Euro 3	0	+30
Euro 4 (or Euro 3 + DPF)	-12.5	+25
Euro 5 (or Euro 4 + DPF)	-15	+17.5
Euro 6	-15	+15

3.2.2.4 Light Commercial Vehicles (LCV) with 2.5t < MPW ≤ 3.5t – Flemish Region

Euronorm	Petrol, diesel and other fuels (%)
Euro 0	+35
Euro 1	+25
Euro 2	+20
Euro 3	+15
Euro 4 (or Euro 3 + DPF)	+10
Euro 5 (or Euro 4 + DPF)	+2.5
Euro 6	0

The minimum ACT amount is fixed at €44.80. Exempt from ACT (only in the Flemish Region) are:

- exclusively electrically powered LCV;
- hybrid (plug-in) LCV emitting no more than 50g CO₂/km (until 31 December 2020); and
- CNG/LNG LCV (until 31 December 2020).

3.2.2.5 Trailers up to 3,500kg MPW

MPW (kg)	ACT amount (€) (excl. 10% municipal tax)	ACT amount (€) (incl. 10% municipal tax)
≤ 500	34.20	37.62
501 - 3,500	71.16	78.28

3.2.2.6 Heavy Commercial Vehicles (HCV) exceeding 3,500kg (N2, N3) and combinations for the transport of goods submitted to the kilometre charging scheme

Vehicles with a MPW exceeding 3.5t and less than 12t and which are submitted to the kilometre charging scheme (those not submitted: see section 3.2.2.5) pay no longer ACT, since the introduction of the kilometre charging scheme in Belgium on 1 April 2016.

For vehicles with a MPW of at least 12t, the ACT is based on tables considering the MPW, the number of axles and the kind of the suspension (pneumatic or not).

In the case of a solo vehicle, the MPW to be considered equals its own MPW. In the case of a combination vehicle, the MPW equals the sum of all the MPWs of the combination.

The ACT amounts are as follows:

MPW (kg)		with pneumatic suspension (€)	with other type of suspension (€)
SOLO VEHICLE			
1 or 2 axles			
from	to		
3,501	11,999	0.00	0.00
12,000	12,999	0.00	31.00
13,000	13,999	31.00	86.00
14,000	14,999	86.00	121.00
≥ 15,000		121.00	274.00
3 axles			
3,501	11,999	0.00	0.00
12,000	16,999	31.00	54.00
17,000	18,999	54.00	111.00
19,000	20,999	111.00	144.00

21,000	22,999	144.00	222.00
23,000	24,999	222.00	345.00
≥ 25,000		222.00	345.00
4 axles			
3,501	11,999	0.00	0.00
12,000	24,999	144.00	146.00
25,000	26,999	146.00	228.00
27,000	28,999	228.00	362.00
29,000	30,999	362.00	537.00
≥ 31,000		362.00	537.00
COMBINATION VEHICLE			
1 + 1 or 2 + 1 axles			
3,501	15,999	0.00	0.00
16,000	17,999	0.00	14.00
18,000	19,999	14.00	32.00
20,000	21,999	32.00	75.00
22,000	22,999	75.00	97.00
23,000	24,999	97.00	175.00
≥ 25,000		175.00	307.00
2 + 2 axles			
3,501	11,999	0.00	0.00
12,000	24,999	30.00	70.00
25,000	25,999	70.00	115.00
26,000	27,999	115.00	169.00
28,000	28,999	169.00	204.00
29,000	30,999	204.00	335.00
31,000	32,999	335.00	465.00
33,000	35,999	465.00	706.00
≥ 36,000		465.00	706.00
2 + 3 axles			
3,501	11,999	0.00	0.00
12,000	37,999	370.00	515.00
≥ 38,000		515.00	700.00
3 + 1 or 3 + 2 axles			
3,501	11,999	0.00	0.00
12,000	37,999	327.00	454.00
38,000	39,999	454.00	628.00
≥ 40,000		628.00	929.00
3 + 3 axles			
3,501	11,999	0.00	0.00
12,000	37,999	186.00	225.00
38,000	39,999	225.00	336.00
≥ 40,000		336.00	535.00

3.2.2.7 Heavy Commercial Vehicles (HCV) exceeding 3,500kg (N2, N3) and less than 12t and combinations for the transport of goods not submitted to the kilometre charging scheme

Some vehicles with a MPW of at least 12t are not submitted to the kilometre-charging scheme:

- Army, fire-fighters, police, civil defence vehicles, ambulances and other vehicle of essential public works
- Vehicles exclusively used for agriculture, horticulture, fish farming and forestry

In addition, a number of categories are not included in the scope of the kilometre charge:

- Vehicles that can be considered as tools: see the exhaustive list on www.viapass.be
- Old timers with an 'O' type license plate, training and test vehicles with a 'ZZ' type test plate

For the vehicles exceeding 3.5t and less than 12t the ACT amounts are as follows:

MPW (kg)		with pneumatic suspension (€)	with other type of suspension (€)
SOLO VEHICLE			
1 or 2 axles			
from	to		
3,501	3,999	59.97	74.96
4,000	4,999	74.96	97.30
5,000	5,999	89.94	112.44
6,000	6,999	104.93	131.19
7,000	7,999	119.23	149.93
8,000	8,999	134.68	168.37
9,000	9,999	149.68	187.11
10,000	10,999	164.68	205.85
11,000	12,000	179.67	224.59
3 axles			
3,501	12,000	209.67	299.55
4 axles			
3,501	12,000	248.44	414.08
COMBINATION VEHICLE			
1 + 1 or 2 + 1 axles			
3,501	3,999	59.97	74.96
4,000	4,999	74.96	97.30
5,000	5,999	89.94	112.44
6,000	6,999	104.93	131.19
7,000	7,999	119.23	149.93
8,000	8,999	134.68	168.37
9,000	9,999	149.68	187.11
10,000	10,999	164.68	205.85
11,000	12,000	179.67	224.59
2 + 2 axles			
3,501	12,000	260.26	449.48
2 + 3 axles			
3,501	12,000	471.00	648.79
3 + 1 or 3 + 2 axles			
3,501	12,000	429.20	648.79
3 + 3 axles			
3,501	12,000	286.07	648.79

4 TAXES ON MOTORING

4.1 FUEL TAXES

The sale price of fuel is made up of two elements: the basic price and taxation. The maximum sale price is changed two or three times per month, upwards or downwards, in compliance with the contract between the oil companies and the government.

4.1.1 Excise duties

Excise duties are charges imposed on the domestic consumption of certain products and are levied at the time of production or importation.

Excise duty is €0.6002/l for unleaded Eurosuper (95 RON (research octane number) and 98 RON). For diesel fuel, the duty is also now €0.6002/l. LPG is not subject to excise duties; however, vehicles equipped for LPG are subject to a higher road tax (see section 3.2.1).

4.1.2 VAT

Fuel is subject to VAT at the rate of 21%. VAT is due both on product and excises.

4.1.3 Total taxation

The taxation of fuel at present (as from 1 January 2019) is summarised as follows:

	Excise duty (€/l)	VAT (€)
Unleaded (95)	0.6002	21
Unleaded (98)	0.6002	21
Diesel fuel	0.6002	21
LPG	-	21

From 1 November 2015 until the end of 2018, excise duties on diesel have been increased gradually through the 'cliquet' system (at each decrease of the diesel product price, the excise duty is increased by half of the decrease).

At the same time, excise duties on petrol have been decreased gradually through the 'reverse cliquet' system (at each increase of the petrol product price, the excise duty is decreased by half of the increase). These mechanisms result in an equalisation of the excise duty levels of both petrol and diesel.

The price increase for professional diesel will be neutralised through a refund mechanism (excise duty will be limited to a maximum of €0.330/l).

Maximum price in €/l on 1 March 2019

	EUROSUPER unleaded 95 E10 ¹ (€)	EUROSUPER unleaded 98 E10 (€)	Diesel ² (€)	LPG (€)
Cost of the product	0.3961	0.4691	0.4849	0.2398
Distribution costs	0.1763	0.1763	0.1799	0.1915
Excises + energy tax (1)	0.6002	0.6002	0.6002	0.0000

¹ As from 1 January 2017, Eurosuper unleaded 95 E10 is available in Belgium and replaces Eurosuper unleaded 95, the latter may not be sold anymore. The unleaded 95 E10 is unleaded 95 mixed with maximum 10% of bio-ethanol. Petrol vehicles which are (possibly) not compatible with the 95 E10, are recommended to use the unleaded 98.

² Diesel B7, which may contain up to 7% FAME (Fatty Acid Methyl Ester). Maximum 10ppm sulphur

Other fees	0.0077	0.0077	0.0086	-
Price without VAT	1.1803	1.2533	1.2736	0.4313
VAT: 21% (2)	0.2479	0.2632	0.2675	0.0906
(1) + (2)	0.8481 (59.4%)	0.8634 (56.9%)	0.8677 (56.3%)	0.0906 (17.4%)
Price at the pump	1.428	1.516	1.541	0.522

Source: Belgian Petroleum Federation

4.2 INSURANCE TAXES

Subscription to a third-party insurance policy is mandatory before a vehicle may be entered into service. As the registration of a vehicle is conditional on third-party cover, the application should be stamped and signed by the insurer, thereby certifying the purchase of a policy.

Insurance policies are subject to an annual 9.25% tax. To this specifically fiscal tax, significant parafiscal charges should be added. The state therefore collects:

- 7.5% for the Occupational Rehabilitation Fund for the Disabled;
- 0.25% for the Red Cross; and
- 10% for the INAMI (National Institute for Sickness Disability Insurance).

The total charge is thus 27%.

The various 'car insurance' charges (so-called omnium) do not include the 0.25% Red Cross tax. The final total charge therefore amounts to 26.75%.

4.3 KILOMETRE-CHARGING FOR HEAVY COMMERCIAL VEHICLES (HCV)

As a kilometre charging scheme applies in Belgium since 1 April 2016 for HCVs with a Maximum Permissible Weight (MPW) of more than 3.5t, the Eurovignette scheme is abolished (based on EC Directive 93/89).

The tariffs for toll roads have been fixed by the governments of the regions. They have been fixed based on three parameters:

- MPW: the kilometre charge is due for trucks with a MPW of more than 3.5t. When the pulling vehicle has a MPW of more than 3.5t, the MPW of the combination (MPWC) needs to be declared (the trailer is included when the truck is equipped with a tow bar)
- Euronorm
- Type of toll road: all roads in Belgium are toll roads; most of the local and regional roads are charged at a zero tariff; the main road network has a paying tariff. Toll roads map can be found here: <http://www.viapass.be/en/downloads/>

Tariffs in €/km (as from 1 January 2019)

	Wallonia (without VAT) (€)			Flanders and Brussels motorways (€)			Brussels inner-city roads (€)		
	3.5-12t	12-32t	> 32t	3.5-12t	12-32t	> 32t	3.5-12t	12-32t	> 32t
Euro 0	0.153	0.205	0.209	0.151	0.202	0.206	0.194	0.271	0.301
Euro 1	0.153	0.205	0.209	0.151	0.202	0.206	0.194	0.271	0.301
Euro 2	0.153	0.205	0.209	0.151	0.202	0.206	0.194	0.271	0.301
Euro 3	0.132	0.184	0.188	0.130	0.182	0.186	0.168	0.246	0.276
Euro 4	0.099	0.152	0.156	0.098	0.150	0.154	0.136	0.214	0.244

Euro 5	0.077	0.130	0.134	0.087	0.138	0.142	0.123	0.200	0.230
Euro 6	0.077	0.130	0.134	0.076	0.128	0.132	0.102	0.180	0.209

Only a very limited number of vehicle categories are exempted from the kilometre-charge:

- Vehicles of the army, the fire brigade and the civil protection service and ambulances
- Tractors solely used for agriculture, forestry, horticulture and aquaculture

Every HCV who wants to use the toll road network, must be equipped with an on-board unit (OBU) from a distribution point or services provider. Those who have not paid, or who commit fraud on the toll roads, are tracked down using enforcement equipment. Those in breach of toll regulations receive a penalty or can be intercepted by a mobile enforcement team and required to meet regulations immediately. More information can be found on the following website: <http://www.viapass.be/en/>

4.4 DEDUCTIBILITY SCHEMES FOR CAR-RELATED EXPENSES

4.4.1 Deductibility of car-related expenses in the context of corporate income tax

The deductibility of company car expenses from corporate income applies to cars, multipurpose cars and minibuses other than those exclusively used for paying transport of passengers. The following cars are not included:

- Vehicles exclusively used as taxis or for self-drive hire
- Vehicles used for driving lessons via driving schools
- Vehicles exclusively leased to third parties

Since 1 January 2010, the deductibility of fuel expenses of company cars has been limited to 75%. Mobile telephone in-car equipment and financing interests remain 100% deductible.

The deductibility of other expenses related to the use of a company car is computed according to the vehicle's CO₂ emissions (expressed in g/km, NEDC test values until 31 December 2020). Since 1 January 2010, the deductibility rates applicable are set out in the table below and remain unchanged up to 31 December 2019.

Within the framework of the reduction of the Corporate Income Tax ('Tax shift'), the federal parliament has adopted, end 2017, a new legislation to be implemented as from 1 January 2020 for the deductibility of car expenses. The transition towards and the new scheme itself can be summarised as follows:

	2017-2019			in 2020
Deductibility fuel costs	75%			New deductibility formula for fuel AND car costs:
Deductibility car costs	Deductibility (%)	CO₂ petrol (g/km)	CO₂ diesel (g/km)	120% - (0.5% x coefficient x g CO₂/km) with max 100%
	120	0 (EV)		<i>Coefficient</i> = 1 for diesel (also hybrid diesel) = 0.90 for CNG ≤ 11 fiscal hp = 0.95 for other powertrains
	100	1-60	1-60	
	90	61-105	61-105	
	80	106-125	106-115	As a result, new deductibility ranges are as follows: - from 0 to 40g CO ₂ /km = 100% - from 41 to 140g CO ₂ /km = between 99.5% and 50% - from 141 to 200g CO ₂ /km = 50% - from 201g CO ₂ /km and more = 40%
	75	126-155	116-145	
	70	156-180	146-170	
	60	181-205	171-195	For PHEV purchased after 1 January 2018,

	50	> 205	> 195	CO2 depends on the ratio between battery energy capacity and car mass (kWh/100kg), and on tested CO2 emissions (g/km): (1) if ≥ 0.5 and $CO_2 \leq 50g/km$: CO2 of PHEV (2) if < 0.5 or $CO_2 > 50g/km$: CO2 of non-PHEV (3) if non-PHEV unavailable: CO2 PHEV x 2.5 For PHEV purchased before 1 January 2018: CO2 of PHEV
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PHEV: Plug-in hybrid electric vehicles

The non-deductible expenses have to be included in the company's taxable profits as disallowed expenses and are subject to corporate tax.

VAT deductibility

Taxable persons are entitled to deduct a maximum of 50% of the VAT paid on the purchase of cars for professional use and on goods and services relating to them. There are four methods for calculating deductibility (to be chosen by the company):

Method 1 ('real professional use'): based on the following formula:

$$\text{Deductibility \% (max 50\%)} = \frac{(\text{total km} - \text{home-work km} - \text{private km})/\text{year}}{\text{total km/year}}$$

Method 2 ('semi-lump sum method'): the number of working days and the private kilometres are fixed by the VAT Administration:

$$\text{Deductibility \% (max 50\%)} = \frac{[1 - (200 \text{ days} \times \text{home-work distance} \times 2) + \text{lump sum } 6,000 \text{ private km}]}{\text{total km/year}}$$

Method 3: 'lump-sum method': deductibility is fixed at 35% for a period of 4 years.

Method 4: applied to light commercial vehicles (LCVs) for which the regular deduction of 100% for an LCV must be limited because of private use. Here, two methods are possible:

- 1) Same as Method 1 for cars
- 2) Fixed rate of 85% deductibility (on the condition that the LCV is mainly used for the transport of goods for professional economic activity)

4.4.2 Deductibility of work-related car expenses of a private person in the context of personal income tax

This deductibility scheme applies only to cars, multipurpose cars and minibuses used by employees. Every employee is entitled to deduct a lump sum of general expenses related to their work, thus also of expenses related to work-related car use.

An individual can also opt for deduction of real car expenses related to their work. Two expense categories exist:

- Expenses related to commuter trips; these are fixed at €0.15/km
- Expenses related to work trips; these are deductible at 75%

Both expense categories are considered to cover costs related to the depreciation of the car and its accessories, to fuel and maintenance, to insurance and taxes, car washing, parking and garage hire, etc. The expenses that remain 100% deductible are:

- financing costs related to the purchase, leasing or renting of the car;
- costs related to mobile phone equipment.

The 100% deductibility rate also applies to the following vehicle types:

- Vans, trucks, trailers, buses and coaches
- Cars sold or hired in the course of the specific occupation of the sale or hiring of cars
- Vehicles used for the fare-paying transport of persons (taxis) or for self-drive hire
- Vehicles exclusively rented out to third parties

The registration tax (see also section 2.2) is not deductible, but 75% of this amount is allowed as a general expense and may be amortised in proportion to the net realisable or resale value of these vehicles.

With the purpose of simplifying and harmonising all car cost related deductibility schemes, the Federal Government has also decided, end 2017, to copy the same new deductibility rules of the corporate income tax into the personal income tax as from 2020. The transition towards and new scheme itself can be summarised as follows:

Personal Income Tax (self-employed)					
	in 2017	in 2018-2019 (cars purchased after 1 January 2018)			in 2020 (cars purchased after 1 January 2018)
Deductibility fuel costs	75%	75%			New deductibility formula for fuel AND car costs:
Deductibility car costs	75%	Deductibility rules from Corporate Income Tax			120% - (0.5% x coefficient* x g CO2/km) with max. 100%
		(%)	CO2 petrol (g/km)	CO2 diesel (g/km)	(* coefficient = 1 for diesel (also hybrid diesel) = 0.90 for CNG ≤ 11 fiscal HP = 0.95 for other fuels/powertrains
		120	0 (EV)		> New deductibility ranges:
		100	1-60	1-60	From 0 to 40g CO2/km = 100%
		90	61-105	61-105	From 41 to 140g CO2/km = between 99.5% and 50%
		80	106-125	106-115	From 141 to 200g CO2/km = 50%
		75	126-155	116-145	As from 201g CO2/km = 40%
		70	156-180	146-170	> CO2 of PHEV depends on ratio battery energy capacity / car mass (kWh/100kg), and on tested CO2 emissions (g/km):
		60	181-205	171-195	(1) if ≥ 0.5 and CO2 ≤ 50 g/km: CO2 of PHEV
		50	> 205	> 195	(2) if < 0.5 or CO2 > 50 g/km: CO2 of non-PHEV version
					(3) if non PHEV unavailable: CO2 PHEV x 2.5
		Cars purchased before 1 January 2018 (signed purchase order/lease contract)			Cars purchased before 1 January 2018 (signed purchase order/lease contract)
Deductibility fuel costs	75%	75%			New deductibility formula for fuel AND car costs:
Deductibility car costs	75%	Deductibility rules from Corporate Income Tax			120% - (0.5% x coefficient* x g CO2/km) with max 100%
		(%)	CO2 petrol (g/km)	CO2 diesel (g/km)	(* coefficient = 1 for diesel (also hybrid diesel) = 0.90 for CNG ≤ 11 fiscal hp = 0.95 for other fuels/powertrains
		120	0 (EV)		> New deductibility ranges:
		100	1-60	1-60	From 0 to 40g CO2/km = 100%
		90	61-105	61-105	From 41 to 90g CO2/km = between 99.5% and 75%
		80	106-125	106-115	As from 91g CO2/km = 75%
		75	> 126	> 116	> CO2 of PHEV to be used in deductibility formula

4.4.3 Benefits in kind for employees for the private use of a company car

For employees using a company car for both private and business purposes, the tax system leaves it up to the individual to decide whether or not the user will reimburse the company for the private use of the car. When there is no reimbursement, the private usage is regarded as a benefit in kind (BIK). This amount has to be added to other income of the party concerned.

It's important to note that the concept of a 'company car' must be seen as a whole and therefore include fuel and repairs expenses. Since 1 January 2012, the BIK calculation has been based on the list price (catalogue price), CO2 emissions (NEDC test values until 31 December 2020), fuel type and age of the car. The new formula for the BIK for employees is as follows:

Diesel cars: yearly BIK = [(list value × age correction factor) × (5.5% + (0.1% × (CO2 – XX)))] × 6 ÷ 7

Petrol cars: yearly BIK = [(list value × age correction factor) × (5.5% + (0.1% × (CO2 – YY)))] × 6 ÷ 7

Where:

List value = the list price (catalogue price) of the vehicle in new condition as if it were sold to a private person, including options and the VAT actually paid, without any rebate, reduction or discount.

CO2 reference values: XX and YY

For 2012: XX = 95g/km YY = 115g/km

For 2013: XX = 95g/km YY = 116g/km

For 2014: XX = 93g/km YY = 112g/km

For 2015: XX = 91g/km YY = 110g/km

For 2016: XX = 89g/km YY = 107g/km

For 2017: XX = 87g/km YY = 105g/km

For 2018: XX = 86g/km YY = 105g/km

For 2019: XX = 88g/km YY = 107g/km

5.5% = the CO2 basic rate when CO2 emissions are XXg/km for diesel cars and YYg/km for petrol cars.

When the CO2 emissions are higher than the CO2 reference value, the CO2 basic rate is increased by 0.1% per gram of CO2, to a maximum of 18%.

When the CO2 emissions are lower than the CO2 reference value, the CO2 basic rate is decreased by 0.1% per gram of CO2, with a minimum of 4%. For 2019, the BIK may not be lower than €1,340 per year.

Age correction factor is calculated following the table below:

Period since the first registration of the vehicle (one month started counts for a whole month)	% of the catalogue value to be taken into account when calculating the BIK
0 - 12 months	100
13 - 24 months	94
25 - 36 months	88
37 - 48 months	82
49 - 60 months	76
≥ 61 months	70

4.4.4 Disallowed expenses due by an employer for the private use of a company car by an employee

Additional disallowed expenses are due by an employer who puts a company car at the disposal of an employee who may use the vehicle for private purposes, and these expenses have to be included in the company's taxable profits. The disallowed expenses related to the BIK are calculated as follows:

If the employer does not pay at all for fuel costs related to the private use of the company car:

- Diesel: yearly disallowed expenses = $17\% \times$ [yearly BIK for diesel cars]
- Petrol: yearly disallowed expenses = $17\% \times$ [yearly BIK for petrol, LPG or natural gas cars]

If the employer pays, at least partially, for fuel costs related to the private use of the company car (eg via the granting of a fuel card):

- Diesel: yearly disallowed expenses = $40\% \times$ [yearly BIK for diesel cars]
- Petrol: yearly disallowed expenses = $40\% \times$ [yearly BIK for petrol, LPG or natural gas cars]

4.5 MOBILITY ALLOWANCE AND MOBILITY BUDGET: TWO ALTERNATIVES TO THE COMPANY CAR

To reduce the number of company cars with allowed private use made available by the employers for their employees in Belgium, the Federal government has introduced two alternative instruments which benefit from at least the same tax and social security treatment as the company car.

4.5.1 Mobility allowance or 'Cash for Car'

The mobility allowance is the possibility for an employee to exchange his company car for a mobility allowance, or cash for car. This cash payment is subject to an advantageous tax and social security treatment.

The *employer* can choose whether or not to introduce a mobility allowance scheme in his organisation, provided that he had already put in place a company car policy (with allowed private use) for three years.

The *employee* may choose whether or not to exchange his/her company car for a mobility allowance. The employer may not oblige him/her to do so. The employee is entitled to a mobility allowance provided that he/she has had a company car at his/her disposal (or was entitled to it but has not exercised that right) for 12 months in the past three years, of which at least three months prior to the introduction of the mobility allowance scheme.

The annual mobility allowance is calculated as follows:

- List value (catalogue value) of the exchanged company car $\times 20\% \times 6/7$
(24% if the employee also had a company fuel card at his/her disposal)

Personal contributions, if any, paid by the employee for the private use of the company car, will be deducted from the mobility allowance. The outcome of this computation is the maximum cash amount the employee is entitled to.

As far as taxes are concerned, the *employer* is obliged to pay a solidarity contribution on the mobility allowance amount that is equal to the solidarity contribution amount that was due for the exchanged company car.

The *employee* is obliged to pay taxes (progressive Belgian personal tax rates max 50%) on a part of the mobility allowance calculated according to the following formula:

- List value (catalogue value) of the replaced company car $\times 6/7 \times 4\%$

The minimum taxable benefit is €1,340 per year. The remaining part of the mobility allowance is free of taxes.

4.5.2 'Mobility budget'

The main objective of the mobility budget is to offer the employee more sustainable transport options than his/her current company car – or the entitlement to it – by means of a number of environmentally friendly and cheaper alternatives.

As in the case of the mobility allowance, employers are free to implement or not a mobility budget scheme in their organisation, and if they do so, their employees who (are entitled to) have a company car at their disposal, have free choice to exchange or not their company car for a mobility budget. Those who decide so, receive a mobility budget which may consist of one or more of the following three pillars:

Pillar 1: More environmentally friendly company car than the previous one:

- ≤ 105g CO₂/km in 2019; ≤ 100g CO₂/km in 2020; ≤ 95g CO₂/km in 2021
- At least Euro6d-TEMP
- Budget for the new car ≤ budget of the replaced company car

and/or

Pillar 2: Sustainable transportation modes and services:

- Soft mobility like monowheel, step, (electric) bicycle, etc (purchase, rental, leasing, maintenance, mandatory equipment)
- Electric motorcycle
- Public transport (home-work subscriptions + tickets) + Collective transport
- Carpooling, car sharing with 2, 3, 4 wheels including fleet or particular
- Taxi and car rental with driver
- Car rental without driver ≤ 30 days/year
- Expenses related to the acquisition or renting of a residence located within 5km from the usual workplace

and/or

Pillar 3: Unused budget left, if any: cash taxed at 38.07% social contributions due by the employee.

The mobility budget amount is equal to the total cost of ownership (TCO) on an annual basis that the employer bears for financing the company car and all related costs (fuel, insurance, maintenance, taxes, non-deductible VAT, etc.).

The conditions are the same as for the mobility allowance: the employee must have had a company car (or is entitled to have one but has not exercised that right) for at least 12 months in the past three years, of which at least three months must be before the exchange application.

The tax treatment of the three pillars are as follows:

Pillar 1: More environmentally friendly company car:

- A solidarity contribution (based on CO₂ emissions) due by the employer (NEDC values until 31 December 2020)
- Personal income taxes on the BIK of the company car due by the employee

Pillar 2: Sustainable transport:

- All amounts are exempted from social security contributions and taxes

Pillar 3: Cash amount:

- Free of taxes
- 38.07% social contributions due by the employee

5 PERIODICAL INSPECTION OF VEHICLES

5.1 COST OF THE PERIODICAL INSPECTION

The periodical inspection of vehicles is organised by 10 private companies approved by the state. The cost of inspection is as follows (inclusive of 21% VAT):

Private vehicles	€30.60 + €11.70 (environment control)
Buses	€54.60
Other vehicles under 3,500kg	€34.50 + €13.90 (environment control)
Other vehicles over 3,500kg	€54.60
(Semi-)trailer under 3,500kg	€30.50
(Semi-)trailer over 3,500kg	€45.10

5.2 FREQUENCY OF VEHICLE INSPECTION

The table below shows the periodicity of inspections for different types of vehicles:

Vehicle type	First visit	Periodicity	Exceptions
Passenger cars (cars, multipurpose cars, minibuses, hearses)	The day they reach the age of 4 years calculated from their first registration	Every year	<u>Every 2 years</u> if the vehicle is less than 6 years old, has travelled less than 100,000km, is presented before the usual deadline AND has its last certificate valid
Passenger cars for paying transport of persons, vehicles for driving-instruction purposes, hired vehicles with chauffeurs, and ambulances	Before the <u>first</u> entry into service in Belgium OR before the date of <u>re-entry</u> into service in Belgium	Every 6 months	
Passenger cars with a towing hook for trailers with an MPW of more than 750kg	Before the <u>first</u> entry into service in Belgium OR before the date of <u>re-entry</u> into service in Belgium	Every year	
Passenger cars that are equipped with a towing hook for trailers with an MPW of no more than 750kg or that use a towing hook for the transport of bicycles or motorcycles	Before the entry into service in Belgium of the vehicle as soon as it has been equipped with the towing hook	Every year after which the vehicle is 4 years old	<u>Every 2 years</u> if the vehicle is less than 6 years old, has travelled less than 100,000km, is presented before the usual deadline AND has a valid certificate from its last inspection
Vehicles for the transport of goods with an MPW of more than 3,500 kg	Before the <u>first</u> entry into service in Belgium OR before the date of <u>re-entry</u> into service in Belgium	Every 6 months	<u>Every year</u> if, at the last inspection, the certificate was found to be valid
Vehicles for the transport of goods with an MPW of more than 3,500kg ADR, buses and coaches	Before the <u>first</u> entry into service in Belgium OR before the date of <u>re-entry</u> into service in Belgium	Every 3 months	<u>Every 6 months</u> if, at the last inspection, the certificate was found to be valid
Tow vehicles, camping vehicles, vehicles for transporting boats or gliders	Before the <u>first</u> entry into service in Belgium OR before the date of <u>re-entry</u> into service in Belgium	Every 2 years	
Vehicles for the transport of goods with an MPW of no more than 3,500kg and all other vehicles, except slow vehicles	Before the <u>first</u> entry into service in Belgium OR before the date of <u>re-entry</u> into service in Belgium	Every year	

Note: ADR, Dangerous Goods Vehicles



CHAPTER

04

ACEA TAX GUIDE 2019

Bulgaria

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ACEA

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1 TAXES ON ACQUISITION

1.1 VAT

The purchase of motor vehicles is subject to VAT at the rate of 20%.

1.2 REGISTRATION DUTY

Registration duties are as follows:

Road traffic administration tax

Ecological tax	BGN 160.00
Vehicle license	BGN 25.00

Technical examination fee (on putting into circulation or on periodic examination)

Motorcycle	BGN 16.00
Motor vehicle	BGN 35.00

2 TAXES ON OWNERSHIP

2.1 MOTOR VEHICLE TAX

The rates per vehicle type are as follows:

Vehicle Type	Engine Capacity (cc)	Tax (BGN)
Scooters	-	10.00
Motorcycles	≤ 125	36.00
	126-250	75.00
	251-350	105.00
	351-490	150.00
	491-750	225.00
	> 750	300.00

For tricycles, the tax is determined in accordance with the vehicle's weight:

Weight (kg)	Tax (BGN)
≤ 400	12.00
> 400	18.00

Passenger cars

The taxes for automobiles are determined in accordance with the engine output plus a coefficient corresponding to the year of production, as follows:

Engine power (kW)	Tax (BGN)
≤ 55	1.20/kW
> 55 and ≤ 74	1.62/kW
> 74 and ≤ 110	3.30/kW
> 110 and ≤ 150	3.69/kW
> 150 and ≤ 245	4.80/kW
> 245	6.30/kW

Depending on the year of production, the tax is multiplied by the following coefficient:

Number of years after the production year, including the production year	Coefficient
> 20 years	1.1
15-20 years	1
10-15 years	1.3
5-10 years	1.5
< 5 years	2.3

Depending on the European emission standards, the tax is multiplied by the following coefficient:

European emission standards	Coefficient
Euro 6 and EEV	0.6
Euro 5	0.8
Euro 4	1
Euro 3	1.1
Up to Euro 2 included	1.4

Commercial vehicles

For automobile trailers, the tax is as follows:

- Load trailer – BGN 15
- Camping trailer – BGN 30

For buses, the tax is determined in accordance with the number of seats:

- < 22 seats including the driver's seat – BGN 150
- ≥ 22 seats including the driver's seat – BGN 300

For commercial vehicles with a maximum permissible weight up to 12t, an additional BGN 10 is due for each tonne in excess.

For tractors, the tax depends on the maximum permissible weight of the vehicle composition, the number of axles and the suspension type of the tractor according to the registration form of the tractor:

Number of axles	Maximum permissible weight for the vehicle composition (t)		Tax (BGN)	
	Equal to or over	Under	Driving axle/axles with pneumatic suspension or pneumatic suspension equivalent	Suspension systems other than driving axle/axles
2	-	18	24.00	84.00
	18	20	84.00	192.00
	20	22	192.00	441.00
	22	25	570.00	1,026.00
	25	26	1,026.00	1,800.00
	26	28	1,026.00	1,800.00
	28	29	993.00	1,197.00
	29	31	1,197.00	1,965.00
	31	33	1,965.00	2,727.00
	33	38	2,727.00	4,143.00
	38	-	3,021.00	4,107.00
≥ 3	36	38	1,920.00	2,664.00
	38	40	2,664.00	3,684.00
	40	-	3,684.00	5,451.00

For special construction vehicles (concrete mixers, concrete pumps and others), cranes, special trailers for the transportation of heavy loads or loads that exceed the vehicle dimensions, as well as other special vehicles, without trolleys, the tax is BGN 150.

For automobile cranes with a load-lifting capacity of more than 40t and special trailers for the transportation of heavy loads with a capacity of more than 40t, the tax is BGN 300.

For tractors, the tax is as follows:

- ≥ 11kW and < 18kW – BGN 15
- ≥ 18kW and < 37kW – BGN 21
- ≥ 37kW – BGN 30

For other self-propelling vehicles, the tax is BGN 75. For snowmobiles, the tax is BGN 150.

For commercial vehicles with a gross vehicle weight over 12t, the tax is determined in accordance with the maximum permissible weight, the number of axles and the suspension type of the vehicle.

Number of axles	Maximum permissible weight		Tax (BGN)	
	Equal to or over	Under	Driving axle/axles with pneumatic suspension or pneumatic suspension equivalent	Suspension systems other than driving axle/axles
2	12	13	90.00	183.00
	13	14	183.00	504.00
	14	15	504.00	711.00
	15	-	711.00	1,608.00
3	15	17	183.00	318.00
	17	19	318.00	651.00
	19	21	651.00	846.00
	21	23	846.00	1,302.00
	23	-	1,302.00	2,025.00
4	23	25	846.00	858.00
	25	27	585.00	1,338.00
	27	29	1,338.00	2,124.00
	29	-	2,124.00	3,150.00

Preferential reduction

Motorcycles < Euro 4 engine	20%
Motorcycles with Euro 5 and Euro 6 engine	60%
Bus or coach, truck, road tractor or semi-trailer with Euro 4 engine	40%
Bus or coach, truck, road tractor or semi-trailer with Euro 5, Euro 6 engine, EEV	50%
Electric vehicles and electric motorcycles	100%

3 TAXES ON MOTORING

3.1 FUEL TAXES

Unleaded petrol	BGN 1.47/l
Diesel	BGN 1.69/l



CHAPTER

05

ACEA TAX GUIDE 2019

Croatia

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1 TAXES ON ACQUISITION

1.1 VAT

The purchase of motor vehicles is subject to VAT at the rate of 25%.

1.2 SPECIAL TAX ON MOTOR VEHICLES

The first registration of a motor vehicle is subject to the payment of a special tax. This tax is based on the vehicle sale price (Table 1), its CO₂ emissions and the type of fuel used (Tables 2 and 3). To obtain the amount of tax due for a given vehicle, the relevant rates from Table 1 and Table 2 or 3 should be added up and applied to the sales price of the vehicle.

Formula for calculation:

$$PP = (VN + PC) + (ON + EN)$$

Variables:

PP = Special tax

VN = Value fee (fixed amount)

PC = amount determined by the sales price of the vehicle minus the lowest price for the group to which the vehicle belongs (Table 1) and the result is multiplied by the percentage established for the group to which the vehicle belongs (Table 1)

ON = Basic charge (amount in HRK for 1g/km CO₂)

EN = amount determined by deducting the lowest amount for the group to which vehicle belongs (Table 2 or Table 3) from the vehicle's CO₂ emissions, and this amount then must be multiplied by the corresponding amount in HRK for 1g/km CO₂ (Table 2 or Table 3)

Example:

Car price HRK 155,000.00 (including Value Added Tax 25%)

CO₂ = 110g

Type of fuel: Diesel

$$PP = (VN + PC) + (ON + EN)$$

Car is in group 3 **regarding price** (Table 1)

VN = HRK 2,000

PC = 155,000.00 - 150,000.01 = 4,999.99 x 3% = HRK 149.99

Car is in group 2 **regarding CO₂** (Table 2)

EN = (110 - 85) x 175 = HRK 4,375

PP = (2,000 + 149.99) + (1,010 + 4,375) = 7,534.99

Table 1: Sales price

	Vehicle price (HRK)		VN in (HRK)	%
Group 1	0.00	100,000.00	0	0
Group 2	100,000.01	150,000.00	0	0
Group 3	150,000.01	200,000.00	2,000.00	3
Group 4	200,000.01	250,000.00	3,500.00	5
Group 5	250,000.01	300,000.00	6,000.00	7
Group 6	300,000.01	350,000.00	9,500.00	9
Group 7	350,000.01	400,000.00	14,000.00	11
Group 8	400,000.01	450,000.00	19,500.0	13
Group 9	450,000.00	500,000.00	26,000.00	14
Group 10	500,000.01	550,000.00	33,000.00	15
Group 11	550,000.01	600,000.00	40,500.00	16
Group 12	600,001.00		48,500.00	17

Table 2: Diesel fuel

	CO2 emissions (g/km)	Basic charge (ON) (HRK)	Amount for 1g/km CO2 (HRK)
Group 1	70 - 85	185.00	55.00
Group 2	85 - 120	1,010.00	175.00
Group 3	120 - 140	7,135.00	1,150.00
Group 4	140 - 170	30,135.00	1,250.00
Group 5	170 - 200	67,635.00	1,350.00
Group 6	> 200	108,135.00	1,450.00

Table 3: Petrol, liquefied petroleum gas, natural gas and diesel fuel meeting the Euro 6 exhaust gas emission standard

CO2 emissions (g/km)	Basic charge (ON) (HRK)	Amount for 1g/km CO2 (HRK)
75 - 90	95.00	35.00
90 - 120	620.00	135.00
120 - 140	4,670.00	450.00
140 - 170	13,670.00	700.00
170 - 200	34,670.00	1,200.00
> 200	70,670.00	1,300.00

2 TAXES ON OWNERSHIP

This tax is due annually and based on the power of the engine expressed in kW and the age of the vehicle.

The rates are as follows:

Engine power (kW)	HRK		
	≤ 2 years	2-5 years	5-10 years
0 - 55	300.00	250.00	200.00
56 - 70	400.00	350.00	250.00
71 - 100	600.00	500.00	400.00
101 - 130	900.00	700.00	600.00
> 130	1,500.00	1,200.00	1,000.00



CHAPTER

06

ACEA TAX GUIDE 2019

Cyprus

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ACEA

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1 TAXES ON ACQUISITION

1.1 VAT

The purchase of motor vehicles is subject to VAT at the rate of 19%.

1.2 REGISTRATION TAX

A tax is imposed upon the registration of new vehicles. The rates are as follows:

Passenger cars

CO2 emissions (g/km)	Tax rate (€)
≤ 120	0.00
121 – 150	€25/g CO2/km emitted > 120
151 – 180	€750 + €50/g CO2/km emitted > 150
> 180	€2,250 + €400/g CO2/km emitted > 180

Vans

The rate is €0.26/cc of engine capacity.

1.3 REGISTRATION FEE

An administrative fee is due upon registration of a vehicle. The rates are as follows:

Engine capacity (cc)	Registration fee (€)
≤ 1,450	0.17
1,451 – 1,650	0.26
1,651 – 2,050	0.43
2,051 – 2,250	0.51
2,251 – 2,650	1.03
> 2,650	1.03

CO2 emissions adjustment: rates are reduced by 15% for vehicles that emit less than 150g CO2/km.

From 22 March 2019 there are no import taxes for vehicles in the Republic of Cyprus.

2 TAXES ON OWNERSHIP

2.1 ROAD TAX

The annual road tax rates are as follows:

CO2 emissions (g/km)	Tax rate (€/g CO2/km)
≤ 120	0.50
121 – 180	3.00
> 180	8.00



CHAPTER

07

ACEA TAX GUIDE 2019

Czech Republic

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1 TAXES ON ACQUISITION

1.1 VAT

There are three rates of VAT as set by Act No 235/2004 Coll., 'Act on value added tax':

- 21% – basic – for most supplies of goods and services
- 15% – reduced – for limited range of goods and services
- 10% – reduced – for limited range of goods

Automotive products typically fall into the 'basic' category, with a few exceptions (see indicative table below):

Almost all vehicles (both new and used), parts, accessories	21%
Electric vehicles (Code Group TARIC 8703 90 10)	21%
Hand steering and controls for disabled persons (Code Group TARIC 8708)	15%
Car child seats (Code Group TARIC 9401 20)	15%
Sales mediation of motor vehicles, parts, accessories	21%
Fuels and lubricants	21%

1.2 ALLOWABLE DEDUCTIONS

1.2.1 VAT exemptions

A person registered for VAT is allowed to deduct the VAT on the purchase of vehicles for professional use.

Based on the principle of proportionality, diplomatic missions/staff are entitled to VAT-free purchase of vehicles.

1.2.2 Corporate tax, exemptions, depreciation and capital allowances

The principal legislation concerning income tax (including also corporate income tax) is Act No 586/1992 Coll., 'Act on income taxes and some other acts'.

The Act classifies fixed assets into depreciation categories, which define the period over which the asset can be written off. The minimum depreciation period for vehicles (M1, N1, M2, M3, N2, N3) is five years. Depreciation can be either 'even' or 'accelerated'. Although the minimum depreciation period remains the same, 'accelerated' depreciation allows for a greater deduction in the first half of depreciation period.

Special categories of owners (ie road transport businesses, taxi operators, driving schools, etc) are entitled to claim 10% of the total price of asset when registering a new vehicle.

1.2.3 Lump sum deductions

A person registered for VAT can choose to reclaim VAT on costs related to the operation of the vehicle not to their actual extent, but rather as a monthly lump sum of CZK 5,000. This rule applies to up to three vehicles per owner on the condition that the vehicles in question are used solely for business purposes.

1.3 REGISTRATION CHARGES

1.3.1 Registration fee

In 2018, Act No 56/2001 Coll was amended, specifically § 7b will as of 1 April 2019 contain a provision on a special registration plate starting with the letters 'EL'. This special registration plate will be dedicated to pure BEVs, FCEVs and vehicles with alternative powertrains (electric, hydrogen) with emissions up to 50g CO₂/km. The 'EL' registration plate is not automatically attributed to the vehicle during the registration process, nor is it compulsory; it is based on the request of the person registering the vehicle. At the same time, when requesting the 'EL' plate, the registration process will be exempt of any fees (Act No 634/2004 Coll on Administrative Fees was amended - annex, part II, item 26).

The fee for the administrative act of registration (ie for inclusion on the Vehicle Register) is:

CZK 800.00	For cars and commercial vehicles including buses
CZK 300.00	For motorcycles < 50cc
CZK 500.00	For motorcycles > 50cc
CZK 500.00	For trailers < 750kg carrying weight
CZK 700.00	For trailers > 750kg carrying weight

1.3.2 Special registration ('environmental') surcharge

On 1 January 2009, surcharges were introduced for the registration of vehicles M1 and N1 not complying with at least Euro 3. These surcharges are not officially described as a 'tax', but they could be considered taxes on acquisition and they are, in effect, a kind of environmental tax, contributing to the cost of vehicle park renewal. These surcharges were introduced by Act No 383/2008 Coll. of 23 September 2008, 'Act amending Act No 185/2001 Coll. on waste and amendment of some other acts'. As set by the Act, the level of the surcharges varies according to the emission limits the vehicle complies with:

- No surcharge (Euro 3 and higher fulfilled)
- CZK 3,000 (Euro 2 fulfilled)
- CZK 5,000 (Euro 1 fulfilled)
- CZK 10,000 (neither Euro 2 nor Euro 1 fulfilled)

The surcharges are transferred to the State Environmental Fund of the Czech Republic.

2 TAXES ON OWNERSHIP

There are no typical ownership taxes in the Czech Republic.

2.1 ROAD TAX

The principal legislation concerning road tax is Act No 16/1993 Coll., 'Act on road tax'.

2.1.1 Generally

Road tax is payable on vehicles registered in the Czech Republic that are used for business purposes (but not on vehicles owned by private persons and exclusively for personal use).

Since 2009, road tax has also been payable on all vehicles with a GVW of over 3.5t used to transport goods.

Road tax is calculated according to:

- engine size for passenger cars;
- weight and axle size for commercial vehicles, including coupled.

The tax period is the calendar year.

2.1.2 Allowable deductions and incentives

Vehicles which are not taxed:

- Vehicles with fewer than four wheels (L category)
- Diplomatic vehicles
- Public passenger transport vehicles provided 80% of their mileage during the tax period is for the purpose of public passenger transport
- Special vehicles (army, police, fire brigade, rescue, etc)
- Vehicles for road maintenance
- Vehicles powered by electricity, compressed natural gas (CNG), liquefied petroleum gas (LPG), E85 (flexi-fuel), or hybrid vehicles, for the transport of persons, and vehicles for transport of goods with a maximum gross vehicle weight (GVW) of 12t (from fiscal year 2009, with the exception of electric vehicles, for which exemption from tax was implemented as of fiscal year 2008)
- Commercial vehicles (trucks, road tractors, trailers) with a GVW of 3.5-12t not used for business, eg vehicles owned by private persons exclusively for personal use, training vehicles, etc. (from fiscal year 2009)

Other tax incentives are based on vehicle age, eg tax rates are reduced by 48% for a period of 36 months following the first registration date and then again by 40% for the next period of 36 months and then again by 25% for the next period of 36 months (as of fiscal year 2008).

Tax rates are also decreased by 48% for commercial vehicles (trucks, road tractors, trailers) with a GVW of over 12t not used for business, eg vehicles of private persons used exclusively for personal use, training vehicles, etc (as of fiscal year 2009).

The owners of commercial vehicles used in agricultural production may apply for a 25% reduction in road tax.

The owners of vehicles used for more than one method of transport (railways, water) may apply for a reduction in road tax of 25-100% depending on the number of different modes of transport for which the vehicle was used during the tax period.

The road tax payer should prove to the tax administrator his or her entitlement to the annual tax rebate by keeping a record in the vehicle registration book (*technicky prukaz*) or by providing a separate document issued by the responsible registration authority abroad.

2.1.3 Rates

Tax rates are assessed as annual fixed rates and range:

- from CZK 1,200 for vehicles with engines up to 800cc,
- to CZK 50,400 for heavy-duty vehicles over 36t with three axles.

Tax rates increase by 25% for vehicles that were first registered (either in the Czech Republic or abroad) before 31 December 1989.

3 TAXES ON MOTORING

3.1 FUEL TAXES

The principal legislation concerning excise duties is Act No 353/2003 Coll., 'Act on excise duties'.

The issue of biofuels is one of the reasons why the Act has been subject to frequent amendments. The aim was to prevent potential tax evasion resulting from the fact that bioethanol may also be used for fuel blending (in which case excise duty is not applicable) or to manufacture alcoholic drinks (attracting excise duty of up to CZK 285/l). With fuel taxes, there are 100% tax incentives for pure fatty acid methyl esters (FAMES) (eg MERO = RME = rapeseed methyl ester; SOME = soybean ethyl ester), pure bioethanol, E95, pure seed oil and biogas. Other incentives apply to some other fuels.

On 1 January 2012, the tax incentive (100%) for CNG was abolished.

'Green Diesel' programme for diesel consumption in agricultural production is still applied. From 1 July 2017 to 31 December 2018, the refund of excise duty is graded according to the stocking density of the main livestock species. The more animals the farmers breed, the greater the refund of excise duty they get. From 1 January 2019, the refund of excise duties should be combined for all activities in agricultural primary production at CZK 4.38 per one litre of purchased mineral oil.

The issue of applying the refund of mineral oil tax used for agricultural primary production is governed by Section 57 of Act No. 353/2003 Coll., On Excise Duties. The requirements for keeping records on the purchase and consumption of mineral oils are regulated by the Decree No 38/2017 Coll.

On 1 January 2015, the excise duty for CNG (road transport) was increased.

Fuel taxes (January 2019)		
Code	Fuel type	Excise duty (CZK)
2710	Petrol (lead content below 0.013g/l)	12,840/l
	Petrol (lead content above 0.013g/l)	13,710/l
	Medium oils and heavy gas oils (2710 19 11 to 2710 19 49)	10,950/l
	Heavy heating oils (2710 19 51 to 2710 19 69)	472/t
	Waste oils (2710 91 to 2710 99)	660/l
2711	Liquefied petroleum gases and biogas for road transport (2711 12 11 to 2711 19)	3,933/t
	Liquefied petroleum gases and biogas for stationary engines and use outside regulated road transport	1,290/t

3.2 INSURANCE

3.2.1 Insurance generally

The principal legislation concerning motor third-party liability (MTPL) insurance is Act No 168/1999 Coll., 'Act on liability insurance for damage caused by operation of vehicle as amended later'.

Subscription to a third-party insurance (motor liability insurance) policy is compulsory for all vehicles.

3.2.2 Rates

Rates are calculated by insurance companies and vary from company to company. Insurance premiums vary according to the owner of the car and the type of the car in question. Factors that influence the final insurance rate include the number of traffic accidents (bonus/malus around 50%) caused by the owner of the car, the owner's age and place of residence, the size of the car's engine, the purpose for which the vehicle is to be used, etc.

To give an indication of the price of MTPL insurance, the rates charged by *Ceska pojistovna* for a standard package for year 2019 (pricing before bonuses) are shown in the table below:

Tariff class		CZK/year
Two-wheelers, three-wheelers, four-wheelers	< 50cc	341.00
	50-350cc	820.00
	350-500cc	2,083.00
	> 500cc	2,561.00
Passenger cars, trucks (< 3,500kg GVW)	< 1,000cc	3,319.00
	1,000-1,350cc	4,162.00
	1,350-1,850cc	6,131.00
	1,850-2,500cc	9,843.00
	> 2,500cc	13,555.00
Motorhomes		6,825.00
Ambulances		7,448.00
Road tractors (articulated vehicles)	< 3,500kg GVW	69,826.00
	3,500-12,000kg GVW	72,735.00
	> 12,000kg GVW	74,481.00
Trucks	3,500-12,000kg GVW	18,419.00
	> 12,000kg GVW	26,212.00
Special trucks	< 3,500kg GVW	13,815.00
	3,500-12,000kg GVW	18,419.00
	> 12,000kg GVW	26,212.00
Tractors		1,503.00
Hand-controlled tractors		520.00
Buses for public city transport		11,896.00
Trolleybuses		8,966.00
Other buses	< 5,000kg GVW	16,245.00
	> 5,000kg GVW	29,402.00
Trailers	< 750kg GVW	261.00
	> 750kg GVW	683.00
Semi-trailers for trucks	< 750kg GVW	10,687.00
	> 750kg GVW	12,309.00

Source: *Ceska pojistovna*

3.3 VIGNETTES AND TOLL

3.3.1 Vignettes

The use of highways (motorways), dual carriageways and some first-class roads by motor vehicles with at least four wheels or vehicles with trailers is subject to a fee.

The body responsible for road toll is the State Fund for Transport Infrastructure (SFDI).

For vehicles with a GVW of $\leq 3.5t$, with or without a trailer (basically passenger vehicles), proof of payment of the fee is a two-part label:

- Part 1 of the vignette is to be stuck to the inside of the windscreen
- Part 2 of the vignette is to be retained

The data given in the vehicle registration document (registration book) are used for the classification by GVW. The GVW of towed vehicles (trailers, semi-trailers) is not taken into consideration.

A fine may be imposed if a road subject to a fee is used without a valid two-part vignette.

Vignettes rates in 2019

Annual (R)	From 1 January 2017 to 31 January 2019	CZK 1,500.00
One month (M)	The day marked on the coupon and the one-month period immediately following	CZK 440.00
10 days (D)	The day marked on the coupon and the nine calendar days immediately following	CZK 310.00

For road network where vignettes are required see www.sfdi.cz.

3.3.2 Toll

The principal legislation concerning E-Toll system is Act No 347/2009 Coll., 'Act amending Act No 13/1997 Coll. on land roads and some other acts'.

E-Toll rates for the use of 1km of a tolled road depend on the vehicle type, number of axles, emission class, road class, day and time of day. A fine may be imposed if a road subject to a fee is used without a toll payment.

Since 1 January 2010, E-Toll has been applied to vehicles, including buses, with a GVW > 3.5t.

On 1 September 2011, other rates were stipulated for vehicles of types M2 and M3 (buses).

Since 22 October 2012, a toll discount system has been available.

On 1 January 2015, toll rates were increased and a new tariff class, Euro 6, was introduced (vehicles Euro 6 or enhanced environmentally friendly vehicles (EEVs) keeping the former rate).

A volume discount is still available.

At present, over 500,000 vehicles are registered in the E-Toll system. Currently the E-Toll system applies to about 1,420km of highways/motorways, dual carriageways/motor roads and first-class roads. Whether or not to expand the system to more first-class roads and some second-class roads is currently being evaluated.

The same range of vehicles as described in point 1.3.1 should be exempt from paying the toll for using highways/motorways – the amendment of Act No 13/1997 Coll was approved by the Government on

4 February 2019 and will be discussed in the Parliament during this year. The effectiveness of the above-mentioned exemption should be effective as of 1st January 2020.

E-Toll rates 2019 (CZK/km) valid from 1 January 2015

Emission class	Euro 0–II			Euro III–IV			Euro V			Euro 6, Euro VI, EEV		
	2	3	4+	2	3	4+	2	3	4+	2	3	4+
Number of axles												
Motorways and motor roads	3.34	5.70	8.24	2.82	4.81	6.97	1.83	3.13	4.52	1.67	2.85	4.12
On Fridays from 15.00 to 20.00 hours	4.24	8.10	11.76	3.58	6.87	9.94	2.33	4.46	6.46	2.12	4.05	5.88
First-class roads	1.58	2.74	3.92	1.33	2.31	3.31	0.87	1.50	2.15	0.79	1.37	1.96
On Fridays from 15.00 to 20.00 hours	2.00	3.92	5.60	1.69	3.31	4.74	1.10	2.15	3.07	1.00	1.96	2.80
Buses	1.38			1.15			1.04			0.80		

Source: Collection of Acts CZ

More information on E-Toll system in the Czech Republic is also available at www.mytocz.eu.

4 PRIVATE USE OF A COMPANY CAR

The use of a company car for private motoring is treated as a benefit in kind under personal income tax. The amount to be added to an employee's income before taxation is 1% of the actual purchase price of the company car for each started month of use, but not less than CZK 1,000.

5 PERIODIC INSPECTION OF VEHICLES

5.1 GENERALLY

Compulsory periodic inspections of road vehicles include the regular technical inspections (RTIs) and the regular emission measurements (REMs).

Motorcycle emissions are not measured if the kerb weight is below 400kg.

5.2 COSTS

Costs may vary according to the inspection station used.

RTI and REM costs (including 21% VAT) by vehicle type (CZK)

Vehicle type (ECE ¹ categories)	RTI	REM
Passenger cars (M1, N1)	990.00	700.00 (petrol)
		990.00 (diesel)
LPG, CNG	990.00	1,200.00
CVs (N2, N3, M2, M3)	1,300.00	1,200.00 (diesel)
Trailers un-/braked < 0.75t GVW (O1)	650.00	-
Trailers > 0.75t GVW (O2)	1,150.00	-
Motorcycles (L)	1,000.00	-

Source: Inspection stations

5.3 FREQUENCY

Frequency (years) of RTIs and REMs by vehicle type (examples)

Vehicle type	Interval since first registration	Subsequent intervals
Small motorcycles < 50cc or maximum speed < 50km/h	6	4
Other motorcycles	4	2
Cars, light commercial vehicles, trailers < 3.5t GVW	4	2
Cars, light commercial vehicles < 3.5t GVW with priority rights, driving school vehicles, taxis, rental vehicles	1	1
Commercial vehicles and trailers > 3.5t GVW	1	1
Commercial vehicles > 3.5t GVW with priority rights	1	1
Buses (eight or more passengers)	1	1
Driving school vehicles > 3.5t GVW	1	1
Unbraked trailers < 0.75t GVW	6	4

Source: Inspection stations

¹ ECE: United Nations Economic Commission for Europe



CHAPTER

08

ACEA TAX GUIDE 2019

Denmark

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1 TAXES ON ACQUISITION

1.1 VAT

All vehicles are subject to VAT at the rate of 25%, based on the dutiable value at the time of their acquisition in new condition. VAT is calculated on the price of the car plus registration tax.

1.2 REGISTRATION TAX

The Danish car registration tax is governed by Act no 1062 of 7 September 2017 with later additions and amendments. The registration tax is based on the value (price) of the car and constitutes the main element of car taxation in Denmark.

The taxable value of a car is defined as the dealer's sales price¹ before calculating the registration tax, but including a profit margin of at least 9% (minimum demand for dealer and importer combined profit) and VAT.

The taxable value and the registration tax are reduced or increased based on several factors, depending on the type of vehicle. Fuel consumption is a significant factor in these variations. The registration tax applies to all cars up to a maximum of total weight of 4t. The main categories of cars which are liable to registration tax are:

- Passenger cars with a maximum of 9 seats (8 passengers + the driver)
- Light Commercial Vehicles / vans and lorries for transportation of goods
- Cars (Buses) for more than 9 persons including the driver

Cars used for certain specific purposes (eg ambulances, taxis, buses for public transportation and personnel carriers) and or ownerships (eg the Royal family and diplomats) are exempt from registration tax.

The following subsections describe the main elements of the registration tax for each of the main categories:

1.2.1 New passenger cars

The calculated taxable value is used as basis for the tax rates in the table below.

The following tax rates apply to private passenger cars (max 9 seats)

Taxable value (DKK)	Tax rate 2019
< 193,400	85% of the vehicle's taxable value
> 193,400	85% of the taxable value up to DKK 193,400 + 150% of the taxable value above DKK 193,400

The minimum tax rate is DKK 20,000 for all private passenger cars. DKK 1,000 per seat belt alarm can be deducted from the minimum tax to a maximum of three alarms (see below).

¹ Certain mandatory delivery costs including charges for license plate can be omitted when calculating the taxable value / price of the car. Total max of these costs is DKK 3,980 in 2019.

Reduction in taxable value based on safety equipment and safety evaluation

Equipment	Reduction in taxable value (DKK)
Airbags (more than two) ²	1,280 per airbag for three to six airbags. More than six airbags in total will give no further reduction.
Euro NCAP test result of minimum 5 stars	8,000
Seat belt alarms (reduction of the resulting registration tax not the taxable value)	1,000 per alarm up to a total of three alarms. More than three alarms will give no further reduction.

Differences in registration tax based on fuel consumption

Fuel type	Difference in registration tax (DKK)
Petrol	4,000 (reduction) for each km/l more than 20 6,000 (increase) for each km/l less than 20
Diesel	4,000 (reduction) for each km/l more than 22 6,000 (increase) for each km/l less than 22

Introduction of the World-harmonized Light vehicle Test procedure (WLTP): Following a transition period in 2018-2019 with a parallel use of NEDC and NEDC-correlated fuel consumption figures, Denmark will start using WLTP fuel consumption figures for all taxation purposes as of 1 April 2019. (See also under 'Taxes on ownership').

This means that the above-mentioned limit values for reductions or increases in the registration tax will be based on the WLTP consumption figures of the car (combined fuel consumption). However, to avoid unintended increases in the registration tax the consumption figures (km/l) will be multiplied using a factor of 1.21 for both petrol and diesel cars.

This multiplication factor is based on calculations made by the European Commissions' Joint Research Centre (JRC)³ of the effect of WLTP on measured fuel consumption figures of cars sold across the EU. Pending calculations and analyses in the Danish Ministry of Taxation (February-March 2019) the multiplication factor might be raised and differentiated for petrol and diesel.

Alternative fuel vehicles and hybrid vehicles⁴

Non-chargeable hybrid vehicles (HEV) are not subject to any specific reductions in the taxable value or the registration tax. Instead the same rules as for conventional combustion engine vehicles apply.

Plug-in hybrids (PHEV) and battery electric vehicles (BEV) are, however granted a (further) reduction in the calculated registration tax of up to DKK 40,000 in 2019 and DKK 77,500 in 2020. The registration cannot, however, be negative and the minimum tax can only be eliminated for BEVs.

Further, PHEVs and BEVs are granted a reduction in the taxable value of the car for battery capacity of DKK 1,700 per kWh. The capacity is a calculated figure based on electric consumption and electric range.

As of 2016, the Danish Ministry of Taxation has increased nominal New European Driving Cycle (NEDC) fuel consumption of plug-in hybrid vehicles (PHEVs) by adding a calculated (theoretical) fuel consumption equivalent value of the electrical power consumption figure indicated in the Certificate of Conformity (COC). The resulting increase in the registration tax will be gradually phased in over a

² For passenger cars with only one airbag, the taxable value increases by DKK 3,725 and by DKK 7,450 if there are no airbags. If equipped with two airbags there is no adjustment of the taxable value.

³ S. Tsiakmakis, B. Ciuffo, G. Fontaras, C. Cubito, J. Pavlovic, K. Anagnostopoulos, *From NEDC to WLTP: effect on the type-approval CO2 emissions of light-duty vehicles*, EUR 28724 EN, Publications Office of the European Union, Luxembourg, 2017, ISBN 978-92-79-71642-3, doi:10.2760/93419, JRC107662.

⁴ See also under section 2, 'Taxes on ownership'

five-year period. The period was extended with two more years in 2017 and again in 2018 resulting in a phase-in of the extra tax resulting from the increase in fuel consumption as follows: 20% in 2018-2019, 40% in 2020, 65% in 2021, 90% in 2022 and 100% in 2023.

Electric vehicles (BEVs) were exempt from registration tax until the end of 2015. From 2016, BEVs are included in the tax scheme of petrol and diesel-driven cars. The resulting tax will also be gradually phased in, at 20% of the full tax in 2019, 40% in 2020, 65% in 2021, 90% in 2022 and 100% in 2023. Tax deductions based on fuel consumption are based on a calculated (theoretical) fuel consumption equivalent value of the electrical power consumption figure indicated in the COC.

As mentioned above, all consumption figures will be based on WLTP as of 1 April 2019.

Hydrogen-powered and fuel-cell vehicles are exempt from registration tax until the end of 2021.

1.2.2 New vans and pickup trucks (of category N of max 4,000kg total weight)

The 2018 rate is DKK 0 on the first DKK 60,600 and 50% of the remaining value for vehicles with a legal total weight of max 4,000kg.

Vans and lorries are subject to the same differences in taxable value as private passenger cars with a few exceptions and additions:

Differences in registration tax based on fuel consumption:

Fuel type	Difference in registration tax (DKK)
Petrol	4,000 (reduction) for each km/l more than 20 6,000 (increase) for each km/l less than 20
Diesel	4,000 (reduction) for each km/l more than 22 6,000 (increase) for each km/l less than 22

There is no minimum tax rate.

Vans and lorries do not get a reduction for Euro NCAP results of five stars.

Heavy vans and pickup trucks

For vehicles weighing at least 2,500kg, the rate is DKK 0 on the first DKK 38,200 and 30% of the remaining value.

Vans and pickup trucks are exempt from increases in registration tax based on the number of airbags in the vehicle. They still attract a reduction for having more than two airbags.

The maximum rate on vehicles that weigh more than 3,000kg is DKK 56,800.

Adjustment of the registration tax, based on fuel consumption, does not apply to heavy vans and pickup trucks that weigh more than 3,000kg.

1.2.3 Lorries

No registration tax applies to vehicles that weigh more than 4,000kg.

1.2.4 New motor caravans (campers) and buses (for private use)

For buses (vehicles designed to carry more than nine persons including the driver), a tax rate of 60% is paid of the taxable value above DKK 12,100.

Campers with a total weight of up to 2,000kg are taxed as normal passenger cars. Campers with a total weight over 2,000kg pay a tax rate of 45% of the taxable value above DKK 12,100.

Campers and buses are subject to the same rules as regular passenger cars with the following exemptions:

- Adjustment of the registration tax, based on fuel consumption, does not apply (except if they are taxed as ordinary passenger cars)
- There is no minimum registration tax of DKK 20,000

1.2.5 New taxis

From 1 January 2015, no registration tax applies to taxis. There are certain specific energy and environmental demands for taxis. These demands have no connection to taxation rules.

1.2.6 Tax exemptions

Registration tax exemptions include:

- hydrogen-powered and fuel-cell cars (until 31 December 2021);
- vehicles owned by persons who are generally not taxable (eg members of the Danish Royal Family, foreign diplomats, etc);
- lorries with a total weight exceeding 4t;
- vehicles approved for carrying one or more persons in wheelchairs and vehicles used by nursing homes for the elderly or used to transport patients;
- vehicles used for rescue operations (eg fire trucks and ambulances);
- vehicles not used for regular transportation (eg caravans, trailers, tractors, work equipment, hearses and test vehicles);
- personnel carriers (ie vehicles designed specifically to transport both employees and equipment to and from the workplace). Very specific regulations apply for the assessment of a car as a personnel carrier.

1.2.7 Vehicles authorised for partial (proportional) payment of the registration tax (leasing)⁵

This applies to foreign company cars that are used permanently in Denmark, to cars that are registered for temporary use in Denmark and to rental / leasing cars owned by companies (both Danish and foreign).

For cars that are up to three months old, the tax is 2% of the calculated registration tax. For the next 33 months, the fee is 1%, and for cars older than 36 months the fee is 0.5% per started month. At the time of payment an interest rate is added for the part of the calculated registration tax that remains after payment. The interest rate is the latest published average lending rate by Danish banks to non-financial companies as published by Statistics Denmark. The rate is calculated as of 1 January or July. The registration tax for rental cars is calculated in the same way as for foreign company cars, but the tax for the entire rental period is paid at the time of registration.

1.2.8 Acquisition (import) of a second-hand vehicle

Since the registration tax is paid 'up front' when the vehicle is registered for the first time (new), it is (as a general rule) not recalculated when the car is sold second-hand. Instead, the tax becomes part of the market value of the vehicle and will depreciate proportionately. Imported second-hand vehicles are taxed in the same way as new vehicles. The taxation is reduced proportionately to the value lost on the Danish market.

⁵ New rules apply to leasing cars registered after 3 October 2017, which means that the taxable value of these cars must be recalculated if / when the ownership of the cars is transferred to a third party by sale or, alternatively, four months after first registration at the latest. If the recalculation of the taxable value shows a higher taxable value than at first registration, this will result in additional registration tax to be paid by the first owner (typically the leasing company).

1.3 ALLOWABLE DEDUCTIONS

1.3.1 VAT exemptions

VAT paid on the purchase of a private car by a taxable person is not deductible.

VAT on commercial vehicles may be recovered only when these vehicles are used for the transport of goods (commercial use).

1.3.2 Deduction of the registration tax

The registration tax is not (income tax) deductible under any circumstances.

1.4 REGISTRATION CHARGES

The charge for two license plates and the registration certificate amounts to DKK 1,180 (including 25% VAT).

2 TAXES ON OWNERSHIP

2.1 OWNER'S ('GREEN') TAX, WEIGHT TAX AND EQUALISATION TAX

All taxable passenger cars (maximum nine persons including the driver) first registered after 1 July 1997 pay a semi-annual tax based on the car's fuel consumption in accordance with the 'Fuel Consumption Tax Law', Act No 1453 of 30 November 2018 (with later amendments) – the so-called 'Owners ('Green') tax' (hereinafter the 'Green Tax').

Until September 2018, the fuel consumption for new cars was based on the 'New European Driving Cycle' (NEDC) as specified in Council Directive 80/1268/EEC of 16 December 1980 (on the approximation of the laws of the member states relating to the fuel consumption of motor vehicles) or the Regulation (EC) No 715/2007 of 20 June 2007. The consumption figure is recalculated into kilometres per litre (km/l).

As of September 2018, all new cars are measured according to WLTP and the guidelines in the regulations (EU) 1151/2017, 1152/2017 and 1153/2017. Thereby all new cars will be equipped with both a new (more realistic) WLTP fuel consumption figure and a so-called 'correlated' NEDC figure⁶.

To neutralise the (average) tax effect of introducing WLTP, individual fuel consumption figures in km/l are multiplied by 1.21. Correlated NEDC figures are multiplied by 1.1.

Until end of March 2019, the fuel consumption is based on correlated NEDC and as of 1 April 2019 only WLTP figures will apply⁷.

Special rules apply to alternative fuel vehicles (AFV) such as battery electric vehicles (BEV), plug-in hybrid vehicles (PHEV), fuel cell electric vehicles (FCEV) and gas vehicles.

Diesel-driven cars also pay an additional so-called equalisation tax (countervailing duty), which is indexed based on the average net price index two years before the calendar year (see tables below)⁸.

⁶ Correlated NEDC figures (called NEDC-2) are calculated based on WLTP using the so-called CO2MPAS calculation tool. See: <https://co2mpas.io/>

⁷ End of series vehicles still use NEDC until September 2019 (category M) or September 2020 (category N).

⁸ The equalisation or "countervailing duty" equalises a difference in the taxation of petrol and diesel fuels.

Prior to the introduction of WLTP for taxation purposes, a major reform of the car taxation in Denmark introduced in November 2017⁹ the 'Green Tax'. As a consequence, Denmark now has different tax rates for cars registered for the first time before and after 3 October 2017. In this section, focus is on the tax rates applicable to petrol- and diesel-driven passenger cars registered for the first time after 3 October 2017 according to Act No 1453 of 30 November 2018. Cars for transportation of goods (category N) / LCVs will continue the previous taxation scale (rates are also annually adjusted).

'Green tax' for cars registered for the first time after 3 October 2017

Passenger cars		2019
Km/l (Petrol)		DKK Semi-annually
Minimum 50		330.00
Under	but not under	
50.0	44.4	370.00
44.4	40.0	390.00
40.0	36.4	410.00
36.4	33.3	430.00
33.3	28.6	460.00
28.6	25.0	500.00
25.0	22.2	540.00
22.2	20.0	580.00
20.0	18.2	890.00
18.2	16.7	1,190.00
16.7	15.4	1,510.00
15.4	14.3	1,820.00
14.3	13.3	2,120.00
13.3	12.5	2,430.00
12.5	11.8	2,730.00
11.8	11.1	3,040.00
11.1	10.5	3,350.00
10.5	10.0	3,660.00
10.0	9.1	4,260.00
9.1	8.3	4,900.00
8.3	7.7	5,510.00
7.7	7.1	6,120.00
7.1	6.7	6,730.00
6.7	6.3	7,360.00
6.3	5.9	7,970.00
5.9	5.6	8,580.00
5.6	5.3	9,220.00
5.3	5.0	9,830.00
5.0	4.8	10,440.00
4.8	4.5	11,050.00
4.5	-	11,680.00

⁹ Act no 1195 of 14 November 2017 (called L4).

Passenger cars		2019	
		Total tax	Thereof countervailing duty
Km/l (Diesel)		DKK Semi-annually	DKK Semi-annually
Minimum 56.3		460.0	130.00
Under	but not under		
56.3	50.0	460.00	130.00
50.0	45.0	520.00	130.00
45.0	41.0	540.00	130.00
41.0	37.6	560.00	130.00
37.6	32.1	590.00	130.00
32.1	28.1	1,100.00	600.00
28.1	25.0	1,620.00	1,080.00
25.0	22.5	1,750.00	1,170.00
22.5	20.5	2,170.00	1,280.00
20.5	18.8	2,580.00	1,390.00
18.8	17.3	3,110.00	1,500.00
17.3	16.1	3,420.00	1,600.00
16.1	15.0	3,850.00	1,730.00
15.0	14.1	4,280.00	1,850.00
14.1	13.2	4,700.00	1,970.00
13.2	12.5	5,140.00	2,100.00
12.5	11.9	5,550.00	2,200.00
11.9	11.3	5,960.00	2,300.00
11.3	10.2	6,810.00	2,550.00
10.2	9.4	7,670.00	2,770.00
9.4	8.7	8,490.00	2,980.00
8.7	8.1	9,360.00	3,240.00
8.1	7.5	10,160.00	3,430.00
7.5	7.0	11,000.00	3,640.00
7.0	6.6	11,880.00	3,910.00
6.6	6.2	12,700.00	4,120.00
6.2	5.9	13,560.00	4,340.00
5.9	5.6	14,420.00	4,590.00
5.6	5.4	15,260.00	4,820.00
5.4	5.1	16,170.00	5,120.00
5.1	-	17,040.00	5,360.00

Alternative fuel vehicles and hybrid vehicles and lack of data

If there is no available information on the fuel consumption of a petrol-driven car, this is calculated (in l/100km) as the sum of a fixed element of 3 l/100km and a variable element calculated as 0.5% of the tare weight of the car in kilograms. For diesel-driven cars the resulting figure of the calculation above is reduced by 12.5%.

For cars powered by liquefied natural gas or biogas (LNG / CNG), the annual tax is the same as for diesel-driven cars. If the gas consumption figure is measured in m³/km this figure is recalculated to a consumption figure in km/l diesel. The recalculation of a gas consumption figure measured in m³/km to a diesel "equivalent" in l/100km is done by dividing this figure with a fixed factor of 0,00907. The result is regarded as equivalent to the fuel consumption of a diesel-driven car and the consumption is used for calculating both the adjustment of the registration tax and the 'Green tax'.

If there is no information on the gas consumption, this is calculated in the same way as for petrol driven cars without information on fuel consumption (see above).

BEVs are liable for a 'Green tax' calculated in the same way as the tax on petrol-driven cars, ie a (theoretical) fuel consumption value is calculated based on the available (official) information on watt-hour (kWh) electric power consumption per kilometre. The calculation is done by dividing the watt-hours per kilometre energy consumption figure by a fixed factor of 91.25 to arrive at 'fuel' consumption in litres per 100km.

PHEVs are liable for a 'Green tax' calculated in the same way as the tax on petrol-driven cars. However, the energy consumption of the electric engine measured in watt-hours per kilometre is added to the official NEDC / WLTP consumption figure using the same calculation as for BEVs.

For a diesel PHEV, the calculation is the same, except the diesel consumption is first recalculated into the petrol equivalent by multiplying the NEDC/WLTP diesel consumption figure by a fixed factor of 1.092.

For a gas driven PHEV, the consumption figure is calculated in the same way. However, the gas consumption figure in m³/100km is recalculated into m³/km. This figure is divided with a fixed factor of 0.00831. The result is regarded as equivalent to the fuel consumption of a petrol-driven car and the consumption is used for calculating both the adjustment of the registration tax and the 'Green tax'.

Fuel-cell cars will attract the 'Green tax' only after 31 December 2021.

For petrol and diesel-driven cars with a curb weight of over 2,585kg where there is no information on fuel consumption according to EU Regulation No 715/2007/EC, the fuel consumption is set as the sum of a fixed element and variable element, which is calculated as 0.2% of the part of the curb weight that exceeds 2,585kg. For diesel-driven cars fulfilling the Euro 6 norm the fixed element is 6.4l/100km and 7.4l/100km if fulfilling the Euro 5 norm. It is 9.0l/100km for diesel-driven cars, which do not as a minimum fulfil the Euro 5 norm. For petrol-driven cars these figures are increased by 10%.

Tax for private use of LCVs and cars taxed by weight (Weight tax)

LCVs with a total weight of up to 3,500kg that are used for private purposes are liable for a semi-annual surcharge, which is added to the 'Green tax' or alternatively to the weight tax (see below) for vans and lorries up to 4,000kg total weight. The surcharge is DKK 6,250 (2019) for LCVs up to 3,000kg and DKK 18,560 for LCVs between 3,001kg and 4,000kg (2019). LCVs that are partly used for commercial purposes pay a surcharge of half of the above.

Weight tax (excise duty)

Vehicles not covered by the 'Green tax' are liable for weight tax and equalisation tax/countervailing duty as specified in Act No 1261 of 7 November 2018 (weight tax law).

For new cars the weight tax is only relevant for passenger cars and buses for more than nine passengers including the driver and for vans and lorries with a total weight of more than 3,500kg and up to 12,000kg. Lorries (trucks) with a total weight over 12,000kg are liable for road use charge.

Passenger cars, including combined vans and passenger cars, are taxed on tare weight. Taxis are exempted from weight tax. Vans and lorries are taxed on the maximum legal total weight. Diesel and gas cars are further liable for equalisation tax.

A. Passenger vehicles except for buses and coaches, taxis, trailers and semi-trailers for passenger transport (2018):

Not relevant for new cars / new registrations of passenger cars since 1997 and LCVs since 2009.

B. Buses and coaches with maximum 2 axles (2018 and 2019)

Tare weight (kg)	Weight tax (DKK per annum)	Countervailing duty for diesel (DKK) ¹⁰	
		Motor vehicle	Trailer
≤ 1,300	450.00	1,130.00	–
1,301 - 1,500	585.00	1,160.00	–
1,501 - 2,000	810.00	1,230.00	–
2,001 - 3,000	900.00	1,230.00	–
3,001 - 4,000	1,440.00	1,230.00	–
4,001 - 5,000	1,920.00	1,230.00	–
5,001 - 6,000	2,400.00	1,230.00	–
6,001 - 7,000	3,120.00	1,230.00	–
7,001 - 8,000	3,640.00	1,230.00	–
8,001 - 9,000	4,160.00	1,230.00	–
> 9,000 (duty per 100kg)	50.00	14.00	–

C. Buses, coaches with more than 2 axles (2018 and 2019)

Tare weight	Weight tax (DKK per annum)	Motor vehicle (DKK per annum)	Trailer
Duty per 100kg	36.00	10.00	–

D. Cars for professional / commercial passenger transport (eg taxis and ambulances) (2019)

Taxis and vehicles dedicated to transportation of patients (kg)	Countervailing duty (DKK per annum)
≤ 800	2,480.00
801 - 1,100	3,070.00
1,101 - 1,300	3,630.00
1,301 - 1,500	3,980.00
1,501 - 2,000	4,400.00
> 2,000	5,270.00

Vans and lorries that are not subject to duty in accordance with the Danish Act on a road use charge

Duty on vans and lorries (and trailers for transport of goods), which are not subject to road use charge are taxed based on the maximum total weight.

For vans and lorries of up to 4,000kg, and which were registered for the first time after 2 June 1998, a surcharge is paid for private and mixed private/commercial use, in addition to vehicle excise duty and countervailing duty. The rates below apply to private use. For mixed private/commercial use, the surcharge is half that for private use.

¹⁰ Countervailing duty for buses is not indexed

Motor vehicles that are not subject to duty in accordance with the Danish Act on a road use charge and certain trailers

A. Motor vehicles and trailers < 4,000kg permitted total weight					
Total weight (kg)	Weight tax (DKK) per annum (2019)		Countervailing duty (DKK) per annum (2019)		Surcharge for private use (DKK) per annum (2019)
	Motor vehicle	Trailer	Motor vehicle	Trailer	Motor vehicles¹¹
≤ 500	1,060.00	–	590.00	–	6,250.00
501 - 1,000	1,360.00	140.00	850.00	–	6,250.00
1,001 - 2,000	2,250.00	270.00	1,160.00	–	6,250.00
2,001 - 2,500	3,890.00	340.00	1,450.00	–	6,250.00
2,501 - 3,000	4,660.00	430.00	1,640.00	–	6,250.00
3,001 - 4,000	4,660.00	530.00	1,860.00	260.00	18,560.00
B. Motor vehicles and trailers > 4,000kg permitted total weight (2019)					
a) With maximum 2 axles		Weight tax (DKK per annum)		Countervailing duty (DKK per annum)	
Total weight (kg)	Motor vehicle	Trailer	Motor vehicle	Trailer	
4,001 - 5,000	2,052.00	552.00	1,150.00	200.00	
5,001 - 6,000	2,052.00	672.00	1,150.00	250.00	
6,001 - 7,000	2,052.00	825.00	1,150.00	300.00	
7,001 - 8,000	2,052.00	988.00	1,150.00	400.00	
8,001 - 9,000	2,052.00	1,161.00	1,150.00	450.00	
9,001 - 10,000	2,052.00	1,344.00	1,150.00	550.00	
10,001 - 11,000	2,279.00	1,537.00	1,150.00	650.00	
11,001 - 12,000	2,610.00	1,740.00	1,150.00	750.00	
12,001 - 13,000	3,087.00	1,953.00	1,150.00	850.00	
13,001 - 14,000	3,604.00	2,176.00	1,150.00	1,000.00	
14,001 - 15,000	4,161.00	2,628.00	1,150.00	1,100.00	
> 15,000 Duty per 200kg	60.00	40.00	16.00	16.00	
b) With more than 2 axles					
Total weight (kg)	Motor vehicle	Trailer	Motor vehicle	Trailer	
≤ 18,000					
Duty per 200kg	32.00	20.00	11.00	12.00	
18,001 - 19,000	3,069.00	1,953.00	1,150.00	1,100.00	
19,001 - 20,000	3,332.00	2,156.00	1,150.00	1,200.00	
> 20,000					
Duty per 200kg	36.00	24.00	13.00	13.00	

Motor vehicles that are subject to duty in accordance with the Danish Act on the road use charge (2019)

Total weight (kg)	Pneumatic suspension (DKK per annum)	With other suspension (DKK per annum)
A. Lorries		
a) with 2 axles		
≤ 12,999	0.00	226.00
13,000 - 13,999	226.00	627.00
14,000 - 14,999	627.00	882.00
≥ 15,000	882.00	2,050.00

¹¹ Registered for the first time on the 25 April 2007 or later.

b) with 3 axles		
≤ 16,999	226.00	394.00
17,000 - 18,999	394.00	809.00
19,000 - 20,999	809.00	1,050.00
21,000 - 22,999	1,050.00	1,661.00
≥ 23,000	1,661.00	2,582.00
c) with 4 axles or more		
≤ 24,999	1,050.00	1,065.00
25,000 - 25,999	1,065.00	1,706.00
26,000 - 28,999	1,706.00	2,709.00
≥ 29,000	2,709.00	4,019.00
B. Juggernauts and articulated semi-trailers		
a) Lorries with 2 axles		
1) Trailer or semi-trailer with 1 axle		
≤ 15,999	–	–
16,000 - 17,999	–	102.00
18,000 - 19,999	102.00	233.00
20,000 - 21,999	233.00	547.00
22,000 - 22,999	547.00	707.00
23,000 - 24,999	707.00	1,276.00
≥ 25,000	1,276.00	2,297.00
2) Trailer or semi-trailer with 2 axles		
≤ 24,999	219.00	510.00
25,000 - 25,999	510.00	839.00
26,000 - 27,999	839.00	1,232.00
28,000 - 28,999	1,232.00	1,526.00
29,000 - 30,999	1,526.00	2,507.00
31,000 - 32,999	2,507.00	3,480.00
≥ 33,000	3,480.00	5,284.00
3) Trailer or semi-trailer with 3 or more axles		
≤ 37,999	2,769.00	3,854.00
≥ 38,000	3,854.00	5,239.00
b) Lorries with 3 or more axles		
1) Trailer or semi-trailer with 1 axle		
≤ 24,999	219.00	510.00
25,000 - 25,999	510.00	839.00
26,000 - 27,999	839.00	1,232.00
28,000 - 28,999	1,232.00	1,526.00
29,000 - 30,999	1,526.00	2,507.00
31,000 - 32,999	2,507.00	3,480.00
≥ 33,000	3,480.00	5,284.00
2) Trailer or semi-trailers with 2 axles		
≤ 37,999	2,447.00	3,398.00
38,000 - 39,999	3,398.00	4,700.00
≥ 40,000	4,700.00	6,905.00
3) Trailer or semi-trailer with 3 or more axles		
≤ 37,999	1,356.00	1,684.00
38,000 - 39,999	1,684.00	2,514.00
≥ 40,000	2,514.00	4,004.00

2.2 ROAD USE CHARGE

A road use charge is collected for lorries $\geq 12,000\text{kg}$. The provisions on the road use charge are laid down in Danish Act No 896 of 15 August 2011, with later additions. The Road use charge is applicable to both Danish and foreign trucks and covers road use in Denmark, Sweden, the Netherlands and Luxemburg, which means that charge paid in one of the countries covers use in Denmark. Belgium has left the agreement as of 1 April 2016.

Lorries with a total weight of 12t and more (Euro 2 or cleaner) ¹² 2019 - 2020		
	Up to 3 axles	4 axles and more
DKK per year	5,591.00	9,318.00
DKK per month	559.00	931.00
DKK per week	149.00	246.00
DKK per day	59.00	59.00

3 TAXES ON MOTORING

3.1 FUEL TAXES

Taxes on fuel for motor vehicles are regulated in the Mineral Oil Tax Law (Act No 1118 of 26 September 2014 on energy tax of mineral oil products). As of 2016 the energy taxes are indexed according to the net price index.

TAX - 2019 (volume at day temperature)	DKK
Unleaded petrol (4.8% biofuel content)	4.265/l
Light diesel (6.8% biofuel content)	2.742/l
Auto gas (LPG)	1.870
Other bottled gas (LPG) used in motor vehicles	3.438/kg

3.2 INSURANCE TAXES

The provisions on this are laid down in Act No 213 of 27 February 2017. The duty amounts to 42.9% on the premium for the third-party liability insurance (the duty not included). Haulage contractors' lorries that perform licensed haulage are exempted from the duty.

Insurance policies for registered tractors, trailers and semi-trailers are covered by the duty liability.

The duty on tourist coaches amounts to 34.4% on the premium. For three-wheeled electrically powered mopeds and motorcycles, the duty is DKK 230 per annum.

4 PRIVATE USE OF A COMPANY OWNED CAR (passenger car)

In Denmark, the private use of a company owned car is regarded as a benefit in kind, which is taxable as personal income tax. An employee with private access to a company car is subject to an annual income tax of:

- 25% of the value of the car price up to DKK 300,000 (minimum DKK 160,000);
- 20% of the rest of the car price (no maximum).

An environmental fee equivalent to the car's 'Green tax' (excluding countervailing duty) is added to the taxable amount.

¹² Charges are higher for vehicles under Euro 2 emission class standards



CHAPTER

09

ACEA TAX GUIDE 2019

Estonia

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ACEA

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1 TAXES ON ACQUISITION

1.1 VAT

The purchase of motor vehicles is subject to VAT at the rate of 20%.

1.2 REGISTRATION DUTY

Registration sheet and label: €62.00.

Vehicle registration card: €130.00.

2 TAXES ON OWNERSHIP

2.1 PASSENGER CARS

No ownership taxes apply.

2.2 HEAVY GOODS VEHICLES

An ownership tax is payable on heavy goods vehicles.

The rates (in euros per quarter) are as follows:

Category of heavy goods vehicle by number of axles	Maximum authorised weight or gross laden weight (kg)	Tax rate according to type of suspension of driving axle (€ per quarter)	
		Air suspension or equivalent	Other type of suspension
Lorry or truck			
2 axles	12,000-12,999	0	7.90
	13,000-13,999	7.90	21.70
	14,000-14,999	21.70	30.30
	≥ 15,000	30.30	68.70
3 axles	12,000-14,999	0	0
	15,000-16,999	7.90	13.70
	17,000-18,999	13.70	28.10
	19,000-20,999	28.10	36.10
	21,000-22,999	36.10	55.90
	≥ 23,000	55.90	86.30
4 axles	12,000-22,999	0	0
	23,000-24,999	36.10	36.70
	25,000-26,999	36.70	57.00
	27,000-28,999	57.00	90.50
	≥ 29,000	90.50	134.30

Road train (truck + trailer)			
2 + 1 axles	12,000-13,999	0	0
	14,000-15,999	0	0
	16,000-17,999	0	3.50
	18,000-19,999	3.50	8.00
	20,000-21,999	8.00	18.80
	22,000-22,999	18.80	24.30
	23,000-24,999	24.30	44.00
	≥ 25,000	44.00	76.80
2 + 2 axles	12,000-14,999	0	0
	15,000-22,999	0	0
	23,000-24,999	7.50	17.50
	25,000-25,999	17.50	28.80
	26,000-27,999	28.80	42.50
	28,000-28,999	42.50	51.10
	29,000-30,999	51.10	84.00
	31,000-32,999	84.00	116.60
	≥ 33,000	116.60	176.70
2 + 3 axles	12,000-35,999	0	0
	36,000-37,999	92.60	128.80
	≥ 38,000	128.80	175.10
3 + 2 axles	12,000-35,999	0	0
	36,000-37,999	81.80	113.50
	38,000-39,999	113.50	157.50
	≥ 40,000	157.50	232.60
3 + 3 or more axles	12,000-35,999	0	0
	36,000-37,999	46.50	56.30
	38,000-39,999	56.30	84.00
	≥ 40,000	84.00	133.80

3 TAXES ON MOTORING

3.1 FUEL TAXES

In addition to 20% VAT, the following excise duties apply:

- Diesel: €0.493/l
- Unleaded petrol: €0,563/l (from 1 January 2018)



CHAPTER

10

ACEA TAX GUIDE 2019

Finland

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1 TAXES ON ACQUISITION

1.1 VAT

VAT is applied at the rate of 24%.

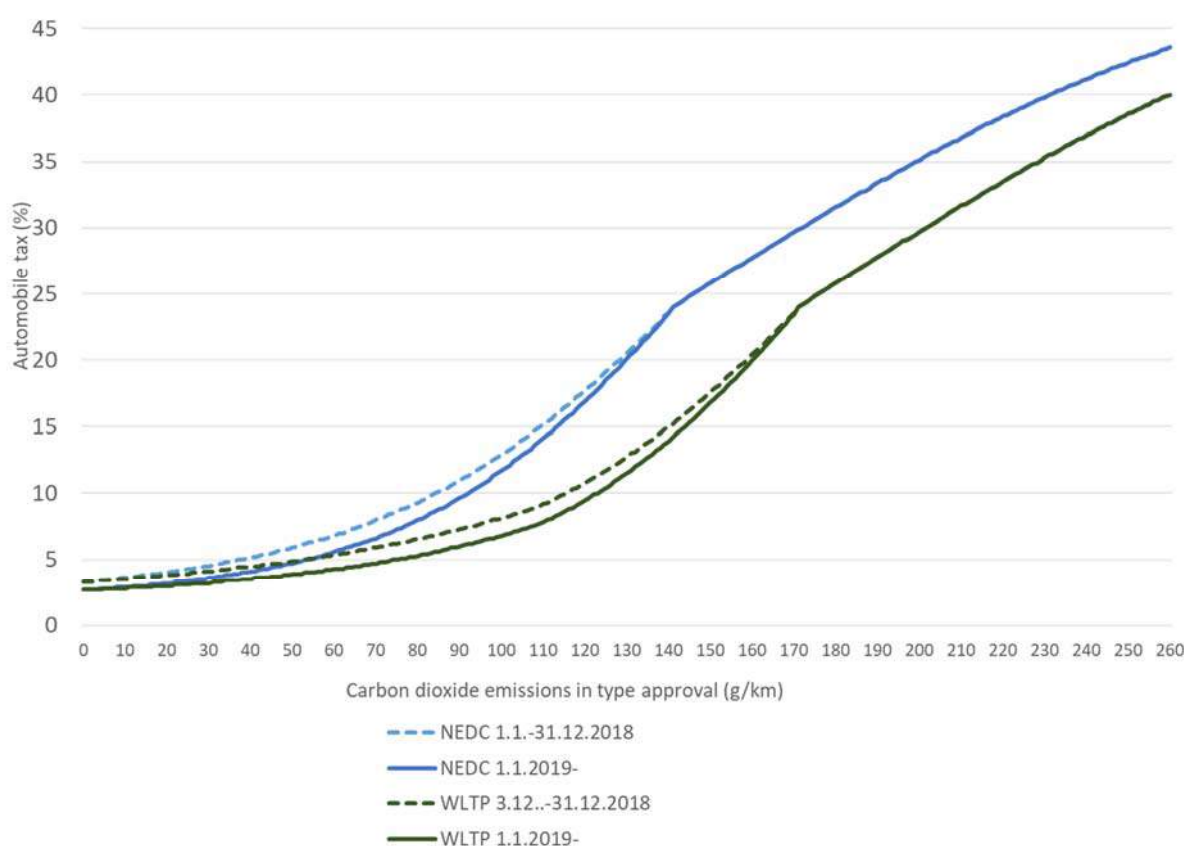
1.2 REGISTRATION TAX

A registration tax is levied on passenger cars, delivery vans and other cars weighing less than 1,875kg and on motorcycles. The tax is levied before the first registration or use of the vehicle in Finland. Registration tax was reduced in four steps between 2016 and 2019 for cars with CO₂ emissions of 141g/km or less. A separable tax table for WLTP type-approved cars was introduced in September 2018. WLTP tax table was later adjusted in December 2018 and January 2019 in order to ensure that the tax levels would not increase due to the implementation of WLTP measurement.

Passenger cars

The tax is based on the common retail value and the CO₂ emissions (in g/km) of the car. In practice, registration tax is calculated on the basis of the CO₂ emissions and the list prices including VAT. The minimum tax rate in 2019 is 2.7% and the maximum rate 50% (Figure 1). The tax rate is applied to one decimal place.

Figure 1: Registration tax percentage in 2018–2019



For used cars imported to Finland, the registration tax cannot be higher than it was in accordance with the legislation that was valid when the vehicle was originally registered for the first time.

Purchase incentives of full-electric vehicles

A purchase incentive of €2,000 for new all-electric passenger cars (M1 or M1G) was introduced in the beginning of 2018. The incentive is available only for households and for cars, of which price is at highest €50,000. The purchase incentive is valid until 30 November 2021.

Vans

The registration tax for vans is equal to that of passenger cars, but tax rate is reduced on the basis of the total weight of the van if it is above 2,500kg and the bearing capacity (total mass minus kerb weight) is 680kg or more. Additional preconditions for the reduction are that the van has only one row of seats and that its power–total mass ratio (in kW/kg) is below a set level. This is 0.05 if the bearing capacity is 680-999kg and 0.06 if the bearing capacity is 1,000kg or more. However, the minimum tax rate is 2.7%. The deduction (%) is presented in the following table.

Total weight (kg)	Tax deduction (%)	
	Applied on NEDC tax table	Applied on WLTP tax table
2,501 - 2,550	9.8	14.3
2,551 - 2,600	11.5	16.0
2,601 - 2,650	12.8	17.3
2,651 - 2,700	13.8	18.3
2,701 - 2,750	14.7	19.2
2,751 - 2,800	15.4	19.9
2,801 - 2,850	16.1	20.6
2,851 - 2,900	16.7	21.2
2,901 - 2,950	17.2	21.7
2,951 - 3,000	17.8	22.3
3,001 - 3,050	18.3	22.8
3,051 - 3,100	18.7	23.2
3,101 - 3,150	19.1	23.6
3,151 - 3,200	19.6	24.1
3,201 - 3,250	19.9	24.4
3,251 - 3,300	20.3	24.8
3,301 - 3,350	20.7	25.2
3,351 - 3,400	21.0	25.5
3,401 - 3,450	21.4	25.9
3,451 - 3,500	21.7	26.2

2 TAXES ON OWNERSHIP

2.1 BASIC TAX

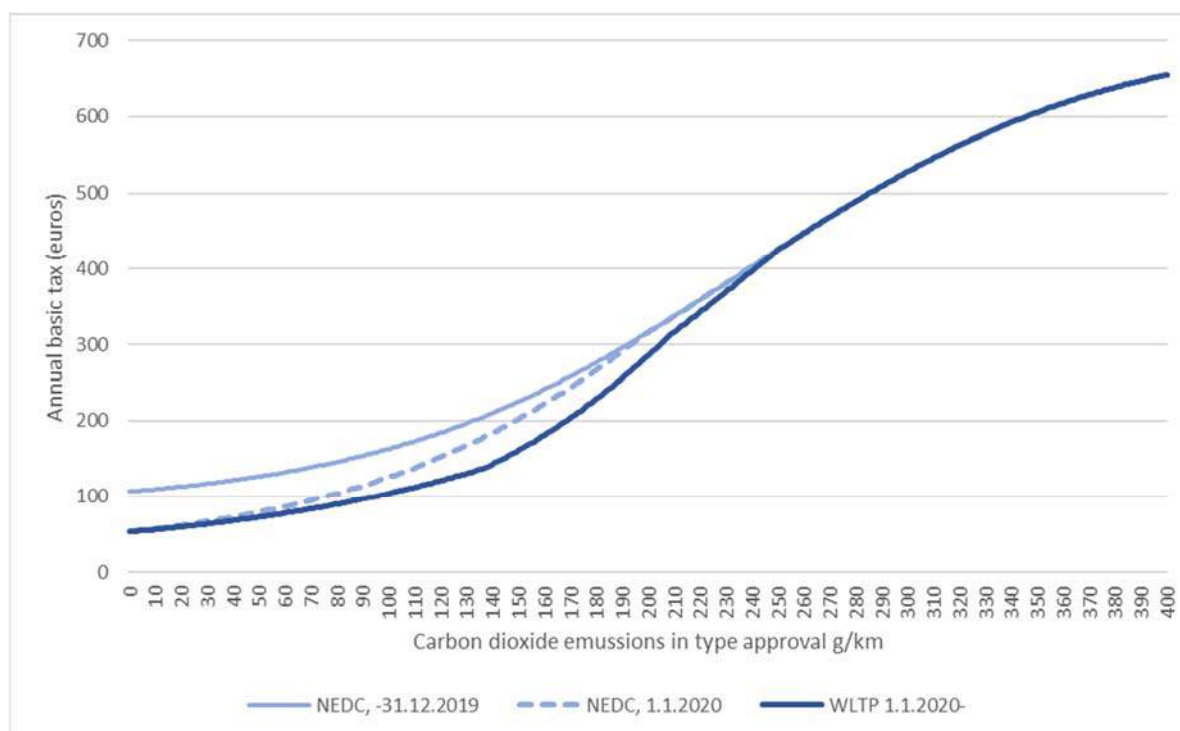
The basic tax component of the vehicle tax applicable to cars, vans and recreational vehicles is based on the vehicle's CO₂ emissions. For vehicles lacking emissions data or that have been measured using outdated methods, the tax rate will be based on the total mass of the vehicle. Where emissions data are not available, total mass is considered to reflect the vehicle's fuel consumption – and total mass data are available on all vehicles. If the total mass of a vehicle divided by 100kg and rounded upwards is m , the CO₂ emissions value, h , used to calculate the basic tax can be calculated using the formula $h = 10 \times m + 7$.

CO₂ emissions data will be used to determine the vehicle tax as follows:

- Cars that have been taken into use on 1 January 2001 or thereafter and have a total mass of up to 2,500kg will be taxed based on their CO₂ emissions. Cars that have been put into use on 1 January 2002 or thereafter and have a total mass of 2,500kg or more will be taxed based on their CO₂ emissions.
- Vans that have been taken into use on 1 January 2008 or thereafter will be taxed based on their CO₂ emissions.
- Cars, vans and special vehicles that have been taken into use prior to the dates given above, as well as vehicles lacking emissions data, will be taxed based on their total mass.
- Usually, the Vehicle Register does not contain emissions data measured according to the European Commission type-approval system for recreational vehicles. However, a recreational vehicle can be taxed based on its CO₂ emissions provided that the manufacturer has obtained an EC type approval indicating the vehicle's CO₂ emissions. In practice, the taxation of recreational vehicles is based on total mass, because only a small minority of the newest recreational vehicles carry an EC type-approval indicating the vehicle's CO₂ emissions.

Vehicle tax rate

The basic tax component of the vehicle tax based on the vehicle's CO₂ emissions varies from €53.29 to €654.44 (Figure 2). The taxation of WLTP type-approved cars will be based on WLTP CO₂ values and WLTP tax table from 1 January 2020. Until then, the WLTP cars will be taxed on simulated NEDC values.

Figure 2: Annual basic tax (€) based on carbon dioxide emissions

The basic tax component for cars and vans based on total mass varies from €222.65 to €632.18. For example, for a car weighing 1,800kg, the annual vehicle tax will be €284.70. The tax on vans belonging to the most common emissions categories varies from €264 to €305. About 80% of all vans taxed based on their total mass belong to the category 2,201-3,000kg and thus have an annual tax rate between €365.00 and €508.80. Most recreational vehicles have a total mass of 3,400-3,500kg and thus have an annual tax rate of €632.18.

2.2 POWER TAX

Vehicles using fuel other than petrol must pay a power tax. For diesel vehicles, the rates (in cents per day) are as follows:

Passenger cars	5.5c/d (€24.45pa) for every 100kg of total mass or part thereof
Vans and recreational vehicles	0.9c/d (€3.28pa) for every 100kg of total mass or part thereof

For passenger cars using fuel other than petrol or diesel, the rates (in cents per day), are as follows:

Electricity	1.5c/d for every 100kg of total mass or part thereof
Electricity and petrol	0.5c/d for every 100kg of total mass or part thereof
Electricity and diesel	4.9c/d for every 100kg of total mass or part thereof
Methane	3.1c/d for every 100kg of total mass or part thereof

For vans using methane, the rate is as follows:

Methane	0.9c/d for every 100kg of total mass or part thereof
----------------	--

The daily rates (in cents) for every 100kg of total weight or part thereof are:

Number of axles	Without trailer	With semi-trailer	With trailer
2	0.6 for weight ≤ 12t	–	–
	1.3 for weight > 12t	2.2	2.1
3	0.8	1.3	1.4
4	0.7	1.2	1.3
≥ 5	0.6	1.0	1.2

The corresponding annual amounts (in euros) for every 100kg of total weight or part thereof are:

Number of axles	Without trailer	With semi-trailer	With trailer
2	2.19 for weight ≤ 12t	–	–
	4.75 for weight > 12t	8.03	7.67
3	2.92	4.75	5.11
4	2.55	4.38	4.75
≥ 5	2.19	3.65	4.38

3 TAXES ON MOTORING

3.1 EXCISE DUTIES ON FUELS

Unleaded gasoline	€0.7025/l
Diesel fuel	€0.5302/l
Bioethanol, RES	€0.4633/l
Bioethanol, double credit	€0.3493/l
Biodiesel, RES	€0.3951/l
Biodiesel, with paraffin, double credit	€0.2630/l

Note: RES, Renewable energy sources

The excise duties for road traffic fuels are dependent on the energy content and CO₂ emissions of the fuel. The origin of the components used in the fuel may cause differences in the way fuels are taxed. Renewable components such as alcohols produce less CO₂ and are therefore subject to a lower tax rate than fossil fuels. In principle, gases and alcohols are taxed in the same way. Electricity used for vehicle fuel is taxed in the same way as electricity for private consumption.



CHAPTER

11

ACEA TAX GUIDE 2019

France

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1 ENGINE RATINGS

Since 1 July 1998, the fiscal power rating of passenger cars and commercial vehicles has been calculated as follows:

- for vehicles powered by an internal combustion engine:

$$P_A = CO2/45 + (P/40)^{1.6}$$

- for electric vehicles:

$$P_A = 1 + 0.136 P$$

where:

P_A represents the administrative or fiscal power

P is the real engine power, expressed in kilowatts

CO2 refers to the carbon dioxide emissions, expressed in grams per kilometre (g/km)

Both real engine power and CO2 emissions are measured in accordance with the EU type-approval procedures.

This formula is used for passenger cars first registered in France on or after 1 July 1998 and for passenger cars registered in France after having been first registered in another EU or EFTA country on or after 1 July 1998.

However, taxes applicable to vehicles increasingly tend to be based on parameters other than engine ratings.

2 TAXES ON ACQUISITION

2.1 VAT

In general, all commercial transactions relating to the automobile trade are subject to VAT, depending on their kind, the rate and the different bases of taxation.

2.1.1 VAT on new vehicles

Taxation is assessed on the total selling price:

Passenger cars are taxed at the rate of 20% on the selling price exclusive of tax.

This tax is not recoverable, except in some rare instances (for example, a car-hire firm subject to VAT).

Commercial vehicles are taxed at the rate of 20% on the selling price exclusive of tax.

This tax is recoverable by purchasers liable for VAT.

2.1.2 VAT on second-hand vehicles

Sales between private individuals are not taxable.

Only transactions carried out by professional traders give rise to a charge under VAT, generally assessed on the difference between the purchase price and selling price.

Passenger cars	General rule	Taxation at the rate of 20% on the profit, exclusive of tax; generally, this tax is not recoverable.
Commercial vehicles		Taxation at the 20% rate; this tax is recoverable when the purchaser is registered for VAT.

2.2 ALLOWABLE DEDUCTIONS

2.2.1 VAT exemptions

VAT on the purchase of a passenger car is not recoverable. Similarly, VAT imposed on goods and services related to passenger cars is subject to the same provisions as VAT on the purchase of cars. It is therefore not permissible to deduct VAT from any goods or services relating to motor vehicles, eg repairs, purchase of spare parts and components, rental of parking space, etc. On the other hand, the constraint on the right of deduction does not apply to a passenger car-hire business, which may deduct its own VAT and VAT on the purchase of vehicles and related goods and services.

VAT on the purchase of a commercial vehicle is recoverable by taxable persons.

2.2.2 Depreciation and capital allowances

The cost price of vehicles, inclusive of all taxes, constitutes the basis for computation of depreciation. Calculation of the depreciation of private cars using the declining balance method is not permissible; they can be amortised only in accordance with the straight-line method. In order to determine the appropriate method of depreciation, it is necessary to estimate the useful life of the vehicle. A period of four to five years is normally prescribed by accounting and tax regulations. The rates applicable therefore fall within 20-25%. The maximum purchase price that may be entered into the accounts is limited to €18,300 and reduced to €9,900 for vehicles with CO₂ emissions higher than 200g/km. The proportion of non-deductible depreciation is therefore equal to the product of the rate of depreciation used by the company or enterprise and the difference between the purchase price and €18,300. A revision of the scheme was introduced in January 2017. See the chart below:

Applicable ceilings according to the CO ₂ g/km				
	9,900 €	18,300 €	20,300 €	30,000 €
2017	≥ 156	60 – 155	20 – 59	0 – 19
2018	≥ 151	60 – 150		
2019	≥ 141	60 – 140		
2020	≥ 136	60 – 135		
From 2021	≥ 131	60 – 130		

2.2.3 Deduction of charges on taxable profit

Service or repair expenses of a passenger car owned or hired by a company or an enterprise are deductible without limit, with the proviso that the expenses are deemed to be in the direct interests of the business and are not intended to increase the value of the vehicle or extend its period of use to a significant degree.

2.3 REGISTRATION CHARGES

2.3.1 Registration tax

A tax on vehicle registration certificates issued within their jurisdictions, which may be a proportional or a fixed tax in accordance with the provisions laid down, is established for the benefit of the regions and is determined by them.

It is therefore difficult to set out precise indications of the vehicle registration cost for car owners throughout France as a result of this tax. In fact, depending on the region, the uniform charge, per unit horsepower, as specified in the registration documents, will vary between €33 (minimum) and €51.2 (maximum) in 2018. The regional charges as well as the percentages of exemption for a clean vehicle (see below), are not yet all known for 2019 (but generally it is 100%).

The rate is reduced by half with respect to vehicles (PC, LCV under 3.5t) of more than 10 years, commercial vehicles over 3.5t and road tractors of less than 10 years. For commercial vehicles over 3.5t and road tractors of more than 10 years, the rate is reduced by 75%.

The value of the tax on trailers is defined as 1.5 times the value of the regional tax on one unit of horsepower.

Regions have the option to provide an exemption (either total or 50%) for vehicles powered by compressed natural gas (CNG), liquefied petroleum gas (LPG) or electricity and for petroleum/diesel hybrid E85 vehicles.

A supplement of €6.76 has been introduced to cover the overall cost of implementation of the new Vehicle Registration System (SIV).

2.3.2 Tax on second-hand vehicles

Before 2018, in addition to the registration tax mentioned above, second-hand vehicles (registered as new since June 2004 and with CO₂ emissions above 200g/km) are subject to a specific tax levied by ADEME (the French agency for energy efficiency).

The finance law for 2018 has modified the calculation of the tax that is now based on the fiscal power as below:

Fiscal power (hp)	Amount of the tax (€)
≤ 9	0.00
10 – 11	100.00
12 – 14	300.00
≥ 15	1,000.00

The amount of the tax is reduced by 10% a year per year after the first registration.

2.3.3 Tax on high power passenger car (36hp and more)

The finance law for 2018 has introduced a new tax based on the fiscal power of the vehicles starting from 36hp. The amount of the tax is €500 per hp, without exceeding €8,000.

The tax is due on the registration for new vehicles as for used vehicles. Collector vehicles are exempt.

It will apply to vehicles acquired on or after 1 January 2018.

2.3.4 Additional parafiscal charges

This charge is set aside for the expansion of vocational training in the transport sector. It is collected when the registration certificates of new vehicles are issued.

Certain types of vehicles and certain situations are exempt from this tax: personal vehicles, classic/collector vehicles, vehicles not requiring a driving licence, vehicles with a provisional registration certificate, etc.

The amount of this charge is as follows:

Motorised goods vehicles	With a total permissible weight under 3.5t	€34.00
	With a total permissible weight between 3.5 and 6t	€127.00
	With a total permissible laden weight between 6 and 11t	€189.00
	With a total permissible laden weight of 11t or more, articulated goods vehicles, public transport passenger vehicles	€285.00

2.4 CO2 BASED BONUS–MALUS SYSTEM

The bonus–malus system was introduced in January 2008 for passenger cars registered for the first time in France, covering also vehicles previously registered in another EU member state.

Depending on the vehicle CO2 emissions:

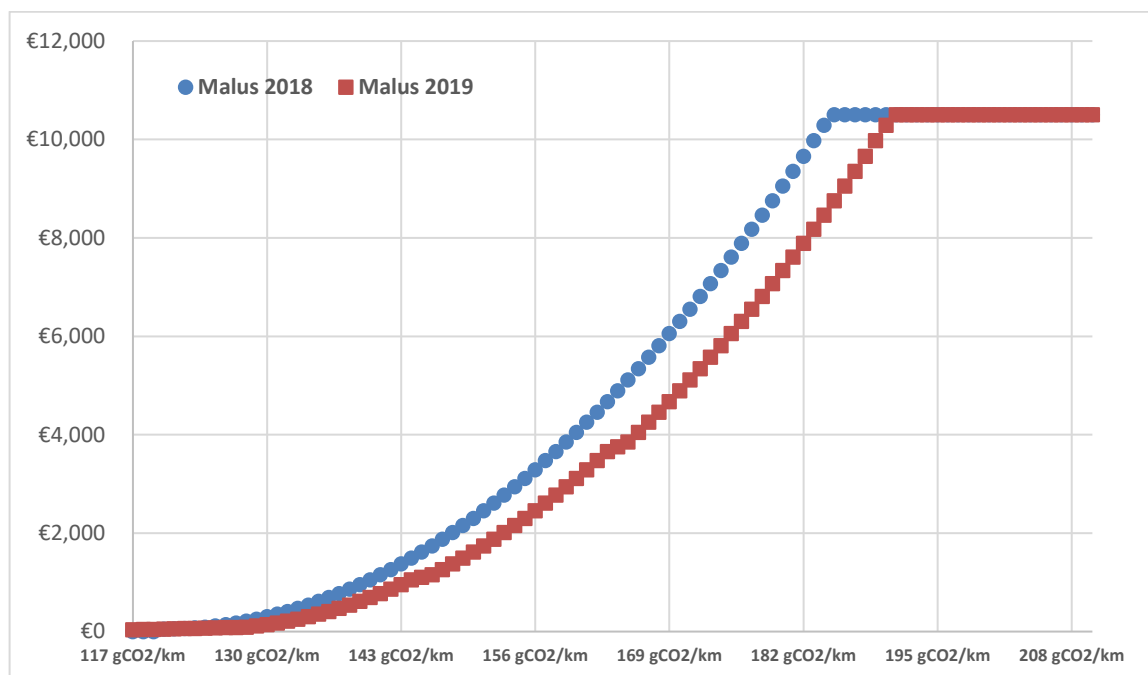
- a tax (malus) has to be paid by the car buyer;
- an incentive (bonus) is given, limited to new vehicles.

2.4.1 Malus

The bonus–malus system has to provide balance. The revenue from the malus is allocated to finance grants for the purchase of clean vehicles (see 2.4.2). As of 1 January 2019, the malus scheme was modified to adapt the taxation to WLTP (CO2 NEDC correlation) by:

- keeping the same taxation level on a neutral taxation approach, since CO2 NEDC correlation results in a higher CO2 value for the one and same vehicle compared to NEDC,
 - a shift of 4% is applied to compensate the rise of CO2 value due to NEDC correlation
- moving the initial set point by starting a malus of €35 for 117g CO2/km instead of €50 for 120g CO2 in 2018.

The comparison between the current malus curve 2019 and the previous one 2018 is illustrated as below:



For passenger cars type approved under Whole Vehicle Type Approval (WVTA), the amount of the malus is as follows:

		2017	2018	2019
Starting point	CO2 g/km	127	120	117
	malus	€50	€50	€35
End point	CO2 g/km	191	185	191
	malus	€10,000	€10,500	€10,500

- For flex-fuel vehicles emitting less than 250g/km, CO2 emissions are reduced by 40% in determining the amount of the malus.
- Families with three or more children can reduce the CO2 emissions level of a vehicle with at least five seats by 20g/km for each additional child after the first two.
- For handicapped persons, malus is not charged.

For other passenger cars, not approved under WVTA, ie on a national or individual basis, the amount of the malus is as follows:

Fiscal power (hp)	Amount of the tax (€)
≤ 5	0.00
6 – 7	3,000.00
8 – 9	5,000.00
10 – 11	8,000.00
12 – 16	9,000.00
> 16	10,500.00

For imported vehicles previously registered outside France after 1 January 2008, the amount of the tax is reduced by 10% a year per year after the first registration.

2.4.2 Bonus

For new passenger cars type approved under WVTA and light commercial vehicles (LCVs) subject to official CO2 measurement (80/1268/CEE) and type approved under WVTA or on a national basis.

From 1 January 2018, only vehicle (passenger car or LCV) emitting 20g CO2/km or less are eligible for the bonus. The amount of the bonus is 27% of the price of the vehicle (including the price of battery) with a maximum of €6,000.

From 1 January 2019, M2 & N2 vehicles with derogation related to weight (1t for electric vehicles for example) and a total permissible laden weight under or equal to 3.5t are also eligible to bonus if they emit 20g/km CO2 or less. The amount of the bonus is 27% of the price of the vehicle (including the price of battery) with a maximum of €4,000.

For electric vehicles of 'L' category (quadricycles, motorbikes, scooters, etc), the bonus has been maintained but the modalities have changed:

For vehicles powered by an electric engine ≥ 2 kW in application of Regulation (UE) 168/2013 (lead battery vehicles excluded) or ≥ 3 kW in application of Directive 2002/24/CE, the bonus amounts to €250/kWh, with a limit of €900 or 27% of the purchase price.

For vehicles powered by an electric engine < 3 kW in application of Directive 2002/24/CE or < 2 kW in application of Regulation (UE) 168/2013 (lead battery vehicles excluded), the bonus amounts 20% of the purchase price with a limit of €100.

2.4.3 Scrapping scheme

- In all cases, when a bonus is granted, an additional bonus (or 'super bonus') of €200 is given if a vehicle aged 15 years or more is scrapped in the end of life vehicles (ELV) chain.
- In March 2015, an additional scrapping scheme was put in place, for diesel passenger cars (this scheme does not apply to LCVs) registered in 2006 or before: the *prime de reconversion* or reconversion bonus.
- In 2018, the scrapping scheme *prime de reconversion* is reviewed. A premium of €1,000 (€2,000 for non-taxable households) is granted for the scrapping of an old vehicle diesel or non-diesel (see below).
- With the revision in 2019, significant grants are available for non-taxed households having a commuting distance longer than 30km. The total available in this case is €5,000 for the purchase of a second hand or new electric vehicle.

CO2 (g/km)	Consumer income condition	Age/Energy of the old vehicle to be scrapped	Amount of the scrapping scheme according to the replacement vehicle to be bought (€)			
			2018		2019	
			2018/2019	Second-hand vehicle	New vehicle	Second-hand vehicle
0 – 20	Non-taxable	Diesel before 01/01/2006, Petrol before 01/01/1997	2,000	2,500	2,500	2,500
	Non-taxable with a commuting distance > 30km		N/A	N/A	5,000	5,000
	Taxable		1,000	2,500	1,000	2,500
21 – 50 for PHEV with average autonomy of 40km WLTP or 50km NEDC	Non-taxable	Diesel before 01/01/2006, Petrol before 01/01/1997	2,000	2,000	2,500	2,500
	Non-taxable with a commuting distance > 30km		N/A	N/A	5,000	5,000
	Taxable		1,000	1,000	1,000	2,500
21 – 122	Non-taxable	Diesel before 01/01/2006, Petrol before 01/01/1997	2,000	2,000	2,000	2,000
	Non-taxable with a commuting distance > 30km		N/A	N/A	4,000	4,000
	Taxable		1,000	1,000	1,000	1,000

3 TAXES ON OWNERSHIP

3.1 BASIS OF TAXATION

- Graduated tax on motor vehicles: engine rating (fiscal power)
- CO2 emissions
- Special tax on certain motor vehicles (eg axle tax): weight

3.2 RATES

There is a system of taxes in France, all of which make up the ownership tax. These taxes are settled annually irrespective of the use made of the vehicle (empty, full, passengers or goods, etc). These taxes are as follows:

3.2.1 Annual malus

For passenger cars registered for the first time in France as from 1 January 2009, an annual tax is introduced according to CO2 emissions following levels:

Year of first registration	CO2 emissions (in g/km)
2009	250
2010	245
2011	245
From 2012 onwards	190

The amount of the tax is €160 (except for handicapped persons and vehicles subject to TVS; see section 3.2.2).

3.2.2 Tax on company cars (TVS)

The tax on company cars has two components (one based on CO2 emissions or fiscal power when the CO2 information is not available; the other based on atmospheric pollutants emissions depending on the engine type) and the tax itself is the total of those two components. This tax concerns passenger cars and pickups with more than four seats (exemption for vehicles used for operation of ski lift and areas).

A. The tax on passenger cars belonging to companies (CO2 component or fiscal power when CO2 information not available) applies as follows:

For vehicles covered by the European whole vehicle type approval, bought by companies as from 1 January 2006 and first registered after June 2004, the tax is based on CO2 emissions as follows:

CO2 emissions (in g/km)	Amount of the tax (in € per g of CO2)
≤ 20	0.00
> 20 and ≤ 60	1.00
> 60 and ≤ 100	2.00
> 100 and ≤ 120	4.50
> 120 and ≤ 140	6.50
> 140 and ≤ 160	13.00
> 160 and ≤ 200	19.50
> 200 and ≤ 250	23.50
> 250	29.00

For other vehicles, the tax is based on fiscal power as follows:

Fiscal power (hp)	Amount of the tax (€)
≤ 3	750.00
4 – 6	1,400.00
7 – 10	3,000.00
11 – 15	3,600.00
> 15	4,500.00

As from 1 October 2011 (before the reform in 2018), hybrid vehicles emitting less than 110g/km were not subject to the TVS in the first two years after registration. From 1 January 2018, TVS exempt for hybrid vehicles are based on CO2 emissions as follow:

CO2 emissions (in g/km = T)	Diesel	Petrol, super-ethanol E85, petrol + CNG or LPG
T ≤ 60	No exemption	Definitive exemption
60 < T ≤ 100		Exemption during 12 quarters
100 < T ≤ 110		No exemption

B. In addition, the TVS involves a component based on atmospheric pollutants emissions, depending on the type of fuel (in €):

Year of first registration	Diesel and assimilated	Petrol and assimilated
Until 31 December 1996	600.00	70.00
1997 – 2000	400.00	45.00
2001 – 2005	300.00	45.00
2006 – 2010	100.00	45.00
2011 – 2014	40.00	20.00
From 2015 onwards	40.00	20.00

NB: Electric vehicles and vehicles emitting less than 60g/km are not subject to is component of the TVS.

The TVS is extended to vehicles used by employees or executives and for which they receive a reimbursement based on the number of kilometres. The tax is based on a coefficient that varies according to the number of kilometres reimbursed by the company:

Number of kilometres reimbursed by the company	Coefficient applicable to the tax on company cars (%)
0 – 15,000	0
15,001 – 25,000	25
25,001 – 35,000	50
35,001 – 45,000	75
> 45,000	100

In the case of use of the vehicles by employees or executives, a reduction of €15,000 is applicable to the total amount of tax due by companies.

3.2.3 Special tax on certain motor vehicles (eg axle tax)

This tax is levied on vehicles with a total maximum permissible weight of ≥12t (except in the case of vehicles for the transportation of persons). From 1 July 2016, the tax is paid each semester. From 1 January 2017, a discount of 50% is applied on certain vehicles (vehicles for circuses or horses, collector vehicles) provided that they do not travel more than 25 days per semester.

The tax rates below apply from July 2016:

Vehicle category	Total permissible laden weight (t)	Biannual tariff (€)	
		Pneumatic suspension or motor axle suspension	Other suspension system
I. Motor vehicles			
a) two axles	≥ 12	62.00	138.00
b) three axles	≥ 12	112.00	174.00
c) four axles and more	12 – 27	74.00	114.00
	≥ 27	182.00	270.00
II. Articulated vehicles with tractive unit and semi-trailer			
a) Semi-trailer with one axle	12 – 20	8.00	16.00
	≥ 20	88.00	154.00
b) Semi-trailer with two axles	12 – 27	58.00	86.00
	27 – 33	168.00	234.00
	33 – 39	234.00	354.00
	≥ 39	314.00	466.00
c) Semi-trailer with three axles	12 – 38	186.00	258.00
	≥ 38	258.00	350.00
III. Trailers	≥ 16	60.00	60.00

This tax is reduced by 75% for vehicles using combined rail-road systems.

4 TAXES ON MOTORING

4.1 DRIVING LICENCE TAX

This tax is levied at the regional level. From 2016, the region of Corsica is the only one where the tax is maintained, and the amount is €33.

From September 2014, replacement of a lost driving licence is subject to a charge of €25 (national level).

4.2 FUEL TAXES

The progressive alignment of petrol and diesel fuel taxes, started in 2015, will continue in 2019.

Breakdown of the average prices at the pump – 7 January 2019

		Super 95 – E10	Super 98	Diesel	LPG
Product price	€/100l	49.00	54.14	55.07	59.10
Internal tax and excise duties	€/100l	67.19	69.12	60.91	11.53
VAT	€/100l	23.24	24.65	23.20	14.13
Total taxes	€/100l	90.43	93.77	84.11	25.66
Taxes	%	64.86	63.40	60.43	30.27
Final price	€/100l	139.43	147.91	139.18	84.76

As of the second semester of 2017, fuel taxes can be deducted by road transport companies (whether they transport persons or goods) on the total fuel consumption, with a range between €9.1 and €13.1 per 100l for the transport of goods; with a range between €13.9 and €17.1 per 100l for the transport of passengers.

A particular system of reimbursement has been set out for farmers and taxi drivers.

4.3 INSURANCE TAXES

As of 1 January 2016, compulsory third-party insurance (*'responsabilité civile'*) is subject to a 33% tax. Certain types of contracts on specific vehicles are exempt.

In contrast to VAT, these charges are never deductible.

Commercial vehicles with total permissible laden weight higher than 3.5t are subject to a 15% tax. Additionally, basic insurance premiums (third-party cover) for all vehicles are subject to a parafiscal charge of 2%, and, for other types of guarantee, there is another parafiscal tax of €5.90 per insurance policy as of 1 January 2017.



CHAPTER

12

ACEA TAX GUIDE 2019

Germany

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1 TAXES ON ACQUISITION

1.1 VAT

VAT is applied at the rate of 19% on the sale of new vehicles.

VAT is imposed on the commercial sale of every second-hand vehicle. It is computed on the difference between the selling price and the purchase price.

Private sales between individuals are not subject to taxation.

1.2 ALLOWABLE DEDUCTIONS

1.2.1 VAT

VAT paid on the purchase of commercial vehicles is totally deductible.

1.2.2 Depreciation

Passenger cars

Passenger cars for professional use are generally written down over six years.

Commercial vehicles

A. Commercial vehicles (general depreciation rules)¹

The depreciation of commercial vehicles is as follows:

Trucks	9 years
Trailers, semi-trailers and containers	11 years
Buses and coaches	9 years
Other omnibuses	9 years

B. Commercial vehicles (sector-based depreciation rules)

Trucks	< 7.5t	> 7.5t
Articulated semi-trailers, dumpers	6 years	5 years
Trailers and semi-trailers	6 years	
Containers	5 years	

1.3 REGISTRATION FEES

The average duties collected at the time of an initial registration amount to €26.30.

1.4 ENVIRONMENTAL BONUS FOR ELECTRIC AND HYBRID VEHICLES

From 1 July 2016, the government has introduced an environmental bonus of €4,000 for purely electric and fuel-cell vehicles, and €3,000 for plug-in hybrid and range-extended electric vehicles. The cost of this bonus is equally shared between the government and the manufacturer. Applications can be

¹ As the years vary for each sector, please check the depreciation individually as needed.

submitted by individuals, companies, foundations, corporations and associations to which the new vehicle is intended. In addition, a third party (eg a car dealer) can be authorised for the application.

2 MOTOR VEHICLE TAX

2.1 BASIS OF TAXATION

Passenger cars	CO2 emissions and cylinder capacity (from July 2009) Cylinder capacity and emission group (before July 2009)
Trucks, coaches and buses	Total weight in kilograms, exhaust emission group and noise
Trailer	Total weight in kilograms

2.2 RATES

2.2.1 Two-wheeled vehicles

€1.84 for every 25cm³ of cylinder capacity per annum.

2.2.2 Passenger cars

In 2009, the German government changed the annual circulation tax for new passenger cars registered as of 1 July 2009. It now consists of a tax base and a CO2 base, whereby the CO2 tax is linear. The tax base amounts to €2 per 100cm³ (petrol cars) or €9.50 per 100cm³ (diesel cars). As of 1 January 2014, every gram above the minimum level of 95g/km is taxed at €2 and this applies to both diesel and petrol cars. Previously, the minimum level was 120g/km (2009) and 110g/km (2012). The method used to measure the relevant pollutants and CO2-data has changed for all passenger cars registered from September 2018. The NEDC Procedure has been replaced with the WLTP Procedure.

In the case of passenger cars registered before 1 July 2009, the annual circulation tax will continue to be based on emission classes and on cylinder capacity. A planned integration of these vehicles into the new system has not been implemented.

(1) Taxation system for new registered cars (from July 2009)

Based on CO2 emissions and cylinder capacity

CO2-component

- **Tax-free base margin of**
 - 120g CO2/km from July 2009
 - 110g CO2/km from 2012
 - 95g CO2/km from 2014
- **Above tax-free margin: linear tariff of €2 per g CO2/km**

Capacity component

- **Additional tax-base** dependent on cylinder capacity for each 100cc and parts thereof:
 - €2.00 for petrol engines
 - €9.50 for diesel engines

Temporary tax exemption for electric vehicles

For initial registrations from 1 January 2016 until 31 December 2020, there is a tax exemption of 10 years for electric vehicles (purely electric or fuel-cell vehicles, not hybrid vehicles). After the exemption, the car tax will amount to 50% of €11.25 (up to 2,000kg), €12.02 (up to 3,000kg) or €12.78 (up to 3,500kg) for each 100cc or part thereof.

(2) Taxation system for vehicles registered (before July 2009)

Based on emission classes and cylinder capacity

Old motor vehicle tax rates are in euros per 100cc category (irrespective of the fuel type used and including hybrid vehicles)

Emission group	Petrol engines	Diesel engines
Euro 3 and better	6.75	15.44
Euro 2	7.36	16.05
Euro 1 and equivalent	15.13	27.35
Euro 0 (previously for cars that may be driven during ozone alarms)	21.07	33.29
Euro 0 (other cars)	25.36	37.58

2.2.3 Commercial vehicles (trucks, coaches and buses)

With a permissible total weight up to 3,500kg

≤ 2,000kg	€11.25
2,000-3,000kg	€12.02
3,000-3,500kg	€12.78

(for every 200kg or part thereof)

With a permissible total weight exceeding 3,500kg

a) Pollution categories S2, S3, S4, S5 and EEV (enhanced environmentally friendly vehicle) (with/without category G1)

≤ 2,000kg	€6.42
2,000-3,000kg	€6.88
3,000-4,000kg	€7.31
4,000-5,000kg	€7.75
5,000-6,000kg	€8.18
6,000-7,000kg	€8.62
7,000-8,000kg	€9.36
8,000-9,000kg	€10.07
9,000-10,000kg	€10.97
10,000-11,000kg	€11.84
11,000-12,000kg	€13.01
12,000-13,000kg	€14.32
Up to a maximum of €556 (> 12,200kg)	

(for every 200kg or fraction thereof)

b) Pollution category S1 (with/without category G1)

≤ 2,000kg	€6.42	(for every 200kg or fraction thereof)
2,000-3,000kg	€6.88	
3,000-4,000kg	€7.31	
4,000-5,000kg	€7.75	
5,000-6,000kg	€8.18	
6,000-7,000kg	€8.62	
7,000-8,000kg	€9.36	
8,000-9,000kg	€10.07	
9,000-10,000kg	€10.97	
10,000-11,000kg	€11.84	
11,000-12,000kg	€13.01	
12,000-13,000kg	€14.32	
13,000-14,000kg	€15.77	
14,000-15,000kg	€26.00	
> 15,000kg	€36.23	
Up to a maximum of €914 (> 15,400kg)		

c) Noise category G1

≤ 2,000kg	€9.64	(for every 200kg or fraction thereof)
2,000-3,000kg	€10.30	
3,000-4,000kg	€10.97	
4,000-5,000kg	€11.61	
5,000-6,000kg	€12.27	
6,000-7,000kg	€12.94	
7,000-8,000kg	€14.03	
8,000-9,000kg	€15.11	
9,000-10,000kg	€16.44	
10,000-11,000kg	€17.74	
11,000-12,000kg	€19.51	
12,000-13,000kg	€21.47	
13,000-14,000kg	€23.67	
14,000-15,000kg	€39.01	
> 15,000kg	€54.35	
Up to a maximum of €1,425 (> 15,600kg)		

d) Other vehicles

≤ 2,000kg	€11.25	(for every 200kg or fraction thereof)
2,000-3,000kg	€12.02	
3,000-4,000kg	€12.78	
4,000-5,000kg	€13.55	
5,000-6,000kg	€14.32	
6,000-7,000kg	€15.08	
7,000-8,000kg	€16.36	
8,000-9,000kg	€17.64	
9,000-10,000kg	€19.17	
10,000-11,000kg	€20.71	
11,000-12,000kg	€22.75	
12,000-13,000kg	€25.05	
13,000-14,000kg	€27.61	
14,000-15,000kg	€45.50	
> 15,000kg	€63.40	
Up to a maximum of €1,681 (> 15,800kg)		

2.2.4 Trailers

For every 200kg or fraction thereof	€7.46
Up to a maximum of €373.24 (10,000kg)	

It should be noted that trailers and semi-trailers (apart from caravans) can be exempted from this tax at the owner's request. A surcharge must then be paid on the tractive unit (although the latter is exempt if it is used exclusively for the delivery or collection of goods for transportation in an integrated rail-road network).

The trailer surcharge for a period of one year is €300.

2.2.5 Motor caravans

The basis of the motor vehicle tax for motor caravans as from 1 January 2006 is the permissible total weight in kilograms and the pollutant emissions.

Emission group S4		(for every 200kg or fraction thereof)
< 2,000kg	€16	
≥ 2,000kg	€10	
Up to a maximum of €800		
Emission groups S1-S3		
< 2,000kg	€24	
≥ 2,000kg	€10	
Up to a maximum of €1,000		
Non-reduced-emission		
< 2,000kg	€40	

2,000-5,000kg	€10
5,000-12,000kg	€15
> 12,000kg	€25

From 1 January 2010, motor caravans in the emission class S1 are taxed according to the rate for non-reduced-emission vehicles.

3 TAXES ON MOTORING

3.1 FUEL TAXES

Prices in eurocents/litre in December 2018:

	Diesel	Super
Fuel price including distribution costs and compulsory blending of biofuels	65.62	57.99
Excise duties	47.04	65.45
Subtotal	112.66	123.44
19% VAT	21.41	23.45
Price at the pump	134.07	146.89

3.2 INSURANCE TAXES

The total tax charge amounts to 19% of the premium.

4 PRIVATE USE OF A COMPANY CAR

The use of a company car for private motoring is treated as a benefit in kind under income tax. The rate of taxation is generally based on the gross catalogue price of the company car and the distance between the residence and the office of the employee. The taxable amount is 1% of the gross catalogue price plus 0.03%, per month, of the gross catalogue price per kilometre distance between the residence and the office of the employee.

As an alternative to the '1% method', the private use value can also be ascertained by accounting for individual costs (driver's logbook method). This involves using receipts to account for the total vehicle costs incurred and recording the relative proportions of private and other journeys in a properly maintained driver's logbook.

4.1 DEDUCTION FOR ELECTRIC VEHICLES

To reduce the tax disadvantages of electric vehicles provided as company cars, the German government has implemented a tax adjustment for electric company cars that applies to both the 1% regulation and the driver's logbook method. For practical reasons, this is implemented as standard, in the form of a flat-rate deduction.

For electric vehicles that are handed over to an employee for private use for the first time after 31 December 2018, only half of the gross catalogue price will serve as taxation base. As a result, for users of an electric company car the taxable amount is 0,5% of the gross catalogue price per month. The halving of the tax base also applies to the distance between the residence and the office of the employee. Under certain circumstances the same applies to journeys to the employee's home base.

The regulation will initially apply for three years, ie until 31 December 2021. In addition, externally rechargeable hybrid vehicles, ie plug-in hybrids (PHEVs), will also benefit from the tax reduction if the PHEV emits a maximum of 50g of CO₂/km or has an electrical range of at least 40 km. For all other PHEVs, the existing deduction continues to apply.

The regulation does not apply only to new cars. Used cars can also be covered if they are handed to the employee as a company car for the first time from January 2019.

4.2 CHARGING CURRENT TAX FREE

In addition, the benefit in kind of receiving charging current on the firm's premises and the provision of charging equipment by the employer are tax free from 1 January 2017 until 31 December 2020.

5 PERIODIC INSPECTION OF VEHICLES

5.1 INSPECTION

Two road safety tests are set out under §29 of the StVZO (*Straßenverkehrs-Zulassungs-Ordnung*, the law equivalent to the Highway Code stipulating the technical standards for approved types and registration of motor vehicles):

- The principal test (*Hauptuntersuchung* (HU))
- The safety test (*Sicherheitsprüfung* (SP))

In addition, §47a of the StVZO provides for a pollutant emission test for vehicles (*Abgasuntersuchung* (AU)). Finally, there are some tests for vehicles that are specially designed for the transport of hazardous materials.

These periodic tests (HU and SP) are primarily undertaken by the TÜV (*Technischer Überwachungs-Verein*), which has approximately 500 stations spread throughout the country, but also by some smaller organisations (DEKRA and FKÜ). The SP is also performed by authorised garages. The emission test is undertaken by TÜV, DEKRA, FKÜ and authorised garages.

5.2 COST OF THE INSPECTION

The cost of the inspection may vary among companies offering the periodic tests and depending on the type of vehicle (passenger cars and trucks).

5.3 FREQUENCY OF MOTOR VEHICLE INSPECTION

Vehicles are subject to inspection at the following intervals:

		Principal test (HU)	Safety test (SP)
Private cars		36 months (first test)	–
		24 months (subsequent tests)	–
Buses		12 months	6 months
Commercial vehicles	< 3.5t	24 months	–
	3.5-7.5t	12 months	–
	7.5-12t	12 months	6 months
	> 12t	12 months	6 months
Trailers	< 0.75t	36 months (first test)	–
		24 months (subsequent tests)	–
	0.75-3.5t	24 months	–
	3.5-10t	12 months	–
	> 10t	12 months	6 months



CHAPTER

13

ACEA TAX GUIDE 2019

Greece

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1 TAXES ON ACQUISITION

1.1 VAT

VAT at the rate of 24% is calculated on the net retail selling price, which is equal to the sum of the landed cost (CIF – cost, insurance and freight), the customs duty (for non-EU cars) and the gross profit margin. VAT is not applied to registration tax (see below).

1.2 REGISTRATION TAX

1.2.1 Passenger cars

Although it is regarded as a consumption/registration tax, the registration tax (RT) must be settled when the car is cleared through customs and is therefore comparable to customs duty.

The registration tax is equal to:

$$\text{RT} = \text{taxable value} \times \text{basic coefficient} \times \text{CO2 emissions coefficient}$$

Taxable value

New vehicles: the taxable value for RT is equivalent to the net retail price (NRP) of the vehicle, based on the price lists submitted to customs by the importers.

Imported used vehicles: the taxable value for RT is the NRP of the same type, variant and version of vehicle, including the value of its accessories, at the year of registration of this vehicle in the Greek car market, reduced in accordance with body-type category and vehicle age. The taxable value, after the above-mentioned reduction, is further reduced using a factor of 0.10 for every additional 500km travelled over the annual average (15,000km). The reduction based on mileage must not exceed 10% of the value determined after the above-mentioned reduction.

The total reduction for imported used cars, including the reduction based on mileage, may not exceed 95%. An importer can submit a petition to the customs authorities about the above taxable value, if the importer considers that the resulting RT is higher than the residual tax incorporated in the value of similar used cars on the Greek car market or if a particular car, as a result of extensive damage, is highly depreciated and thus its value is much lower than the estimated taxable value.

Basic coefficient

Depending on NRP (€) and the emissions technology of the vehicle (its Euro rating under the EU type-approval system), this coefficient is obtained for passenger cars as follows:

Net retail price (€)	Euro 6c-d or newer (%)	Euro 6b (%)	Euro 5b,5a, 4, 3, 2, 1 (%)	Euro 0 or older (%)	Hybrid vehicles (%)	Electric vehicles (zero CO2 emissions) (%)
≤ 14,000	4	6	12	24	2	0
14,001-17,000	8	12	24	48	4	0
17,001-20,000	16	24	48	96	8	0
20,001-25,000	24	36	72	144	12	0
> 25,000	32	48	96	192	16	0

CO2 emissions coefficient

The CO2 emissions coefficient is as follows, according to the CO2 emissions of the vehicle:

CO2 (g/km)	Coefficient
≤ 100	0.95
101 – 120	1.00
121 – 140	1.10
141 – 160	1.20
161 – 180	1.30
181 – 200	1.40
201 – 250	1.60
> 250	2.00

Examples of RT value on new passenger cars

If a Euro 6c-d new passenger car has an NRP of €12,900 and 95g/km CO2 emissions, then the RT value would be $(12,900 \times 4\% \times 0.95) = \mathbf{€490.20}$

If a Euro 6c-d new passenger car has an NRP of €13,500 and 99g/km CO2 emissions, then the RT value would be $(13,500 \times 4\% \times 0.95) = \mathbf{€513.00}$

If a Euro 6c-d new passenger car has an NRP of €15,600 and 125g/km CO2 emissions, then the RT value would be $(15,600 \times 8\% \times 1.10) = \mathbf{€1,372.80}$

Reduction on the NRP value on the basis of the age and body type of the imported used car

Age of car	Reduction on the NRP value of the car (%)					
	Years	4x4 (SUV, ATV)	Hatchback	Sedan	Cabriolet	Coupé/ Roadster
0.5	11	9	15	11	12	9
1	22	19	30	22	25	19
1.5	25	24	33	26	25	23
2	29	28	36	30	29	27
2.5	35	32	40	33	32	33
3	37	37	43	36	36	36
3.5	44	43	50	42	41	43
4	50	49	57	48	47	49
4.5	56	55	64	54	53	55
5	62	61	72	60	59	61
5.5	66	64	74	64	63	64
6	68	67	76	67	66	67
6.5	71	70	78	69	68	70
7	73	72	80	72	71	72
7.5	75	74	81	74	73	75
8	77	76	83	76	75	77
8.5	79	78	84	78	77	78
9	80	80	85	79	79	80
9.5	82	81	86	81	80	82
10	83	83	87	82	82	83
10.5	84	83	88	83	83	84

11	85	84	89	84	84	85
11.5	86	85	89	85	85	86
12	87	86	90	86	86	87
12.5	88	87	90	87	87	88
13	88	88	90	88	87	89
13.5	89	89	91	88	88	89
14	90	89	91	89	89	90
14.5	90	90	91	89	89	91
15	90	90	91	90	89	91
15.5	90	90	91	90	89	91
16	95	95	95	95	95	95

1.2.2 Commercial vehicles

The registration tax is equal to:

$$RT = \text{taxable value} \times \text{basic coefficient} \times \text{Euro adjustment}$$

Taxable value

A) Commercial vehicles with a gross vehicle weight (GVW) up to 3.5t

New vehicles: the taxable value is the NRP of the vehicle, based on the price lists submitted to the customs by the importers.

Imported used vehicles: the taxable value for RT is the NRP of the same type, variant and version of vehicle, including the value of its accessories, at the year of registration of this vehicle in the Greek car market, reduced by customs according to age.

B) Trucks with a GVW greater than 3.5t

New vehicles: the taxable value is the CIF value (import cost) of the vehicle.

Imported used vehicles: the taxable value for RT is the CIF value of the same type, variant and version of vehicle, including the value of its accessories, at the year of registration of this vehicle in the Greek car market, reduced by customs according to age.

Basic coefficient

For commercial vehicles with a GVW up to 3.5t, the basic coefficient is 8% or 10%, depending on whether the cargo area is open or closed.

For trucks with a GVW greater than 3.5t, the basic coefficient is 5%.

Euro adjustment coefficient

If commercial vehicles are equipped with earlier anti-pollutant technology than 715/2007/EC (Euro 6), the coefficient is 1.3 (tax increases by 30%); otherwise, it is 1.

Others

Electric commercial vehicles are exempt from RT.

For buses and tractors, the RT equals one year's circulation tax.

2 TAXES ON OWNERSHIP

2.1 CIRCULATION TAX

Circulation tax is levied on an annual (calendar year) basis, paid during the last month of the previous year. No reduction is applied if a vehicle is registered later in the course of a year. Circulation tax is based on the following criteria:

Basis of the circulation tax	
Private passenger cars	Engine capacity or CO2 emissions (for newer cars)
Coaches and buses	Number of seats
Commercial vehicles	Gross vehicle weight

2.1.1 Private passenger cars: annual circulation tax rates

A) Passenger cars registered in Greece before 1 November 2010

Engine capacity (cc)	Annual circulation tax (€) for passenger cars with first registration date before 2000	Annual circulation tax (€) for passenger cars with first registration date in 2001–2005	Annual circulation tax (€) for passenger cars with first registration date in 2006–2010
0 – 300	22.00	22.00	22.00
301 – 785	55.00	55.00	55.00
786 – 1,071	120.00	120.00	120.00
1,072 – 1,357	135.00	135.00	135.00
1,358 – 1,548	225.00	240.00	255.00
1,549 – 1,738	250.00	265.00	280.00
1,739 – 1,928	280.00	300.00	320.00
1,929 – 2,357	615.00	630.00	690.00
2,358 – 3,000	820.00	840.00	920.00
3,001 – 4,000	1,025.00	1,050.00	1,150.00
> 4,000	1,230.00	1,260.00	1,380.00

Hybrid cars with an engine capacity of up to 1,549cc and a first registration date before 31 October 2010 are exempt from circulation tax. Hybrid cars with an engine capacity of 1,550cc or over and a first registration date before 31 October 2010 are levied with an annual circulation tax equal to 60% of the values shown in the above table based on their first registration date.

Example: the owner of a 1,800cc hybrid car with first registration date in Greece of 16 October 2004 is liable to pay an annual circulation tax of $€300 \times 0.6 = €180$.

B) Passenger cars registered after 31 October 2010

CO2 emissions (g/km)	Coefficient for annual circulation tax (€)
0 – 90	0.00
91 – 100	0.90
101 – 120	0.98
121 – 140	1.20
141 – 160	1.85
161 – 180	2.45
181 – 200	2.78

201 – 250	3.05
> 250	3.72

Example: the owner of a vehicle emitting 149g/km of CO₂ is liable to pay an annual circulation tax of $149 \times \text{€}1.85 = \text{€}275.65$.

All hybrid cars, regardless of engine capacity, registered after 31 December 2010 are levied with an annual circulation tax equal to the product of the CO₂ coefficient shown in the table above and the CO₂ emissions of the vehicle.

Example: a 3,000cc hybrid car with first registration date in Greece of 16 April 2011 and emitting 142g/km of CO₂ is liable to pay an annual circulation tax of $\text{€}142 \times 1.85 = \text{€}262.70$.

The coefficients shown in the above apply also to all imported used cars provided that the car's CO₂ emissions are explicitly indicated on the registration certificate. Otherwise, the circulation tax is calculated based on the engine capacity of the imported used car.

Electric cars are exempt from circulation tax.

2.1.2 Commercial vehicles: annual circulation tax rates

Gross vehicle weight (kg)	Tax (€)
≤ 1,500	75.00
1,501 – 3,500	105.00
3,501 – 10,000	300.00
10,001 – 20,000	600.00
20,001 – 30,000	940.00
30,001 – 40,000	1,320.00
> 40,000	1,490.00
Tractors	300.00

2.1.3 Buses: annual circulation tax rates

Number of seats	Tax (€)
≤ 33	210.00
34 – 50	410.00
> 50	510.00

2.2 PERSONAL INCOME PRESUMPTION SYSTEM

A presumption about an individual's annual personal income is made, depending on their possessions (including house, car, boat, etc) in the year they are being taxed for, on the basis of the expenses/lifestyle these imply. Regarding cars, the presumed income is calculated according to the car's engine size (as shown in the table below). If the individual's declared income is lower than the calculated presumed income based on their possessions, their personal income tax for the year is calculated on the (higher) total presumed income.

Engine size (cc)	Accumulated income presumption (€)
	0 – 1,200cc = €4,000
	1,201 – 2,000cc = €600/100cc
	2,001 – 3,000cc = €900/100cc
	> 3,000cc = €1,200/100cc

1,200	4,000.00
1,400	5,200.00
1,600	6,400.00
1,800	7,600.00
2,000	8,800.00
2,500	13,300.00
3,000	17,800.00
4,000	29,800.00
5,000	41,800.00

Example: the presumed annual income for a vehicle with an engine capacity of 2,600cc is calculated as follows:

$$[1,200\text{cc} + (100\text{cc} \times 8) + (100\text{cc} \times 6)] = 2,600\text{cc}$$

$$[\text{€}4,000 + (\text{€}600 \times 8) + (\text{€}900 \times 6)] = \text{€}14,200$$

The above-mentioned amounts are reduced by 30% for cars that are 5-10 years old and 50% for cars that are more than 10 years old.

2.3 LUXURY LIVING TAX

As of January 2012, a 'luxury living' annual tax is applied on the ownership of all passenger cars with an engine capacity greater than 1,929cc and not older than 10 years. This tax is based on the presumed income of the car owner, which is described in section 2.2, and is equal to:

- 5% of presumed income annually for cars with an engine capacity greater than 1,929cc and up to 2,500cc;
- 13% of presumed income annually for cars with an engine capacity greater than 2,500cc.

The above amounts are reduced by 30% if the car is older than five years, while cars over 10 years old are exempt from luxury living tax. In addition, if a car is owned for less than 12 months of the year, then a reduced amount, based on months owned, is calculated.

Some examples of the annual luxury living tax are the following:

- €440 for a passenger car with an engine capacity of 2,000cc if the car is three years old
- €2,314 for a passenger car with an engine capacity of 3,000cc if the car is two years old
- €2,711.80 for a passenger car with an engine capacity of 4,000cc if the car is seven years old
- €0 for a passenger car with an engine capacity of 4,000cc if the car is 11 years old

2.4 USE OF A COMPANY CAR OR A LEASED CAR

The use of a company (owned or leased) passenger car increases an employee's annual personal income. The amount by which income is increased is based on the following table:

Net retail price (NRP) of the car (€)	% of NRP that is deemed to be annual personal income
0 – 12,000	4
12,001 – 17,000	7
17,001 – 20,000	14
20,001 – 25,000	18
> 25,000	22

According to the above table, a company car with an NRP of €16,000 (which means its retail price would be €21,120¹) increases the personal income of the employee by (€16,000 × 7%) = €1,120.

Company cars with an NRP of up to €12,000 that are provided exclusively for professional reasons ('tod cars') are exempt from increasing the employee's personal income.

2.5 ACCEPTED EXPENSES FOR COMPANY TAXATION

The annual expense of either leasing or renting a car is 100% deductible regarding the company's taxation.

3 TAXES ON MOTORING

3.1 FUEL TAXES

The final retail price of fuels is derived as shown in the example below.

Analysis of the retail price of 95 octane petrol (€1,491/l on 8 February 2019):

Charge	Calculation/derivation	Amount (€/l)
Oil refinery cost (08/02/2019)		0.3848
State's petroleum fee	$1.2\% \times \text{€}0.3848/\text{l}$	0.0046
Regulatory Authority for Energy fee	€0.21/1.000l	0.0002
Special consumption tax (95 octane petrol)		0.7000
Customs fund fee	$0.5\% \times \text{€}(0.3848 + 0.7)/\text{l}$	0.0054
VAT (24%)	$24\% \times \text{€}(0.3848 + 0.0046 + 0.0002 + 0.7000 + 0.0054 + 0.1074)/\text{l}$	0.2886
TOTAL FUEL PRICE		1.3836
TOTAL RETAIL FUEL PRICE		1.4910
Petroleum company and gas station gross profit (including VAT)	$\text{€}(1.4910 - 1.3836)/\text{l}$	0.1074

Special consumption tax varies according to fuel type as follows:

- €0.681/l for petrol with special additives, replacing the old leaded petrol
- €0.700/l for unleaded petrol with an octane rating of less than 96.5
- €0.700/l for unleaded petrol with an octane rating of more than 96.5
- €0.410/l for diesel fuel

¹ Retail price (RP)= VAT (24% on the NRP) + RT + NRP

4 PERIODICAL INSPECTION OF VEHICLES

4.1 PERIODICAL TECHNICAL INSPECTION OF VEHICLES

In Greece, vehicles must pass a technical inspection, the details of which are shown below. Note that the costs shown are those charged by state-owned Technical Inspection Centres; privately owned centres set their own prices. VAT is included in the costs shown.

4.1.1 Private passenger cars

For cars registered as new, the first inspection must take place four years after purchase, while subsequent inspections must be done every two years thereafter. For imported used cars, inspection must be carried out prior to registration in Greece and every two years afterwards.

Cost: €40.

4.1.2 Commercial vehicles

A) Commercial vehicles weighing up to 3.5t

First inspection at four years after purchase, subsequent inspections every two years thereafter.

Cost: €48.

B) Commercial vehicles weighing more than 3.5t and up to 12t

First inspection at one year after purchase, subsequent inspections every year.

Cost: €68.

C) Commercial vehicles weighing more than 12t

First inspection at one year after purchase, subsequent inspections every year.

Cost: €76.

D) Buses with up to 22 seats

First inspection at one year after purchase, subsequent inspections every year.

Cost: €65.

E) Buses with more than 22 seats

First inspection at one year after purchase, subsequent inspections every year.

Cost: €75.

Note: for imported used commercial vehicles, the first inspection must be carried out prior to registration and every two years afterwards.



CHAPTER

14

ACEA TAX GUIDE 2019

Hungary

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1 TAXES ON ACQUISITION

1.1 VAT

The purchase of motor vehicles is subject to VAT at the rate of 27%.

VAT is refundable for vans, trucks and buses, and for passenger cars that are purchased using open-end leasing (leasing with residual value) pro rata on the basis of the official use of the car.

1.2 PROPERTY ACQUISITION FEE

The acquisition of a new or used vehicle is subject to a property acquisition fee, the rates of which are as follows:

Property acquisition fee (HUF/kW)			
kW/€ rate	Age (years)		
	0-3	4-8	> 8
0-40	600	480	300
41-80	720	600	480
81-120	900	720	600
> 120	1,200	900	720

There is no fee for so-called environmentally friendly cars (electric cars, plug-in hybrids). There is no longer any fee for trucks with a gross vehicle weight over 3.5t.

1.3 REGISTRATION TAX

There is no tax on so-called environmentally friendly cars (eg electric cars, plug-in hybrids etc).

A registration tax must be paid upon the first registration of a passenger car in Hungary.

The rates are based on environment protection classes in accordance with EU emission standards.

The rates (in HUF) in 2018 are as follows:

Tax category	Engine (cc)	Euro 5	Euro 4	Euro 3	Euro 2	Euro 1 or lower
1	Below B1,100, D1,300	45,000	180,000	270,000	360,000	540,000
2	B1,100, D1,300	65,000	260,000	390,000	520,000	780,000
3	B1,400, D1,500	85,000	340,000	510,000	680,000	1,020,000
4	B1,600, D1,700	135,000	540,000	810,000	1,080,000	1,620,000
5	B1,800, D2,000	185,000	740,000	1,100,000	1,480,000	2,220,000
6	B2,000, D2,500	265,000	1,060,000	1,590,000	2,120,000	3,180,000
7	Above B2,500, D3,000	400,000	1,600,000	2,400,000	3,200,000	4,800,000
	Above B3,000, D3,500	–	–	–	6,000,000	8,000,000
8	Electric vehicle	0	–	–	–	–
9	Hybrid	76,000	–	–	–	–

2011 year: only the lowest tax (it was for Euro 4 engine), just for comparison

Note: B, gasoline; D, diesel

The tax value of second-hand cars is reduced, taking account of their depreciation. The table below contains the reduction factors. Each month started is considered a full month for the calculation.

Time since first registration (months)	Depreciation (%)
≤ 2	0.06
3-4	0.1
5-6	0.14
7-12	0.2
13-24	0.31
25-36	0.41
37-48	0.49
49-60	0.56
61-72	0.62
73-84	0.68
85-96	0.72
97-108	0.76
109-120	0.79
121-132	0.82
133-144	0.85
145-156	0.87
157-168	0.89
169	0.9
Depreciation of operational leased fleet	
Months since start of lease	Depreciation (%)
≤ 2	4
3-6	8
7-12	16
13-18	24
19-24	32
25-30	40
31-36	48
37-42	56
43-48	64
49-54	72
55-60	80
61-90	87
91-120	94
≥ 121	100

1.4 TECHNICAL EXAMINATION FEE

Vehicles must undergo a technical examination everyone to three years, depending on the type of vehicle and its age. The fee amounts to:

Type of vehicle	Fee (HUF)
Motorbike	4,360
Passenger car	6,290
N1 commercial vehicle	17,090
N2 or N3 commercial vehicle	24,950

2 TAXES ON OWNERSHIP

2.1 MOTOR VEHICLE TAX/YEARLY TAX

The motor vehicle tax is based on the capacity of the vehicle's engine in kilowatts and the vehicle's year of production.

There is no tax on so-called environmentally friendly cars (eg electric cars, plug-in hybrids, etc).

The rates are as follows:

Passenger car less than 4 years old	HUF 345/kW
Passenger car 4-7 years old	HUF 300/kW
Passenger car 8-11 years old	HUF 230/kW
Passenger car 12-15 years old	HUF 185/kW
Passenger car 16 years old or older	HUF 140/kW
Bus, coach or truck	HUF 1,200/100kg
Other non-passenger vehicle or semi-trailer	HUF 1,380/100kg
Passenger car with E registration plate	HUF 10,000
Truck with E registration plate	HUF 46,000
Vehicle with P registration plate	HUF 230,000

Preferential reduction

Bus, coach or truck with Euro 2 engine	20%
Road tractor or semi-trailer with Euro 2 engine	30%
Bus, coach or truck with Euro 3 engine	30%
Road tractor of semi-trailer with Euro 3 engine	50%

2.2 COMPANY CAR TAX

Company-owned passenger cars are subject to a monthly company car tax.

There is no tax on so-called environmentally friendly cars (eg electric cars, plug-in hybrids, etc).

Company car tax			
kW	Environmental scale (HUF/month)		
	0-50	16,500	8,000
51-90	22,000	11,000	8,800
91-120	33,000	22,000	11,000
> 120	44,000	33,000	22,000

The motor vehicle tax can be deducted from the company car tax.

3 TAXES ON MOTORING

3.1 FUEL TAXES

The sale of fuel is subject to VAT (27%), excise duty (variable) and a specific fuel tax, which is as follows:

Leaded petrol	HUF 124.00/l
Unleaded petrol	HUF 120.00/l
Diesel (gas) oil	HUF 120.00/l

VAT is refundable for vans, trucks and buses, but not for passenger cars.



CHAPTER

15

ACEA TAX GUIDE 2019

Ireland

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1 ENGINE RATINGS

Ireland uses the engine capacity of the vehicle as the basis for computation of the annual road tax for vehicles first registered in Europe prior to 1 July 2008 and a CO₂ basis for vehicles first registered after that date.

2 TAXES ON ACQUISITION

2.1 VAT

2.1.1 Acquisition of a new vehicle

The acquisition of a new vehicle gives rise to a charge to VAT at the rate of 23%.

VAT is calculated on the basic price of the vehicle before the Vehicle Registration Tax (VRT).

2.1.2 Acquisition of a second-hand vehicle

When a second-hand vehicle is acquired from a VAT-registered motor trader, it is subject to VAT on any profit margin at the rate of 23%. VAT qualifying vehicles are subject to VAT at 23% on the full sale price.

In the event of a private sale between individuals, no tax is payable.

2.2 VEHICLE REGISTRATION TAX

2.2.1 VRT on new vehicles

VRT is imposed on private cars and on commercial vehicles and is determined as a percentage of the open market selling price (OMSP) of the vehicle, which is the cash price at which it is expected to sell in a consumer transaction. The OMSP is the total projected sale price and includes VAT and VRT itself. The rates based on CO₂ emissions are for M1 vehicles (passenger cars). The rates and band structures effective for all first registrations (new and used imports) in Ireland from 1 January 2013 are:

Band	CO ₂ emissions (g/km)	VRT (%)
A1	0-80	14
A2	81-100	15
A3	101-110	16
A4	111-120	17
B1	121-130	18
B2	131-140	19
C	141-155	23
D	156-170	27
E	171-190	30
F	191-225	34
G	≥ 226	36

From 1 January 2019 there is a 1% VRT surcharge on diesel cars registered from that date. It applies to new and used passenger cars and light “commercials” that are in VRT Category A. Diesel Hybrids electric and plug-in Hybrids are not impacted by this 1% surcharge.

VRT Rates for Diesel Vehicles

CO2 Emissions Bands CO2 Range VRT Rates

Band	CO2 emissions (g/km)	VRT (%)
A1	0-80	15
A2	81-100	16
A3	101-110	17
A4	111-120	18
B1	121-130	19
B2	131-140	20
C	141-155	24
D	156-170	28
E	171-190	31
F	191-225	35
G	≥ 226	37

Commercial vehicles

Since 1 January 2011, the VRT on commercial vehicles has been:

N1 vehicles (exceptions below)	13.3% of open market selling price
N1 vehicles where at the time of manufacture had less than four seats and had a technically permissible laden mass that is greater than 130% of the mass of the vehicle with bodywork in running order From 1 April 2018, N1 vehicles that have four or more seats that do not have the EU Bodycode of 'BE', are treated as Category A VRT. This applies to both new and used imports based on the OMSP and CO2 emissions of the vehicle.	€200.00
N2 vehicles	€200.00

Hybrid/flexifuel/electric vehicles

Conventional hybrid electric vehicles: until 31 December 2019, these vehicles will be entitled to relief from VRT up to a maximum of €1,500.

Plug-in hybrids: until 31 December 2019, these vehicles will be entitled to a relief from VRT up to a maximum of €2,500.

Electric vehicles: until 31 December 2021, these vehicles will be entitled to a relief from VRT up to a maximum of €5,000.

Grants

In addition to the VRT relief outlined above, electric vehicles and plug-in electric hybrids entitle the buyer to a grant of up to €5,000 on purchase until 31 December 2021 for electric vehicles and December 2019 for plug-in hybrid electric vehicles.

2.2.2 VRT on second-hand vehicles

The importation of second-hand vehicles is liable to VRT. For imported second-hand cars and small commercial vehicles registered for the first time in Ireland, VRT will be calculated on the basis of the OMSP of such a local used vehicle on sale in the state. The rates of VRT applicable to second-hand private cars and commercial vehicles are the same as those applied to new vehicles.

2.3 ALLOWABLE DEDUCTIONS

2.3.1 VAT exemption

The VAT paid by an enterprise on the purchase of a car is only partially deductible in limited cases for businesses. Of the VAT suffered, 20% is deductible for cars registered after 1 January 2009 whose CO₂ emissions are less than 156g/km and which are primarily used (at least 60%) for business purposes.

VAT on commercial vehicles is reclaimable by VAT-registered businesses.

2.3.2 Depreciation and capital allowances

The scheme of capital allowances and leasing expenses for cars used for business purposes links the availability of such allowances and expenses to the CO₂ emission levels of the vehicles. Cars will be categorised by reference to CO₂ emissions, with the emissions bands being broadly consistent with the new VRT system, as follows:

Category A	Category B/C	Category D/E	Category F/G
0-120g/km	121-155g/km	156-190g/km	≥ 191g/km

Cars with CO₂ emission levels in categories A, B or C attract capital allowances at the current car value threshold under the existing scheme of €24,000, regardless of the cost of the car. Cars in category D or E attract allowances of 50% of the current car value threshold or 50% of the cost of the car, if lower. Cars in category F or G do not qualify for capital allowances.

3 TAXES ON OWNERSHIP

3.1 BASIS

Private vehicles	Cylinder capacity for vehicles first registered in Europe before 1 July 2008 CO2 emissions for vehicles registered from 1 July 2008
Coaches and buses	Number of seats
Commercial vehicles	Deadweight

3.2 RATES

Private cars registered before 1 July 2008

Engine (cc)	Road tax (€)
≤ 1,000	199.00
1,001–1,100	299.00
1,101–1,200	330.00
1,201–1,300	358.00
1,301–1,400	385.00
1,401–1,500	413.00
1,501–1,600	514.00
1,601–1,700	544.00
1,701–1,800	636.00
1,801–1,900	673.00
1,901–2,000	710.00
2,001–2,100	906.00
2,101–2,200	951.00
2,201–2,300	994.00
2,301–2,400	1,034.00
2,401–2,500	1,080.00
2,501–2,600	1,294.00
2,601–2,700	1,345.00
2,701–2,800	1,391.00
2,801–2,900	1,443.00
2,901–3,000	1,494.00
≥ 3,001	1,809.00
Electric	120.00

Private cars first registered from 1 July 2008 onwards

Band	CO2 emissions (g/km)	Road tax (€)
A0	0	120.00
A1	1-80	170.00
A2	81-100	180.00
A3	101-110	190.00
A4	111-120	200.00
B1	121-130	270.00
B2	131-140	280.00
C	141-155	390.00
D	156-170	570.00
E	171-190	750.00
F	191-225	1,200.00
G	≥ 226	2,350.00

Goods vehicles

Unladen weight (kg)	Annual (€)	Half-yearly (€) (a)	Quarterly (€) (b)	Arrears (monthly) (€) (c)
≤ 3,000	333.00	184.00	94.00	33.30
3,001-4,000	420.00	233.00	118.00	42.00
4,001-12,000	500.00	277.00	141.00	50.00
≥ 12,001	900.00	499.00	254.00	90.00
Electric not over 1,500	92.00	–	–	9.20

(a) 55.5% of annual rate (disregard cent)

(b) 28.25% of annual rate (disregard cent)

(c) 10% of annual rate

Large public service vehicles and youth/community buses

Seating capacity	Annual (€)	Half-yearly (€) (a)	Quarterly (€) (b)	Arrears (monthly) (€) (c)
9-20	154.00	85.00	43.00	12.83
21-40	202.00	112.00	57.00	16.83
41-60	403.00	223.00	113.00	33.58
≥ 61	403.00	223.00	113.00	33.58

(a) 55.5% of annual rate (disregard cent)

(b) 28.25% of annual rate (disregard cent)

(c) 1/12 of annual rate

Trade-licensed vehicles

Category of vehicle	Initial trade licence/plate	Replacement trade licence/plate
Motorcycle only	€59.00 (single plate)	€38.00 (single plate)
All other vehicles	€353.00 (pair of plates)	€86.00 (pair of plates)

Miscellaneous vehicles

Type of vehicle	Annual (€)	Half-yearly (€) (a)	Quarterly (€) (b)	Arrears (monthly) (€) (c)
Off-road dumper	885.00	491.00	250.00	73.75
General haulage tractor	333.00	184.00	94.00	27.75
Machine/workshop/contrivance (including recovery vehicles)	333.00	184.00	94.00	27.75
Island vehicle	102.00	-	-	8.50
Agriculture tractor, trench digger or excavator	102.00	-	-	8.50
Motor caravan	102.00	-	-	8.50
Hearse	102.00	-	-	8.50
Dumper or forklift truck	102.00	-	-	8.50
Taxi or hackney cab	95.00	-	-	7.92
School bus	95.00	-	-	7.92
Cycle or tricycle:				
electrical	35.00	-	-	2.92
≤ 75cc	49.00	-	-	4.08
76cc-200cc	67.00	-	-	5.58
≥ 201cc	88.00	-	-	7.33
Pedestrian controlled vehicle	88.00	-	-	7.33
Veteran and vintage		-	-	
Motorcycle	26.00	-	-	2.17
Any other vehicle	56.00	-	-	4.67

(a) 55.5% of annual rate (disregard cent)

(b) 28.25% of annual rate (disregard cent)

(c) 1/12 of annual rate

Exempt vehicles

The following vehicles are exempt from motor tax:

- a) State-owned vehicles
- b) Diplomatic vehicles
- c) Vehicles exempted under the Disabled Drivers and Disabled Passengers (Tax Concessions) Regulations, 1994 (SI No 353 of 1994)
- d) Vehicles (including any cycle with an attachment for propelling it by mechanical power) not exceeding 400kg in weight unladen adapted and used for invalids
- e) Vehicles that are used exclusively for the transport (whether by carriage or traction) of lifeboats and their gear or any equipment for affording assistance towards the preservation of life and property in cases of shipwreck and distress at sea
- f) Vehicles that are used exclusively for mountain and cave rescue purposes
- g) Vehicles that are used exclusively for underwater search and recovery purposes
- h) Vehicles that are used exclusively for the transport (whether by carriage or traction) of road construction machinery that is built in as part of such vehicle or otherwise permanently attached thereto, carries no load except articles or materials used for the purpose of the road construction machinery and is used for no purpose other than the construction or repair of roads
- i) Refuse carts, sweeping machines or watering machines used exclusively for cleansing public streets and roads
- j) Ambulances, road-rollers and fire engines
- k) Vehicles kept by a local authority and used exclusively for the purpose of their fire brigade service

4 TAXES ON MOTORING

4.1 FUEL TAXES

Tax on fuel in cents per litre, based on pump prices in January 2019:

	UNLEADED	DIESEL ¹
Price without tax (€/l)	47.28	54.08
Excise duty, petrol (duty 54.18; carbon tax 4.59; levy 2.00) Excise duty, diesel (duty 42.57; carbon tax 5.33; levy 2.00)	60.77	49.90
VAT (23%) on product price and excise duty	24.85	23.92
Total taxes	85.62	73.82
Price at the pump	132.90	127.90

4.2 INSURANCE TAXES

There is a 5% government levy on motor insurance premiums in Ireland.

5 PRIVATE USE OF A COMPANY CAR

Where a company car is available for the private use of an employee, the employee is liable for PAYE (pay as you earn tax) and PRSI (pay-related social insurance) in respect of that use.

The notional pay to which PAYE and PRSI must be applied is determined by reference to the cash equivalent of the private use of the company car. The cash equivalent is determined by applying a percentage based on business mileage to the original market value (OMV) of the vehicle supplied (whether the vehicle is owned acquired new or second-hand or leased by the employer).

VRT category	Applies to all categories (%)
≤ 15,000	30
15,001-20,000	24
20,001-25,000	18
25,001-30,000	12
≥ 30,001	6
Small commercial vehicles	5

¹All auto diesel sold in Ireland as of 1 March 2002 is low sulphur

6 PERIODICAL INSPECTION OF VEHICLES

6.1 CARS

Car testing has been in operation since 2000 as follows:

First test	Due on fourth anniversary of date of first registration in Europe
Further tests (1)	Every second year on anniversary date of first registration in Europe
Further tests (2)	Annually for cars 10 years old or older on anniversary date of first registration

The test certificate is valid for two years (from the date the test is due based on the anniversary date of first registration in Europe) for cars up to 10 years old, and one year thereafter. There is no link with motor tax or insurance expiry date.

There is a single operator contracted by the state to deliver testing at 47 National Car Test (NCT) centres located throughout Ireland and established solely for the purposes of car testing. The contractor is independent of the motor industry.

Car test fee	€55.00
Re-test costs	€28.00

Note: both fees are inclusive of VAT

Re-tests that do not require the use of test equipment are free. Free re-tests cover minor items, for example a visual inspection to check that faulty windscreen wipers have been replaced.

Enforcement is the responsibility of the Garda Síochána. Every eligible car must have an NCT disc displayed on its windscreen; this disc indicates that a car has passed the test. Penalty points are issued for non-display.

6.2 COMMERCIAL VEHICLES

Commercial vehicles are divided into two categories: vehicles with a gross vehicle weight (GVW) under 3,500kg are classified as light goods vehicles (LGVs). Since 1 September 2004, these vehicles have been subject to an annual roadworthiness inspection. Vehicles with a GVW over 3,500kg are classed as heavy goods vehicles (HGVs), and these vehicles are also subject to an annual roadworthiness inspection. Commercial-vehicle operators are obliged to present their vehicles for inspection at any one of the 140 state-authorized Vehicle Testing Network test stations. If the vehicle passes the inspection, the operator is obliged to carry the test certificate in the vehicle.

The re-test fee will be subject to the fee structure set out below. It should be noted that a re-test that does not require the use of test equipment is not subject to a fee.

The test fees (exclusive of VAT) that apply from 17 October 2013 are as follows:

Class of vehicle	Full test fee (€) (incl CRW)²	Re-test fee (€)
Mechanically propelled vehicles, used for the carriage of passengers, with more than 8 seats but fewer than 14 seats, excluding the driver's seat	198.00	73.83
Mechanically propelled vehicles, used for the carriage of passengers, with 14 seats or more excluding the driver's seat	200.00	73.83
Vehicles having a design gross weight exceeding 3.5t but not exceeding 7.5t	146.52	47.26
Vehicles having a design gross weight exceeding 7.5t with 2 axles	171.16	59.08
Vehicles having a design gross weight exceeding 7.5t with 3 axles	201.67	73.83
Vehicles having a design gross weight exceeding 7.5t with 4 or more axles	220.38	82.69
Trailers having a design gross weight exceeding 3.5t	141.95	53.15
Ambulances	145.00	47.26
Vehicles having a design gross weight not exceeding 3.5t	94.86	35.43
Motor caravans with 2 axles	76.86	35.43
Motor caravans with 3 or more axles	94.58	44.29

Note: all fees above are subject to VAT at 23%. Please note that the levy element is not subject to VAT

² Certificate of roadworthiness



CHAPTER

16

ACEA TAX GUIDE 2019

Italy

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1 TAXES ON ACQUISITION

1.1 VAT

VAT is applied at the rate of 22% on the sales of new vehicles.

An exception is made for vehicles, motorcycles and motor vehicles owned by disabled people with the engine capacity up to 2,000cc if powered by petrol and up to 2,800cc if powered by diesel. The vehicle has to be used for the transport of a disabled person. In this case the rate applied is 4%.

The purchase of second-hand vehicles from a taxable person is subject to VAT.

Sales of cars or commercial vehicles between private citizens are not taxable.

1.2 REGISTRATION/TRANSFER TAX

1.2.1 Registration fees

A series of duties relating to the fulfilment of formalities with the various public institutions such as the Italian Public Automobile Register (*Pubblico Registro Automobilistico* - PRA), are imposed on the registration of motor vehicles. These are duties of an administrative or fiscal nature ('stamp') but apply only to motor vehicles (there is no equivalent duty on any other product).

Their total amount is approximately:

First registration of vehicle (Emoluments, stamp duty, registration fees, licence plate)	± €145.00
Transfer of property (second-hand vehicle) (Emoluments, stamp duty, registration fees)	± €85.00

1.2.2 IPT

A tax (*Imposta provinciale di trascrizione* - IPT) is levied at a provincial level on the registration and transfer of new and second-hand vehicles.

A. National rate

Type and horsepower	Amount IPT (€)
A. Motor vehicles ≤ 53kW and buses and road tractors ≤ 110kW	150.81
B. Motor vehicles > 53kW	3.5119/kW
C. Buses and road tractors > 110kW	1.7559/kW
D. Motor vehicles to carry goods (tonnes)	
≤ 0.7	199.35
> 0.7-1.5	290.25
> 1.5-3.0	326.40
> 3.0-4.5	380.63
> 4.5-6.0	452.93
> 6.0-8.0	519.56
> 8.0	646.60

E. Trailers to carry goods (tonnes)	
≤ 2.0	265.98
> 2.0-5.0	356.36
> 5.0	452.93
F. Trailers to carry passenger (seats)	
≤ 15	229.82
16-25	253.58
26-40	302.13
> 40	362.55

Each province can increase taxes for registration and transfer by **up to 30%** above the base rate.

Increase rate (%)	Provinces
30	Agrigento, Alessandria, Ancona, Ascoli Piceno, Asti, Bari, Barletta-Andria-Trani, Belluno, Bergamo, Biella, Bologna, Brescia ⁽¹⁾ , Brindisi, Cagliari, Caltanissetta, Campobasso, Caserta, Catania, Catanzaro, Chieti, Como, Cosenza, Cremona, Cuneo, Enna, Fermo, Firenze ⁽²⁾ , Foggia, Forli-Cesena, Frosinone, Genova, Gorizia, Imperia, Isernia, L'Aquila, La Spezia, Lecce, Lecco, Livorno, Lodi, Lucca, Macerata, Mantova, Massa Carrara, Messina, Milano, Modena, Monza e Brianza, Napoli, Novara, Nuoro, Oristano, Padova ⁽⁴⁾ , Palermo, Parma, Pavia, Perugia, Pesaro Urbino ⁽⁴⁾ , Pescara, Piacenza, Pisa, Pistoia, Potenza ⁽⁴⁾ , Prato, Ragusa, Ravenna ⁽⁴⁾ , Reggio Calabria, Rieti, Rimini, Roma ⁽²⁾ , Rovigo, Salerno, Sassari, Savona, Siena, Siracusa, Sud Sardegna, Taranto, Teramo, Terni, Torino ⁽²⁻³⁾ , Trapani, Treviso, Varese, Venezia, Verbano-Cusio-Ossola, Vercelli, Verona, Vibo Valentia, Viterbo
25	Crotone, Sondrio, Ferrara
20	Arezzo, Avellino, Benevento, Friuli Venezia Giulia Region, Grosseto, Latina, Reggio Emilia, Vicenza ⁽⁵⁾
10	Matera
0	Aosta, Bolzano, Trento

Notes:

- 1) Increase of 15% for vehicles powered by LPG, CNG, hydrogen or electricity; vehicles leased without a driver; and vehicles for public transport.
- 2) No increase for vehicles leased without a driver; vehicles for public transport; and vehicles for transport of goods on behalf of third parties or on one's own account, for the benefit of undertakings engaged in road transport.
- 3) Increase of 30% for formalities that are not subject to VAT and 10% for formalities that are subject to VAT.
- 4) For vehicles powered by LPG, CNG or electricity, and for hybrids, the increase is 20%.
- 5) No increase for vehicles powered by LPG, CNG or electricity.

B. Exemption from/reduction in IPT

State laws have fixed exemptions from and/or reductions in the amount of IPT:

1. Vehicles that are at least 30 years old have a fixed rate of IPT of €51.65
2. Vehicles (diesel < 2,800cc; petrol < 2,000cc) for disabled people are duty free
3. Sales from private citizens to motor vehicle dealers are duty free
4. Each province can reduce IPT for particular types of vehicles or owners (eg green vehicles, national non-profit organisations)
5. For special vehicles (eg concrete mixers, milk tankers), IPT is one-quarter the usual rate

1.3 ALLOWABLE DEDUCTIONS

Passenger cars¹

VAT	Proportion of VAT deductible
Instrumental use (use aimed at fulfilling the object of the specific activity of the enterprise): vehicles for transportation of goods, taxis, driving schools, renting and leasing companies.	100%
Non-instrumental use (of vehicles registered in the company's name)	40% until the end of 2019 (EU Council Decision No 2016/1982/EU published in the <i>EU Official Journal</i> of 9 November 2016)
Use by agents and trade representatives	100%
Use by professionals	40% (100% for instrumental use)

Deductibility of costs and depreciation allowances for company cars	Proportion of costs deductible
Instrumental use (use aimed at fulfilling the object of the specific activity of the enterprise) (eg rental companies) Use for public services (eg taxis) Use for driving lessons	100%
Use by agents and trade representatives	80% of costs and depreciation allowances not exceeding €25,822.84
Use by professionals	20% of costs and depreciation allowances not exceeding €18,075.99
Company cars used by employees for more than 6 months + 1 day = 183 days	70% of costs
Company cars (registered in company's name) for non-instrumental use	20% of costs and depreciation allowances not exceeding €18,075.99

1.4 BONUS MALUS SCHEME

The last Italian Budget Law introduced a new incentive scheme called 'Bonus/Malus' for the replacement of polluting vehicles.

The bonus/malus is a one-off amount calculated at the first registration of the vehicle. It has started to apply to newly registered passenger cars as of 1 March 2019 and will last until the end of 2021, as follows:

Bonus

- For purchase/leasing of new passenger cars (M1)
- Plafond: €60m for 2019 and €70m for each of the years 2020 and 2021
- Vehicle's price: < €50.000 (VAT excluded)

CO2 emissions ^(*) (g/km)	Bonus (€)
0-20	6,000 (with scrapping Euro 1-2-3-4) 4,000 (without scrapping)
21-70	2,500 (with scrapping Euro 1-2-3-4) 1,500 (without scrapping)

^(*) NEDC/NEDC2 until 31 December 2020; WLTP starting from 1 January 2021

¹ The treatment is the same whether these are purchased, leased or rented

Malus

- Tax on new registrations of passenger cars (M1)
- Vehicles with CO2 emissions > 160g/km
- It does not apply to special-purpose vehicles

CO2 emissions ^(*) (g/km)	Malus (€)
161-175	1,100
176-200	1,600
201-250	2,000
> 250	2,500

^(*) NEDC/NEDC2 until 31 December 2020; WLTP starting from 1 January 2021

2 TAXES ON OWNERSHIP

2.1 BASIS

Cars	Engine rating calculated on the basis of kW and Euro standards (except cars powered by electricity, LPG or CNG and hybrid cars)
Coaches and buses	Engine rating calculated on the basis of kW
Commercial vehicles with GVW < 12t	Global weight ²
Commercial vehicles with GVW ≥ 12t	Global weight, number of axles and full pneumatic shock absorption
Special vehicles (eg road tractors, motor caravans)	Engine rating calculated on the basis of kW

2.2 RATES

An ownership tax (formerly circulation tax) is levied on all vehicles registered by the PRA, irrespective of whether they are on the road or stationary. Individual regions can modify the base rate.

² Taxation based on kW (and not on GVW) is applied to vehicles N1 < 12t GVW registered since 3 October 2006 by a body-specific code (F0), four seats or more and value kW/tonnes > 180.

Passenger cars: specific rates by region (annual rates)

Standard	kW	Region/province							
		Basilicata Emilia Romagna Lombardia Puglia Prov. Trento Sicilia Umbria, Valle d'Aosta	Molise	Marche	Calabria Lazio Liguria	Toscana	Prov. Bolzano	Abruzzo Campania	Piemonte
		Base rate (BR)	BR + 7%/17%	BR + 8%	BR + 10%	BR + 5%	BR – 10%	BR + 21%	BR + 6% < 100kW 8% > 100kW 10% > 130kW
Euro 5-6	≤ 100	2.58 (2.06 Trento)	2.76	2.79	2.84	2.71	2.09	3.12	2.73
	> 100	3.87 (3.10 Trento)	4.14	4.18	4.26	4.26	3.13	4.69	4.18
Euro 4	≤ 100	2.58	2.76	2.79	2.84	2.71	2.32	3.12	2.73
	> 100	3.87	4.14	4.18	4.26	4.26	3.48	4.69	4.18
Euro 3	≤ 100	2.70	3.09	2.92	2.97	3.12	2.43	3.27	2.86
	> 100	4.05	4.63	4.37	4.46	4.91	3.65	4.91	4.38
Euro 2	≤ 100	2.80	3.24	3.02	3.08	3.23	2.52	3.39	2.97
	> 100	4.20	4.85	4.54	4.62	5.08	3.78	5.08	4.54
Euro 1	≤ 100	2.90	3.38	3.13	3.19	3.35	2.61	3.51	3.07
	> 100	4.35	5.07	4.70	4.79	5.37	3.92	5.27	4.70
Euro 0	≤ 100	3.00	3.53	3.24	3.30	3.47	2.70	3.63	3.18
	> 100	4.50	5.30	4.86	4.95	5.45	4.05	5.45	4.86

From 2012 (Law No 214 of 22 December 2011), cars more powerful than 185kW attract an additional tax of €20 for each kilowatt over 185kW. The additional charge is reduced after 5, 10 and 15 years from the date of manufacture of the vehicle by 40%, 70% and 85% respectively, and after 20 years from the date of manufacture the charge is no longer due.

Buses

€/kw	Region ³					
	Calabria, Lazio, Liguria	Basilicata, Emilia Romagna, Lombardia, Piemonte, Puglia, Prov. Trento, Sicilia, Umbria, Valle d'Aosta	Prov. Bolzano	Abruzzo, Campania	Toscana	Marche
	3.23	2.94	2.65	3.56	3.39	3.17

³ Only regions attributed to Automobile Club d'Italia (ACI) services

Commercial vehicles with GVW < 12t⁴

Payload	From	To	Abruzzo	Umbria	Sicilia Prov. Trento Valle d'Aosta	Molise	Prov. Bolzano	Basilicata Emilia Romagna Lombardia Piemonte	Toscana	Calabria Lazio Puglia	Liguria	Campania
			€									
0	400		27.61	24.96	19.11	21.14	17.20	22.82	28.99	25.10	27.32	23.94
400	800		38.65	34.94	25.18	29.61	22.66	31.95	40.58	35.14	38.25	33.50
800	1,000		49.70	44.93	32.37	38.07	29.13	41.07	52.19	45.18	49.18	43.08
1,000	1,500		66.26	59.90	43.16	50.76	38.84	54.77	69.57	60.24	65.57	57.43
1,500	2,000		93.87	84.86	61.15	71.90	55.04	77.58	98.56	85.34	92.90	81.35
2,000	2,500		121.48	109.82	79.13	93.05	71.22	100.40	127.55	110.44	120.22	105.29
2,500	3,000		149.11	134.78	97.12	114.20	87.41	123.22	156.57	135.55	147.54	129.21
3,000	3,500		176.72	159.74	115.10	135.34	103.59	146.04	185.56	160.65	174.87	153.15
3,500	4,000		204.33	184.70	133.09	156.50	119.78	168.86	214.55	185.75	202.18	177.09
4,000	4,500		231.94	209.66	151.07	177.64	135.96	191.68	243.54	210.85	229.50	201.00
4,500	5,000		259.55	234.62	169.06	198.80	152.15	214.50	272.53	235.95	256.83	224.94
5,000	6,000		287.16	259.58	187.04	219.94	168.34	237.32	301.52	261.05	284.15	248.87
6,000	7,000		320.29	289.53	208.63	245.32	187.77	264.70	336.30	291.17	316.94	277.58
7,000	8,000		353.42	319.48	230.21	270.70	207.19	292.08	371.09	321.29	349.72	306.30

Commercial vehicles with GVW ≥ 12t

Class	2 axles		3 axles		4 axles or more		Abruzzo	Basilicata, Lombardia, Piemonte	Emilia Romagna	Calabria Lazio	Puglia	Liguria
	Tonnes						€					
	>	≤	>	≤	>	≤						
1	12	15	15	19			362.45	299.55	295.93	329.50	341.89	339.72
2			19	21	23	25	403.69	333.63	330.53	366.99	382.18	378.93
3			21	23	25	27	445.57	368.23	364.10	405.06	421.43	418.69
4	15						501.18	414.20	409.55	455.62	473.59	470.95
5			23				570.55	471.53	466.88	518.68	539.18	536.29
6					27	29	639.91	528.85	523.69	581.74	605.29	600.48
7					29		815.51	673.98	607.35	741.37	701.35	703.31

The tax is reduced by 20% when a commercial vehicle is equipped with a full pneumatic shock absorption system.

⁴ Only regions attributed to ACI services

Commercial vehicles with GVW $\geq 12t^5$

Class	2 axles	3 axles	4 axles or more		Toscana	Sicilia, Prov. Trento, Valle d'Aosta	Molise	Prov. Bolzano	Umbria	Campania		
Tonnes					€							
	>	≤	>	≤	>	≤						
1	12	15	15	19			394.88	205.55	254.20	185.00	312.97	298.08
2			19	21	23	25	441.42	229.31	283.49	206.38	349.12	333.08
3			21	23	25	27	486.75	253.06	313.33	227.75	385.28	267.45
4	15						547.00	300.58	352.01	270.52	432.79	413.06
5			23				622.76	378.56	425.51	340.70	493.73	499.31
6					27	29	699.11	396.64	449.83	356.98	552.61	528.05
7					29		810.06	587.21	661.47	528.49	644.02	775.51

The tax is reduced by 20% when a commercial vehicle is equipped with a full pneumatic shock absorption system.

Commercial vehicles: additional tax (€) for trailers/semi-trailers⁶

Vehicle type (global weight)	Abruzzo, Campania	Basilicata, Sicilia, Valle d'Aosta	Prov. Bolzano	Emilia Romagna	Piemonte, Puglia	Toscana	Calabria, Lazio, Liguria,	Prov. Trento, Umbria	Molise	Lombardia
≤ 3.5t	31.25	25.82	–	–	–	–	28.41	–	27.63	–
> 3.5t and ≤ 8t	93.74	77.47	70.20 (> 6t)	77.47	–	89.48 (> 6t)	85.22	77.47 (> 6t)	82.89	–
> 8t and < 18t	312.46	258.23	234.00	258.23	258.00 (> 6t)	298.25	284.05	258.23	276.31	267.00 (> 6t)
≥ 18t	687.40	568.10	513.00	568.10	568.00	656.16	624.91	568.10	607.87	585.00
Road tractors with 2 axles	687.40	568.10	513.00	568.10	568.00	656.16	624.91	568.10	607.87	585.00
Road tractors with 3 axles	968.62	800.51	720.00	800.51	800.00	924.19	880.56	800.51	856.55	825.00

2.3 EXEMPTION/REDUCTION FROM OWNERSHIP TAX

Electric vehicles are exempt from paying vehicle taxes for five years from the date of first registration. From the end of this period, they must pay a charge equal to a quarter of the amount for the corresponding gasoline vehicles (DPR 39/53). In many regions, vehicles exclusively powered by LPG and CNG are exempted from 75% of the ownership tax five years after the first registration.

A reduction is allowed for cars more than 30 years old, as follows:

Reduction in annual ownership tax for cars > 30 years old							
Regions	Basilicata, Emilia Romagna, Umbria, Valle d'Aosta, Prov. Bolzano, Prov. Trento, Sicilia	Lazio, Liguria	Marche	Molise	Calabria, Lombardia, Piemonte, Puglia	Abruzzo, Campania	Toscana
€	25.82	28.40	27.88	0.00	30.00	31.24	29.82

⁵Only regions attributed to ACI services

⁶Only regions attributed to ACI services

Stability Law 2015 (Law No 190 of 29 December 2014) eliminates the exemption of road tax for vehicles with a registration age between 20 and 30 years as recorded in the historical registers, but in some regions (Emilia Romagna, Toscana, Lazio, Umbria, Prov. Trento, Prov. Bolzano and Piemonte) a reduction is allowed also for cars aged 20-29 years.

Other types of reduction:

100%	Cars used by disabled persons (up to 2,000cc petrol and 2,800cc diesel)
100%	Cars owned by a non-profit organisation
100%	Hybrid vehicles (for five years from first registration)
100%	Electric cars (for five years from first registration)
75%	Cars used in public service
75%	Electric, CNG, LPG cars (after five years from first registration)
50%	Commercial vehicles (up to 12t GVW) for specific purposes (eg garbage trucks)
50%	Cars for hire (with driver)
30%	Buses for hire (with driver) and buses for public transport
40%	Cars used by driving schools
20%	Commercial vehicles > 12t GVW with full pneumatic shock absorption system

3 TAXES ON MOTORING

3.1 FUEL TAXES

Prices 2018 (average national price) (€/l)	Unleaded ⁽¹⁾	Diesel ⁽¹⁾	LPG ⁽²⁾	CNG (€/m ³) ⁽³⁾
Cost of product + distribution profit	0.583	0.603	0.405	0.541
Manufacturing tax	0.728	0.617	0.147	0.003
VAT	0.288	0.268	0.121	0.126
Special funds CNG cylinders	-	-	-	0.031
Total taxes	1.016	0.885	0.268	0.129
Prices at the pump	1.599	1.488	0.673	0.701

⁽¹⁾ Prices are a weighted average of annual prices based on monthly consumption up to December 2018

⁽²⁾ Prices refer to the timely detection of January 2019

⁽³⁾ Prices refer to the weighted average for 2015

Additional regional tax on manufacturing from 1 November 2016:

- €0.02582 in Calabria, Campania, Lazio, Liguria, Molise
- €0.026 in Piemonte

Insurance taxes

The 'third-party' premiums collected by insurance companies must cover the following taxes:

- A tax imposed on insurance premiums. The provinces of the ordinary statute regions have the right to vary, as from 2011, the rate of tax imposed on premiums on third-party cars. The basic rate, fixed at 12.5%, may be varied upwards or downwards by a maximum of 3.5 percentage points. Almost all of the provinces increased the rate by the maximum amount (ie to 16%)
- Tax of 10.5% allocated to the National Health Service (as partial coverage for road accident and medical costs)
- Tax of 2.5% allocated to a Road Accident Victims Warranty Fund

A rebate on insurance tariffs for electric vehicles or vehicles with black boxes is offered by some insurance companies.

Motorway usage taxes

The effective rate of the motorway usage tax varies according to:

- the class of the vehicle making use of the highways (based on the number of axles on the vehicle);
- toll per kilometre (based on features of the motorway, eg flat or mountainous);
- the owner of the motorway (state, private company or semi-public company).

In 2017, tolls income from motorways (Alpine tunnels not included) amounted to €8.050 billion, of which total taxes (ie VAT) amounted to €1.452 billion.

3.2 PERIODIC TECHNICAL INSPECTION (PTI)

The Highway Code specifies that motor vehicles and their trailers in use should be kept in conditions of maximum efficiency while ensuring safety and minimising noise and pollution. The regulation establishes the technical requirements concerning the operation of motor vehicles and itemises those devices and equipment that must be checked periodically during the review of a car. Particular attention is paid to tyres, equivalent systems, braking, visual signalling devices and lighting, to limit noise and emissions. The periodic car review thus aims to ensure security and maintenance of the noise and pollution emissions within the limits of the law.

The first review should be carried out four years after first registration. Subsequent reviews should be conducted every two years. These schedules apply to passenger cars, motor homes, vehicles for mixed transport use, vehicles of overall mass not exceeding 3,500kg used for the transportation of property and special-purpose vehicles.

An annual review is required for vehicles of more than nine seats (including the driver's seat) used for the transport of people, passenger cars used as taxis, chauffeur-driven vehicles, motor vehicles used to transport goods and whose total mass with a full load exceeds 3,500kg, trailers and motor caravans of total weight exceeding 3,500kg, buses, ambulances and atypical vehicles.

The review can be carried out at the Department of Motor Vehicles or at repair shops authorised by the provinces. The cost of the review is €66.80.

The Highway Code specifies that, in 2017, if an owner fails to have a required review carried out, a fine ranging from €159 to €639 will be imposed; the amount is to be doubled if the revision is omitted for years.

3.3 PERIODIC REVIEW OF CNG CYLINDERS

Cylinders for the storage of natural gas – in CNG4 – contained in vehicles M1 and N1, must be reviewed at the workshops of the vehicle manufacturers' network acknowledged by them.

The review of the cylinders is first performed four years after the registration of the vehicle and then every two years thereafter.

The cost of auditing and testing CNG cylinders starts at about €120 for city cars and compact sedans such as the Fiat Panda and Punto and the VW Golf. The cost of testing and auditing CNG cylinders increases from €350 to €450 for cars equipped with four or five cylinders.



CHAPTER

17

ACEA TAX GUIDE 2019

Latvia

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1 TAXES ON ACQUISITION

1.1 VAT

The purchase of motor vehicles is subject to VAT at the rate of 21%.

1.2 MOTOR VEHICLE (REGISTRATION) TAX

As of 1 January 2017, motor vehicle registration tax is no longer applicable in Latvia.

1.3 REGISTRATION COSTS

Registration costs for all type of cars and buses are as follows:

Number plates	€27.87
Registration document inspection	€3.78
Registration fee	€4.60
Registration certificate	€7.68
Total	€43.93

Technical inspection annual fee (in €)

Brand-new vehicle technical inspection sticker (valid for 2 years)	2.85	
Every subsequent inspection (from 3rd year)	Passenger cars and light commercial vehicles	
	petrol	26.43
	diesel	31.81
	petrol + LPG	29.21
	100% electric	24.94

Note: LPG= liquefied petroleum gas

Brand-new vehicle technical inspection sticker (valid for 2 years)	2.85	
Every subsequent inspection (from 3rd year)	Commercial vehicles 3,500-12,000kg	
	petrol	35.71
	diesel	42.37
	petrol + LPG	39.03
	100% electric	33.90

Brand-new vehicle technical inspection sticker (valid for 2 years)	2.85	
Every subsequent inspection (from 3rd year)	Commercial vehicles > 12,000kg	
	petrol	44.54
	diesel	52.20
	petrol + LPG	47.88
	100% electric	43.52
	Trailers < 750kg	12.34
	Trailers 751-3,500kg	15.99
	Trailers 3,501-10,000kg	29.48
	Trailers > 10,000kg	35.69
	Motorcycles, tricycles and quad bikes (once every 2 years)	18.47

1.4 NATURAL RESOURCES TAX

A national resources tax is payable on each vehicle registered in Latvia. It amounts to €55. It is paid on registering a passenger car, light commercial vehicle or motorcycle.

2 TAXES ON OWNERSHIP

2.1 ROAD TRAFFIC TAX

For passenger cars registered before 1 January 2005, road traffic tax is calculated on maximum gross weight in kilograms:

GVW (kg)	Road traffic tax (€)
≤ 1,500	38.00
1,501-1,800	81.00
1,801-2,100	137.00
2,101-2,600	174.00
2,601-3,000	210.00
3,001-3,500	242.00
> 3,500	274.00

For passenger cars registered between 1 January 2005 and 31 December 2009, road traffic tax is calculated on maximum gross weight in kilograms plus engine capacity in cubic centimetres and engine power in kilowatts:

GVW (kg)	Road traffic tax (€)
≤ 1,500	15.00
1,501-1,800	32.00
1,801-2,100	55.00
2,101-2,600	70.00
2,601-3,000	84.00
3,001-3,500	97.00
> 3,500	110.00

Engine capacity (cc)	Road traffic tax (€)
≤ 1,500	9.00
1,501-2,000	23.00
2,001-2,500	37.00
2,501-3,000	55.00
3,001-3,500	91.00
3,501-4,000	160.00
4,001-5,000	228.00
> 5,000	297.00

Engine power (kW)	Road traffic tax (€)
≤ 55	9.00
56-92	23.00
93-129	37.00
130-166	55.00
167-203	91.00
204-240	160.00
241-300	228.00
> 300	294.00

For passenger cars registered after 31 December 2009, road traffic tax is calculated by CO₂ emissions in grams per kilometre:

CO ₂ (g/km)	Road traffic tax (€)
≤ 50	0.00
51-95	12.00
96-115	48.00
116-130	84.00
131-155	120.00
156-175	144.00
176-200	168.00
201-250	264.00
251-300	408.00
301-350	552.00
> 350	756.00

There is a €300 additional fee for vehicles with an engine capacity greater than 3,500cc.

For commercial vehicles, road traffic tax is calculated on maximum gross weight in kilograms and number of axles:

GVW (kg)	Road traffic tax (€)
≤ 1,500	36.00
1,501-1,800	72.00
1,801-2,100	138.00
2,101-2,600	165.00
2,601-3,500	219.00
3,501-12,000	156.00
12,001-15,000 (2 axles): pneumatic suspension	170.74
mechanical suspension	170.74
> 15,000 (2 axles): pneumatic suspension	170.74
mechanical suspension	277.46
12,001-21,000 (3 axles) pneumatic suspension	170.74

mechanical suspension	170.74
21,001-23,000 (3 axles): pneumatic suspension	170.74
mechanical suspension	221.97
> 23,000 (3 axles): pneumatic suspension	221.97
mechanical suspension	345.76
12,001-25,000 (4 axles or more): pneumatic suspension	170.74
mechanical suspension	170.74
25,001-27,000 (4 axles or more): pneumatic suspension	170.74
mechanical suspension	230.51
27,001-29,000 (4 axles or more): pneumatic suspension	230.51
mechanical suspension	362.83
> 29,000 (4 axles or more): pneumatic suspension	362.83
mechanical suspension	537.85

Company car tax for passenger cars (monthly)

Engine capacity (cc)	Road traffic tax (€)
≤ 2,000	29.00
2,001-2,500	46.00
> 2,500	62.00

Note: passenger cars registered before 1 January 2005: €46.00; 100% electric passenger cars: €10.00.

3 TAXES ON MOTORING

3.1 FUEL TAXES (EXCISE)

Petrol	€476.00 (until 2020)
Diesel	€372.00 (until 2020)



CHAPTER

18

ACEA TAX GUIDE 2019

Lithuania

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1 TAXES ON ACQUISITION

1.1 VAT

The acquisition of vehicles is subject to VAT at the rate of 21%.

1.2 REGISTRATION FEES

1.2.1 Costs for vehicle registration procedure

	Registration fee (€)	Vehicle identity check ¹ (€)	Number plates (€)
New cars, never registered before (M, N)	14.48	15.35	15.06
All other vehicles (M, N)	10.14-12.45	15.35	15.06
Motorcycles (L)	8.98	11.58	7.53
Trailers (O)	2.32-5.50	3.77-6.08	8.11
Other registration types (diplomatic, historic, temporary)	10.14-12.45	15.35	19.40

1.2.2 Roadworthiness test fee (in €)

Motorcycles (L1 and L3)	5.21
Motorcycles (L2, L4, L5, L6 and L7)	6.37
Passenger vehicles (M1) petrol	14.48
Passenger vehicles (M1) diesel	18.20
Passenger vehicles (M1) LPG	23.40
Minibuses (M2)	19.69
Buses and trolleybuses (M3)	28.09
Joint vehicles (M3)	35.62
Trucks (N1)	19.69
Trucks (N2)	24.62
Trucks (N3)	29.83
Passenger vehicle trailers (O1)	5.21
Truck trailers (semi-trailers) (O2)	9.85
Truck trailers (semi-trailers) (O3)	16.51
Truck trailers (semi-trailers) (O4)	20.85

1.3 REGISTRATION TAXES

No registration taxes apply.

¹ Vehicle identity check is required for all vehicles on first registration in Lithuania.

2 TAXES ON OWNERSHIP

2.1 PASSENGER CARS

No ownership taxes apply.

2.2 COMMERCIAL VEHICLES

An ownership tax is payable for heavy-duty vehicles.

The annual rates (in €/year) are as follows:

Maximum authorised weight or gross laden weight (t)	Air suspension or equivalent suspension	Other type of suspension
Trucks (N2 and N3), truck trailers (O4)		
≥ 12 and < 13	86	127
≥ 13 and < 14	92	133
≥ 14 and < 15	98	139
≥ 15 and < 16	127	286
≥ 16 and < 17	133	292
≥ 17 and < 18	139	298
≥ 18 and < 19	144	304
≥ 19 and < 20	150	309
≥ 20 and < 21	156	315
≥ 21 and < 22	162	321
≥ 22 and < 23	167	327
≥ 23 and < 24	237	376
≥ 24 and < 25	243	382
≥ 25 and < 26	249	388
≥ 26 and < 27	254	393
≥ 27 and < 28	260	399
≥ 28 and < 29	266	405
≥ 29 and < 30	376	558
≥ 30 and < 31	382	564
≥ 31 and < 32	388	570
≥ 32 and < 33	393	576
≥ 33 and < 34	535	735
≥ 34 and < 35	541	741
≥ 35 and < 36	547	747
≥ 36 and < 37	553	753
≥ 37 and < 38	558	758
≥ 38 and < 39	564	764
≥ 39 and < 40	570	770
Road train (N3 and O4) 3 + 2 or 3 axles for 20, 30, 40 or 45ft ISO containers		
≥ 40 and < 41	654	967
≥ 41 and < 42	666	984
≥ 42 and < 43	680	1,013

¹ Vehicle identity check is required for all vehicles on first registration in Lithuania.

3 TAXES ON MOTORING

3.1 FUEL TAXES (EXCISE)

Diesel	€0.347/l
Petrol (unleaded)	€0.434/l
Petrol (leaded)	€0.579/l

Price of fuel in 2017

Liquefied petroleum gas	€0.47-0.55/l
Diesel	€0.93-1.00/l
Petrol 95 (unleaded)	€1.04-1.12/l
Petrol 98 (unleaded)	€1.04-1.13/l

All rates are inclusive of VAT at 21%.

3.2 ROAD USER TAX

A tax is levied for the use of commercial vehicles on highways and national roads (A1-A18).

The rates (in €) are as follows:

Vehicle type		Daily (1 day)	Weekly (7 days)	Monthly (30 days)	Annually	
					Euro 4 and less polluting	Euro 0, 1, 2 and 3
Buses	M2	6	14	28	304	
	M3	11	26	52	552	
	More than 22 seats	11	37	75	753	
Trucks	N1	6	14	28	304	
	N2	11	26/37	52/75	550	753
	N3	11	37/52	75/107	753	1,071
	N1 and N3 for agricultural purposes	6	14	28	304	
Special-purpose vehicles	Vehicles designed for special purposes with special equipment (M2 and M3, N1-N3)	6	14	28	347	

¹ Vehicle identity check is required for all vehicles on first registration in Lithuania.



CHAPTER

19

ACEA TAX GUIDE 2019

Luxembourg

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1 TAXES ON ACQUISITION

1.1 VAT

New vehicle

Private cars and commercial vehicles: 17%.

Second-hand vehicle

Vehicle purchased from a person not registered for VAT: no VAT.

Vehicle purchased from a person registered for VAT: 17% on:

- the gross profit margin if the vehicle was acquired by the taxable person (eg the dealer) from a person not registered for VAT; or
- the invoiced amount if the vehicle was purchased from another person registered for VAT.

1.2 VAT EXEMPTIONS

The VAT paid on the purchase of a private car or commercial vehicle by a taxable person is wholly deductible, provided that the motor vehicle is deployed in an activity giving rise to the deduction of input VAT. This deduction is applicable to both new and second-hand vehicles.

1.3 REGISTRATION TAX

Revenue stamps amounting to €50, supplemented by:

- €24 in case of transfer of an existing registration number to a new vehicle; or
- €50 in case of a personalised registration number allocated for the first time.

Number plates are issued by a private company (*Grün Signalisation*) and cost about €15 (VAT inclusive) per plate.

1.4 INCENTIVES ON ZERO EMISSION VEHICLES

Tax allowance	Amount (€)
BEV (Battery Electric Vehicles) Electric or fuel-cell vehicles (hydrogen) Private persons, legal persons under private law Category M1, N1	5,000
PHEV (Plug-in Hybrid Electric Vehicles) < 50g CO ₂ /km Private persons Category M1	2,500
Bikes and pedelec25 Power < 0.25 kW Private persons, ≥ 18 years old	25% of the price without VAT Max 300
Tax credit for companies Zero emission or fuel cell vehicles (hydrogen) Category M1 Maximum €50,000 by vehicle	%
For investments < €150,000	8
For investments > €150,000	2

Professional use of an electric vehicle not purchased privately does not invalidate this incentive.

2 TAXES ON OWNERSHIP

2.1 BASIS OF ASSESSMENT

Private cars	CO2 or cylinder capacity
Buses and coaches	Category (M2 or M3)
Commercial vehicles	See following pages

2.2 RATES

2.2.1 Private cars (M1 category) registered after 1 January 2001

This includes vehicles powered by an electric motor or by a fuel cell and hybrid vehicles combining a piston engine with an electric motor or a fuel cell; vehicles are taxed according to their fuel system (petrol or diesel):

- Minimum annual tax: €30
- Annual tax is calculated based on CO2 emissions
- $\text{Tax} = a \times b \times c$

a = CO2 emissions in g/km

b = 0.9 for diesel and 0.6 for other fuels

c = exponential factor: CO2 < 90g/km = 0.5, increased by 0.1 for each additional 10g/km

CO2 emissions (g/km)	Exponential factor	CO2 emissions (g/km)	Exponential factor
1 – 90	0.5	291 – 300	2.6
91 – 100	0.6	301 – 310	2.7
101 – 110	0.7	311 – 320	2.8
111 – 120	0.8	321 – 330	2.9
121 – 130	0.9	331 – 340	3.0
131 – 140	1.0	341 – 350	3.1
141 – 150	1.1	351 – 360	3.2
151 – 160	1.2	361 – 370	3.3
161 – 170	1.3	371 – 380	3.4
171 – 180	1.4	381 – 390	3.5
181 – 190	1.5	391 – 400	3.6
191 – 200	1.6	401 – 410	3.7
201 – 210	1.7	411 – 420	3.8
211 – 220	1.8	421 – 430	3.9
221 – 230	1.9	431 – 440	4.0
231 – 240	2.0	441 – 450	4.1
241 – 250	2.1	451 – 460	4.2
251 – 260	2.2	461 – 470	4.3
261 – 270	2.3	471 – 480	4.4
271 – 280	2.4	481 – 490	4.5
281 – 290	2.5	491 – 500	4.6

Example:

- Diesel car with CO₂ emissions of 145g/km $\Rightarrow 145 \times 0.9 \times 1.1 = \text{€}143.55$ rounded to €143
- Petrol car with CO₂ emissions of 225g/km $\Rightarrow 225 \times 0.6 \times 1.9 = \text{€}256.50$ rounded to €256

2.2.2 Private cars (M1 category) registered before 1 January 2001 with no CO₂ value available

Rate multiplied by 100cc:

Engine capacity (cc)	Diesel (€)	Other fuel (€)
1–1,600	6.00	6.00
1,601–2,000	7.00	7.00
2,001–3,000	10.50	9.50
3,001–4,000	13.50	11.50
≥4,000	15.00	12.50

2.2.3 Buses and coaches (M2, M3 categories)

From 1 November 2007:

Category	Yearly tax (€)	6-month tax (€)
M2	150.00	80.00
M3	250.00	130.00

2.2.4 Vans, lorries and road tractors

Vans, lorries and road tractors with a maximum vehicle weight (MVW) of less than 12t:

Empty mass (t)	Yearly tax (€)	6-month tax (€)	Empty mass	Yearly tax (€)	6-month tax (€)
1 ≤ 600	50.00	-	2,601 – 2,800	237.00	123.00
601 – 800	67.00	-	2,801 – 3,000	254.00	132.00
801 – 1,000	84.00	47.00	3,001 – 3,200	271.00	140.00
1,001 – 1,200	101.00	55.00	3,201 – 3,400	288.00	149.00
1,201 – 1,400	118.00	64.00	3,401 – 3,600	305.00	157.00
1,401 – 1,600	135.00	72.00	3,601 – 3,800	322.00	166.00
1,601 – 1,800	152.00	81.00	3,801 – 4,000	339.00	174.00
1,801 – 2,000	169.00	89.00	4,001 – 4,200	356.00	183.00
2,001 – 2,200	186.00	98.00	4,201 – 4,400	373.00	191.00
2,201 – 2,400	203.00	106.00	4,401 – 4,600	390.00	200.00
2,401 – 2,600	220.00	115.00	4,601 ≤ 12,000	425.00	217.00

Lorries and road tractors with an MVW of 12t or more:

Number of axles = 2				
MVW (kg)	Pneumatic suspension or equivalent		Other type of suspension	
	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000 - 15,000	255.00	132.00	255.00	132.00
15,001 - 19,500	255.00	132.00	274.00	142.00
19,501 - 20,500	255.00	132.00	280.00	145.00
20,501 - 21,500	255.00	132.00	305.00	157.00
21,501 - 22,500	255.00	132.00	330.00	170.00
≥ 22,501	255.00	132.00	330.00	170.00
Number of axles = 3				
MVW (kg)	Pneumatic suspension or equivalent		Other type of suspension	
	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000 - 19,500	255.00	132.00	255.00	132.00
19,501 - 20,500	255.00	132.00	280.00	145.00
20,501 - 21,500	255.00	132.00	305.00	157.00
21,501 - 22,500	255.00	132.00	330.00	170.00
22,501 - 23,500	255.00	132.00	355.00	182.00
≥ 23,501	255.00	132.00	380.00	195.00
Number of axles = 4				
MVW (kg)	Pneumatic suspension or equivalent		Other type of suspension	
	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000 - 19,500	255.00	132.00	255.00	132.00
19,501 - 20,500	255.00	132.00	280.00	145.00
20,501 - 21,500	255.00	132.00	305.00	157.00
21,501 - 22,500	255.00	132.00	330.00	170.00
22,501 - 23,500	255.00	132.00	355.00	182.00
23,501 - 24,500	255.00	132.00	380.00	195.00
24,501 - 25,500	255.00	132.00	405.00	207.00
25,501 - 26,500	255.00	132.00	430.00	220.00
26,501 - 27,500	255.00	132.00	455.00	232.00
27,501 - 28,500	255.00	132.00	480.00	245.00
≥ 28,501	365.00	187.00	537.00	273.00

2.2.5 Trailers

Trailers with an MVW of less than 12t:

Maximum mass (kg)	Yearly tax (€)	6-month tax (€)
1 - 750	0.00	-
751 - 1,000	25.00	-
1,001 - 1,500	40.00	-
1,501 - 2,000	55.00	-
2,001 - 2,500	70.00	-
2,501 - 3,000	85.00	47.00
3,001 - 3,500	100.00	55.00
3,501 - 4,000	115.00	62.00
4,001 - 4,500	130.00	70.00
4,501 - 5,000	145.00	77.00
5,001 - 11,999	150.00	80.00

Trailers with an MVW of 12t or more, except semi-trailers:

Number of axles = 2 or less				
MVW (kg)	Pneumatic suspension or equivalent		Other type of suspension	
	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000- 13,500	370.00	190.00	565.00	287.00
13,501 - 15,000	370.00	190.00	580.00	295.00
15,001 - 16,500	370.00	190.00	595.00	302.00
16,501 - 18,000	370.00	190.00	610.00	310.00
18,001 - 19,500	370.00	190.00	625.00	317.00
19,501 - 20,500	370.00	190.00	640.00	325.00
≥ 20,501	370.00	190.00	650.00	330.00
Number of axles = 3 or more				
MVW (kg)	Pneumatic suspension or equivalent		Other type of suspension	
	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000 - 28,500	255.00	132.00	425.00	217.00
≥ 28,501	510.00	260.00	700.00	355.00

2.2.6 Tractors and semi-trailers

Tractors:

Number of axles = 2				
MVW (kg)	Pneumatic suspension or equivalent		Other type of suspension	
	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000 - 35,500	255.00	132.00	255.00	132.00
35,501 - 37,500	255.00	132.00	310.00	160.00
37,501 - 39,500	255.00	132.00	420.00	215.00
≥ 39,501	310.00	160.00	420.00	215.00

Number of axles = 3 or more				
MVW (kg)	Pneumatic suspension or equivalent		Other type of suspension	
	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000 - 39,500	255.00	132.00	255.00	132.00
≥ 39,501	380.00	195.00	485.00	247.00

Semi-trailers:

Number of axles = 2 or less				
MVW (kg)	Pneumatic suspension or equivalent		Other type of suspension	
	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000 - 17,500	50.00	–	50.00	–
17,501 - 18,500	63.00	–	75.00	–
18,501 - 19,500	76.00	43.00	100.00	55.00
19,501 - 20,500	89.00	49.00	125.00	67.00
20,501 - 21,500	102.00	55.00	150.00	80.00
21,501 - 22,500	115.00	62.00	175.00	92.00
22,501 - 23,500	128.00	69.00	200.00	105.00
23,501 - 24,500	141.00	75.00	225.00	117.00
24,501 - 25,500	154.00	82.00	250.00	130.00
25,501 - 26,500	167.00	88.00	275.00	142.00
26,501 - 27,500	180.00	95.00	300.00	155.00
27,501 - 28,500	193.00	101.00	325.00	167.00
28,501 - 29,500	206.00	108.00	350.00	180.00
29,501 - 30,500	219.00	114.00	375.00	192.00
30,501 - 31,500	232.00	121.00	400.00	205.00
31,501 - 32,500	245.00	127.00	425.00	217.00
≥ 32,501	250.00	130.00	455.00	232.00

Number of axles = 3 or more				
MVW (kg)	Pneumatic suspension or equivalent		Other type of suspension	
	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000 - 17,500	50.00	–	50.00	–
17,501 - 18,500	60.00	–	65.00	–
18,501 - 19,500	70.00	–	80.00	45.00
19,501 - 20,500	80.00	45.00	95.00	52.00
20,501 - 21,500	90.00	50.00	110.00	60.00
21,501 - 22,500	100.00	55.00	125.00	67.00
22,501 - 23,500	110.00	60.00	140.00	75.00
23,501 - 24,500	120.00	65.00	155.00	82.00
24,501 - 25,500	130.00	70.00	170.00	90.00
25,501 - 26,500	140.00	75.00	185.00	97.00
26,501 - 27,500	150.00	80.00	200.00	105.00
27,501 - 28,500	160.00	85.00	215.00	112.00
28,501 - 29,500	170.00	90.00	230.00	120.00
29,501 - 30,500	180.00	95.00	245.00	127.00
30,501 - 31,500	190.00	100.00	260.00	135.00
31,501 - 32,500	200.00	105.00	275.00	142.00

3 TAXES ON MOTORING

3.1 FUEL TAXES

Maximum price on 5 April 2019:

	Super unleaded 95* (€/l)	Super unleaded 98* (€/l)	Diesel* (€/l)	LPG (€/l)
Cost of the product (incl. margins and costs)	0.595	0.678	0.593	0.374
Excises (1)	0.304	0.304	0.279	0.102
Climate tax + others (2)	0.158	0.158	0.056	0
Price without VAT	1.057	1.140	0.928	0.476
VAT	17%	17%	17%	8%
VAT amount (3)	0.180	0.194	0.158	0.038
(1) + (2) + (3)	0.642	0.656	0.493	0.140
% of the price at the pump	52%	49%	45%	27%
Price at the pump	1.237	1.334	1.086	0.514

* Maximum 10ppm sulphur

3.2 INSURANCE TAXES

Subscription to an insurance policy attracts a 4% insurance tax (the premiums paid form the basis of the taxation).

3.3 EUROVIGNETTE

In conformity with Directive 93/89/EEC of 9 February 1994, a road toll called the Eurovignette is levied in Luxembourg on vehicles for transport of goods with an MPW exceeding 12t (see <http://www.do.etat.lu/vehaut/eurovignette.htm>).

3.4 COMPANY CARS

3.4.1 Deductibility of company car expenses in the framework of corporate income tax

All car expenses are fully deductible (including fuel expenses).

VAT deductibility

VAT on all expenses related to professional car use is fully deductible (including VAT on fuel).

3.4.2 Benefit in kind of private use of a company car

Provision of a company car that can also be used for private purposes is considered a benefit in kind (BIK) and results in the employee being liable for additional income tax. Two methods are used to determine this BIK, as set out below.

The lump-sum method

The BIK per month is a percentage of the vehicle's value when new (options and VAT included, minus discounts) in function of fuel type and CO2 emissions. The same method applies for used cars.

CO2g/km	Petrol (+ hybrid, CNG) (%)	Diesel (+ hybrid) (%)	100% electric & hydrogen (%)	Bike & electric bike (%)
0	–	–	0.5	0.5
1 - 50	0.8	1.0	–	–
51 - 110	1.0	1.2	–	–
111 - 150	1.3	1.5	–	–
> 150	1.7	1.8	–	–

Example:

Diesel car, 115g/km, purchasing price: €29,000

→ monthly taxable benefit in kind: $1.5\% \times €29,000 = €435$

This monthly benefit is subject to tax on wages and social security contributions (as normal wages).

The logbook method

The employee keeps a logbook and records the mileage travelled for professional purposes. The mileage driven for private purposes will therefore be equal to the difference between the total mileage and the professional mileage. The taxable BIK is equal to the cost per kilometre (to be determined by the employer) multiplied by the kilometres of private use. The BIK is calculated monthly. This monthly BIK is subject to tax on wages and social security contributions (as normal wages).

3.4.3 Employee participation in vehicle costs

Employee flat participation in maintenance, leasing or renting costs

If an employer provides a company car to an employee for a fixed flat fee (deducted from the net remuneration of the employee) to cover maintenance costs/cost of leasing or renting, this contribution is deducted from the amount of the BIK.

The proportion of the leasing cost that is VAT deductible is limited to 20% of the cost borne by the employer. The Tax Administration considers that a contribution to the cost of greater than 20% is motivated by personal considerations.

Example:

- Diesel car, 115g/km, purchase price of the vehicle in new condition (including VAT and options, net of the discount granted by the seller): €29,000
- Monthly BIK: $1.5\% \times €29,000 = €435$
- Monthly rent paid by the employer: €600
- Fixed employee contribution to the monthly cost of leasing (deducted from the net remuneration of the employee): €150
- Deductible participation to the cost of leasing/renting paid by the employee is limited to $20\% \times (€600 - €150) = €90$
- The monthly taxable BIK is $€435 - €90 = €345$

Employee variable participation in fuel, maintenance and repair costs

Not deductible from the amount of the BIK.

3.4.4 Employee participation in the purchase price

The employee's contribution to the vehicle purchase price does not affect the assessment of the BIK. This contribution limited to 20% of the purchase price paid by the employer may be deducted from the amount of the BIK through depreciation. The Tax Administration considers that a contribution of greater than 20% is motivated by personal considerations.

Example:

- Diesel car, 115g/km, price of new vehicle purchased on 1 October 2015 (including VAT and options, net of the discount granted by the seller): €29,000 including the employee's contribution of €3,480.
- Monthly BIK: $1.5\% \times €29,000 = €435$
- Depreciation of employee contribution spread over eight months: €3,480/€435
- For a period of eight months (from October 2016 to May 2017), there is no taxable BIK. From 1 June 2017, the BIK of €435 is subject to tax on wages.

3.4.5 Redemption of a company car by the employee

The acquisition by the employee of a company car (owned/leased/rented by the employer with a purchase option) at a lower price than market price constitutes a taxable BIK and is subject to social security contributions.

The tax basis of the BIK is equal to the difference between the vehicle's market value at redemption and the price paid by the employee.

The evaluation of the benefit involves the problem of determining the market value of the vehicle. Because of the various factors that may affect this assessment, and for the sake of fairness, the Tax Administration recommends a simplified method of assessment.

Example:

- Diesel car, 115g/km, purchase price of the new vehicle: €29,000 (options and VAT included, minus discounts)
- Price paid by the employee: €2,900 (10%)
- Vehicle age: 36 months
- Vehicle market value: €13,050
- Tax basis: $€13,050 - €2,900 = €10,150$ (tax and social security contribution)



CHAPTER

20

ACEA TAX GUIDE 2019

Malta

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1 TAXES ON ACQUISITION

1.1 REGISTRATION TAX

Registration tax and congestion tax are imposed upon the buyer upon the purchase of a new M1 vehicle.

Registration tax will be as follows: the total amount of registration tax will be the sum of a percentage value (depending on CO2 emissions) multiplied by the CO2 emissions value (in g/km) multiplied by the registration value (RV) of the vehicle, plus the indicated percentage value multiplied by the length (in mm) multiplied by the registration value (RV) of the vehicle.

Therefore, the formula that will be used to calculate registration tax is as follows:

$$\text{Total registration tax} = (X\% \times \text{CO2} \times \text{RV}) + (Y\% \times \text{length} \times \text{RV})$$

Where:

X% is the percentage taken from the table on CO2 emissions

Y% is the percentage taken from the table on length

Rates will vary depending on whether the vehicle has a diesel or a petrol engine. However, where an M1 motor vehicle powered by a diesel engine has a particulate matter level not exceeding 0.005g/km (Euro 5 level), the Malta Transport Authority will apply the rates applicable to vehicles powered by a petrol engine.

X values for registration tax	
CO2 emissions (g/km)	Petrol-engine
0-100	0.13% × CO2 × RV
101-130	0.15% × CO2 × RV
131-140	0.17% × CO2 × RV
141-150	0.19% × CO2 × RV
151-180	0.21% × CO2 × RV
181-220	0.23% × CO2 × RV
221-250	0.25% × CO2 × RV
≥ 251	0.27% × CO2 × RV

Example

The registration value (RV), the CO2 emissions level, and the overall length for a standard petrol-engine private Class 1 vehicle are the following:

RV value: €5,000

CO2 emissions level: 110g/km

Length: 40,000mm

The total registration tax due on the vehicle is calculated as follows:

$$\text{Total registration tax} = (X\% \times 110 \times 5,000) + (Y\% \times 4,000 \times 5,000)$$

1.2 VALUE ADDED TAX

VAT is charged at a flat rate of 18% on the sale price of the vehicle, regardless of engine capacity.

2 TAXES ON OWNERSHIP

2.1 ANNUAL CIRCULATION TAX

An annual circulation tax is paid upon the actual use of the vehicle on the Maltese roads.

The tax is based on CO₂ emissions and the age of the vehicle:

Emissions (g/km)	Tax: first 5 years (€)
0-100	100
101-130	110
131-140	120
141-150	140
151-180	180

After the first five years in circulation, the annual circulation tax increases for all classes of vehicles.



CHAPTER

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ACEA TAX GUIDE 2019

Netherlands

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1 TAXES ON ACQUISITION

1.1 VAT

The rate of VAT on motor vehicles is 21%. The basis for calculating VAT is the price of the vehicle exclusive of all taxes.

1.2 REGISTRATION TAX

A registration tax, the *Belasting van Personenauto's en Motorrijwielen* (BPM), is levied on all new passenger cars and motorcycles and also (in accordance with a depreciation scheme) on used cars and motorcycles when they are registered for the first time in the Netherlands.

The BPM is calculated on the CO₂ emissions of the vehicle, based on its fuel efficiency.

The BPM is calculated using the following procedure: for each gram of CO₂ per kilometre, a certain amount of tax is charged. More fuel-inefficient vehicles pay more tax per gram of CO₂ per kilometre. This is done by increasing the tax per gram for emissions that reach certain thresholds. The thresholds and tariffs are the same for petrol and diesel cars. The table below shows the total amount of tax per gram of CO₂ per kilometre in the ranges stated.

For petrol and diesel cars:

Thresholds for CO ₂ (g/km)		Tax per g CO ₂ /km (€)
From	Up to and including	
0	0	0.00 (exempt)
1	71	2.00
72	95	60.00
96	139	131.00
140	156	215.00
157	-	429.00

As of 1 January 2019, a fixed BPM surcharge of €360 is applicable for all new passenger cars sold that have CO₂ emissions of 1g/km or more.

Furthermore, a diesel surcharge is applicable. The diesel surcharge applies to vehicles with CO₂ emissions of more than 61g/km. The diesel surcharge per gram of CO₂ above 61g/km is €88.43 in 2019.

The CO₂ emissions component is calculated by adding together the tax amounts for the individual thresholds up to the amount of CO₂ that is stated.

Incentives:

Diesel cars with Euro 6 engines no longer benefit from a rebate on the BPM.

PHEVs

As of 1 January 2017, a special BPM rate is applicable for all new PHEVs sold:

Thresholds for CO ₂ (g/km)		Tax per g CO ₂ /km (€)
From	Up to and including	
0	0	0.00 (exempt)
1	30	27.00
31	50	113.00
51	-	271.00

The fixed BPM surcharge of €360 is not applicable for PHEVs.

1.3 ALLOWABLE DEDUCTIONS

1.3.1 VAT exemptions

VAT is deductible if the purchase is made by an industrial or commercial enterprise.

This allowance is applicable both to private cars and commercial vehicles (new and second-hand).

1.3.2 Depreciation and capital allowances

The depreciation of cars is not governed by any strict set of regulations. In general, cars are written down over a period of three years, at the end of which a residual value remains.

1.4 REGISTRATION CHARGES

The registration charge is presently as follows:

All vehicles	€51.00
Trailers and semi-trailers	€51.00

2 TAXES ON OWNERSHIP

2.1 BASIS OF ASSESSMENT

Private cars	Gross Vehicle Weight, province, fuel, CO2 emissions
Buses and coaches	Gross Vehicle Weight

2.2 ROAD TAX

As of 1 January 2016, the rates of road tax (ACT) are established on the basis of:

- Gross Vehicle Weight;
- type of fuel used;
- region (province);
- CO2 emissions.

The motor vehicle tax (*motorrijtuigenbelasting*, MRB) exemption for very clean vehicles ended on 1 January 2014, for both new and current passenger cars. Since 2014, the MRB has been based only on weight. Passenger cars with no CO2 emissions are exempt from motor vehicle tax up to and including 2020. Semi-electric vehicles are significantly heavier because of the battery pack and the electric motor. As of 1 January 2017, the fixed allowance of 125kg weight deduction when setting the basis for the MRB has been replaced by a 50% discount in the MRB for these vehicles. Different MRB tariffs still apply to different types of fuel. The diesel surcharge remains in effect.

2.2.1 Passenger cars

There is no longer a list of rates available for passenger cars.

2.2.2 Vans

There is no list of rates available for vans either.

2.2.3 Lorries

Road tax for trucks is based on:

- If the truck is equipped with a coupling device
- The GVW (Gross Vehicle Weight) of the vehicle
- Type of suspension of the vehicle
- Number of axles
- Euro norm of the vehicle
- If the truck is equipped with a full-electric or hydrogen drivetrain

The rates in the tables are for vehicles compliant Euro III and over; for the following classes a surcharge applies:

- 90% for Euro 0
- 75% for Euro I
- 60% for Euro II

Road tax for a three month period, Euro III and over, without coupling device:

GVW (kg)	Without air suspension			With air suspension		
	2 axles (€)	3 axles (€)	4 or more axles (€)	2 axles (€)	3 axles (€)	4 or more axles (€)
3,501 – 14,999	78.00	78.00	78.00	78.00	78.00	78.00
15,000 – 22,999	94.00	78.00	78.00	78.00	78.00	78.00
23,000 – 24,999	116.00	116.00	78.00	78.00	78.00	78.00
25,000 – 26,999	116.00	116.00	78.00	78.00	78.00	78.00
27,000 – 28,999	123.00	123.00	123.00	78.00	78.00	78.00
29,000 – 30,999	181.00	181.00	181.00	123.00	123.00	123.00
31,000 – 32,999	181.00	181.00	181.00	123.00	123.00	123.00
33,000 – 35,999	181.00	181.00	181.00	123.00	123.00	123.00
36,000 – 37,999	181.00	181.00	181.00	123.00	123.00	123.00
38,000 – 39,999	181.00	181.00	181.00	123.00	123.00	123.00
≥ 40,000	181.00	181.00	181.00	123.00	123.00	123.00

Road tax for a three month period, Euro III and over, with coupling device:

GVW (kg)	Without air suspension		With air suspension	
	2 axles (€)	3 axles or more (€)	2 axles (€)	3 axles or more (€)
3,501 – 14,999	78.00	78.00	78.00	78.00
15,000 – 22,999	78.00	78.00	78.00	78.00
23,000 – 24,999	78.00	78.00	78.00	78.00
25,000 – 26,999	104.00	78.00	78.00	78.00
27,000 – 28,999	104.00	78.00	78.00	78.00
29,000 – 30,999	113.00	111.00	78.00	78.00
31,000 – 32,999	157.00	111.00	113.00	78.00
33,000 – 35,999	237.00	153.00	157.00	111.00
36,000 – 37,999	237.00	153.00	157.00	111.00
38,000 – 39,999	237.00	210.00	173.00	153.00
≥ 40,000	311.00	311.00	237.00	210.00

In addition to the road tax for trucks, a tax for heavy goods vehicles (*belasting zware motorrijtuigen (bzm)*) better known as Eurovignet, is also due. This tax applies only to vehicles used on the motorway and if:

- the vehicle is only used for the transport of goods;
- the GVW of the vehicles (or combination) is of 12t or more.

	12 months		1 month		1 week	
	Up to 3 axles (€)	4 axles or more (€)	Up to 3 axles (€)	4 axles or more (€)	Up to 3 axles (€)	4 axles or more (€)
Euro 0	960.00	1,550.00	96.00	155.00	26.00	41.00
Euro I	850.00	1,400.00	85.00	140.00	23.00	37.00
Euro II and over	750.00	1,250.00	75.00	125.00	20.00	33.00

The tariff for 1 day is €8 for all vehicle classes.

2.2.4 Buses and coaches

There is no list of rates available for buses and coaches.

3 TAXES ON MOTORING

3.1 FUEL TAXES

Price of fuels on 1 May 2018 (€/l)

	Unleaded Euro 95	Diesel
Tax-exclusive price	0.68	0.70
Total tax (excl VAT)	0.79	0.50

Price excl VAT	1.47	1.20
VAT at 21%	0.31	0.25
Price at the pump	1.78	1.45

4 PRIVATE USE OF A COMPANY CAR

If the private use of the company car exceeds 500km a year, 22% of the vehicle's catalogue value will be considered part of the driver's/user's income. There is a discount on this standard 22% rate for fuel-efficient cars: instead of 22%, a 4% car benefit charge is levied if the car emits no CO₂ (zero-emission vehicles). If the private use of a company car is less than 500km a year, no car benefit is charged.

The environmental threshold for taxable benefit in 2019

Rate at which benefit is taxable (%) for petrol and diesel cars	CO ₂ emissions (g/km)
4	0
22	≥ 1

Vehicles keep the tariff for a period that is the same as the standard lease period calculated from the moment the vehicle is registered for the first time. The Ministry of Finance has set the standard lease period at 60 months.

5 PERIODICAL INSPECTION OF VEHICLES

5.1 ORGANISATION OF THE INSPECTION

The annual inspection of private cars and light commercial vehicles (for petrol cars, starting in the fourth year after registration, with subsequent inspections in the sixth and eighth years, and annually after the eighth year; for diesel and LPG cars, after the third year) was introduced on 15 September 1985. Inspections are organised by:

- the administration;
- authorised private garages;
- the Royal Dutch Touring Club stations;
- other authorised workshops.

5.2 DURATION OF THE INSPECTION

Private vehicles and light commercial vehicles	45 minutes
Trucks	60-75 minutes



CHAPTER

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ACEA TAX GUIDE 2019

Poland

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ACEA

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1 TAXES ON ACQUISITION

1.1 VAT

Under the Act on the Goods and Services Tax passed on 11 March 2004, all new vehicles sold in the country are subject to 23% VAT. In accordance with Article 2.10 of the legislation, a given vehicle meets the definition of a new means of transport providing that its mileage does not exceed 6,000km or not more than 6 months have elapsed from the date of its commissioning.

VAT is calculated as follows:

$$\text{VAT} = (V + T + E) \times 23\%$$

where:

V is the customs value of the vehicle or value stated in the invoice, if the vehicle was manufactured in the EU;

T is the tax rate (only for vehicles imported from outside the EU; for EU imported vehicles the rate is 0); and

E is the amount of excise tax.

The purchase of a second-hand vehicle by a private person is not subject to VAT.

1.2 EXCISE TAX

The Act on Excise Tax was passed on 6 December 2008 and entered into force on 1 March 2009.

Excise taxpayers are:

- entities selling passenger cars before their first registration;
- importers and intra-Community purchasers.

According to the new law, excise tax is a 'one-phase tax' and importers/intra-Community purchasers will be taxed by excise in the situations covered by the new act. Those situations are:

- intra-Community purchase;
- import;
- selling of cars before their first registration.

Taxable basis

- The taxable basis of car sales is the amount due for the sale, exclusive of VAT and excise tax (Article 104.1.1).
- The taxable basis for intra-Community car purchases is the amount the purchaser is obliged to pay (Article 104.1.2).
- The taxable basis for imports is the customs value including the customs duty and other fees and charges (Article 104.1.3).

New vehicles and second-hand vehicles

For new and second-hand vehicles, the rate of excise tax depends on the engine capacity.

The tax due is calculated using the calculation method:

tax rate × vehicle value

Electric vehicles*	0%
Plug-in hybrid electric vehicles*	0%
< 2,000cc	3.1%
> 2,000cc	18.6%

*Will be introduced after EC positive decision for public aid

1.3 ALLOWABLE DEDUCTIONS

1.3.1 VAT exemption

At the end of 2016, Poland obtained from the Council of Europe another derogation on VAT. The implementation of this decision did not result in substantial changes to the VAT rules for vehicles because it was a continuation of a previous derogation. Consequently, Article 86a of the Act on the Goods and Services Tax remained the same and will remain in force at least until the end of 2019.

Article 86a.1 of the Act on the Goods and Services Tax states that 'in case of the acquisition of motor vehicles with a maximum authorised total mass not exceeding 3.5t, the amount of input tax shall be 50% of the amount stated in the invoice or the amount of tax due on intra-Community supply of goods, or the amount of tax due on the supply of goods, for which the taxable person is their purchaser. The same rule is used for amount paid for service, fuel and other amounts associated with vehicle exploitation and use of the motor vehicle'.

This means that the whole input tax can be deducted in case of vehicles that exceed 3.5t.

The Act on the Goods and Services Tax stipulates certain limits to input tax deduction. These limits (§3 of Article 86a) do not apply when vehicles comply with special technical conditions or are used only for entrepreneurial economic activities. In such cases, the taxpayer can deduct 100% of the input tax even if the vehicle does not exceed 3.5t.

Vehicles that comply with special technical conditions are vehicles carrying at least 10 persons including the driver.

Vehicles that are used only for economic activities of the entrepreneur are listed below (§4 of Article 86a).

1. Vehicles that are not passenger cars, with one row of seats and with a durable wall or partition:
 - a) classified pursuant to the Law on Road Traffic in the subcategory multi-purpose vehicle (MPV) or van;
 - b) with an open part designated for load transport.
2. Vehicles that are not passenger cars, with one row of seats in which the driver's cockpit and the car body are divided
3. Special vehicles:
 - a) Electric generators
 - b) For drilling works
 - c) Excavators, excavator–bulldozer

- d) Loaders
 - e) Lifts for maintenance and installation
 - f) Crane vehicles
 - g) Bank armoured vehicles
 - h) Funeral vehicles
4. Other vehicles with mileage records that confirm the use of the vehicle for business purposes only

With respect to the above-mentioned vehicles, the taxpayer can deduct 100% of input tax.

Fulfilment of the above-mentioned special technical conditions for vehicles listed in points 1 and 2 is verified by an additional technical examination carried out in regional stations for vehicle control, and the registration certificate of the vehicle is appended with an appropriate note about the fulfilment of these criteria.

Fulfilment of the above-mentioned special technical conditions for vehicles listed in point 3 is verified on the basis of type-approval documents.

Deduction of 100% VAT is also allowed if the resale or leasing of vehicles constitutes the object of the taxable person's business.

1.3.2 Reduction or refund of tax on the purchase of motor fuel, fuel oil and liquefied petroleum gas (LPG)

The new law states that 50% of the input tax paid on fuels, fuel oils and LPG for cars is deductible.

In the case of other vehicles that fulfil special technical conditions, or are used only for economic activities, 100% of the input tax paid on fuels, fuel oils and LPG is deductible.

1.3.3 Exclusion of private use of a company car

During the period of derogation, vehicles with mileage records on which 100% input tax has been deducted cannot be used for private purposes and there will be no legal duty to pay for the private use of a company vehicle from which 50% input tax has been deducted.

1.4 REGISTRATION CHARGES

1.4.1 Registration fee

The registration fee amounts to PLN 180.50 for cars (including buses and coaches) and PLN 121.50 for motorcycles.

An identification card is issued for each new or second-hand vehicle upon first registration. The fee for this card amounts to PLN 75.

1.4.2 Other registration charges

In the event of a car purchase on which no VAT is paid, the buyer is obliged to pay a 2% tax based on the actual vehicle value (not on the price in the purchase contract).

2 TAXES ON OWNERSHIP

There are no typical ownership taxes in Poland. There is only a local tax for owners of commercial vehicles with weight over 3.5t. The amount of tax paid depends on weight and number of axles. The lowest tax is PLN 24.89 and the highest is PLN 3,181.

3 TAXES ON MOTORING

3.1 FUEL TAXES

- Excise tax for petrol and petrol with biocomponents: PLN 1,540/1,000l
- Excise tax for diesel and diesel with biocomponents: PLN 1,171/1,000l
- Excise tax for biocomponents that are self-contained fuel: PLN 1,171/1,000l
- Fuel fee for petrol without biocomponents for the construction of motorways and roads in Poland: PLN 133.21/1,000l
- Fuel fee for diesel without biocomponents for the construction of motorways and roads in Poland: PLN 297.61/1,000l
- Emission fee for petrol for Low Emission Fund financing introduction of ZEV and LEV vehicles and infrastructure of alternative fuels: PLN 80/1,000l
- Emission fee for diesel for Low Emission Fund financing introduction of ZEV and LEV vehicles and infrastructure of alternative fuels: PLN 80/1,000l

VAT for both petrol and diesel amounts to 23%.

The tax value of the retail price of petrol amounts to approximately 54%.

The tax value of the retail price of diesel amounts to approximately 50%.

3.2 AVERAGE FUEL PRICES

3.2.1 Registration fee

Tax-inclusive prices at the beginning of 2019 (27 February) were as follows:

- Petrol: PLN 4.71/l (Pb95) and PLN 5.05/l (Pb98)
- Diesel PLN 4.97/l
- LPG: PLN 2.12/l

4 PERIODIC INSPECTION OF VEHICLES

Motor vehicles are required to undergo a technical examination in control stations authorised by the Road Transport Inspector first after three years of motoring, then again after two years of motoring, and thereafter every year.



CHAPTER

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ACEA TAX GUIDE 2019

Portugal

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ACEA

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1 TAXES ON ACQUISITION

1.1 CAR TAX (ISV)

Car tax (*Imposto Sobre Veículos (ISV)*) is only applied to vehicles with a gross weight of up to 3.5t. ISV is calculated as follows:

Table A

1. Cylinder capacity component

Cylinder capacity (cc)	ISV (€)
≤ 1,000	$ISV = 0.99 \times cc - 767.50$
1,001 - 1,250	$ISV = 1.07 \times cc - 769.00$
> 1,250	$ISV = 5.06 \times cc - 5,600.00$

2. Environmental component

Petrol cars

CO2 (g/km)	ISV (€)
< 100	$ISV = 4.18 \times CO2 - 386.00$
100 – 115	$ISV = 7.31 \times CO2 - 678.87$
116 – 145	$ISV = 47.51 \times CO2 - 5,337.00$
146 – 175	$ISV = 55.35 \times CO2 - 6,454.52$
176 – 195	$ISV = 141.00 \times CO2 - 21,358.39$
> 195	$ISV = 185.91 \times CO2 - 30,183.74$

Diesel cars

CO2 (g/km)	ISV (€)
< 80	$ISV = 5.22 \times CO2 - 396.88$
80 – 95	$ISV = 21.20 \times CO2 - 1,671.07$
96 – 120	$ISV = 71.62 \times CO2 - 6,504.65$
121 – 140	$ISV = 158.85 \times CO2 - 17,107.60$
141 – 160	$ISV = 176.66 \times CO2 - 19,635.10$
> 160	$ISV = 242.65 \times CO2 - 30,235.96$

100% of Table A: Light passenger vehicles (LPVs) and dual-purpose passenger/cargo vehicles weighing less than 2,5t.

60% of Table A: LPVs with hybrid engines (petrol/diesel plus electric energy/solar energy) and rental LPVs with CO2 emissions less than 120g/km.

50% of Table A: dual-purpose passenger/cargo vehicles weighing more than 2,5t and less than or equal to 3,5t.

40% of Table A: LPVs fuelled exclusively by liquefied petroleum gas (LPG) or natural gas.

30% of Table A: LPVs (taxis) with CO2 emissions less than 160g/km.

25% of Table A: LPVs with plug-in hybrid engines (all-electric mode up to 25km or more).

0% of Table A (exempted): vehicles fuelled exclusively by electric energy or renewable energy.

In addition to the total ISV (cc + CO₂ components), a tax of €500 is levied on diesel LPVs with particulate matter (PM) emissions greater than or equal to 0.002g/km.

In 2019, following the WLTP CO₂ emissions new regulations, the tax applied in the above-mentioned tables is reduced according to the table below:

Petrol	Diesel	% reduction applied to CO ₂ WLTP
CO ₂ emissions (g/kg)		
< 100	< 80	24
100 – 115	80 – 95	23
116 – 145	96 – 120	22
146 – 175	121 – 140	20
176 – 195	141 – 160	17
> 195	> 160	5

Table B

Cylinder capacity (cc)	ISV (€)
≤ 1,250	ISV = 4.80 × cc - 3,011.74
> 1,250	ISV = 11.38 × cc - 10,972.84

100% of Table B: passenger car-derived vans with a cargo box with a height of less than 1.20m.

50% of Table B: four-wheel drive pick-ups with a gross weight less than or equal to 3.5t and with more than three seats, including the driver's seat.

30% of Table B: motor caravans.

15% of Table B: dual-purpose passenger/cargo vehicles with a gross weight greater than 2.3t and a cargo box measuring at least 1.45m (length) by 1.3m (height); two-wheel drive pick-ups.

10% of Table B: pick-ups with a gross weight less than 3.5t with three or fewer seats, including the driver's seat; passenger car-derived (vans) with a cargo box with a height of more than 1.20m.

0% of Table B (exempted): two-wheel drive pick-ups and passenger car-derived vans with a gross weight equal to 3.5t.

In addition to the total ISV, where PM emissions are more than or equal to 0.002g/km, a tax of €250 is levied on diesel light commercial vehicles (LCVs) subject to the 10% rate of Table B and of €500 for diesel LCVs subject to other rates.

Table C – Motorcycles

Cylinder capacity range (cm ³)	Tax (€)
120 – 250	66.70
251 – 350	82.83
351 – 500	110.80
501 – 750	166.74
> 750	221.61

1.2 VAT

VAT at the rate of 23% is calculated on the net price after all discounts, but inclusive of ISV.

The private sale of second-hand vehicles between individuals is not subject to VAT.

The sale of second-hand vehicles by taxable persons is subject to VAT (at 23%), which is calculated according to the EU rules on second-hand vehicle taxation. The tax is applied to the difference between the sale price and the purchase price (gross profit). The costs of repairs are not included in the purchase price.

1.3 ALLOWABLE DEDUCTIONS

1.3.1 VAT

The VAT applied to commercial vehicles, including delivery vans, pick-ups and passenger car-derived vans (with less than three seats) is deductible by companies.

The VAT paid on diesel (23%) consumed by company cars is deductible by companies (owners of those vehicles) at the rate of 50%.

The VAT applied to the costs of acquisition, manufacture, import, leasing and transformation of cars or dual-purpose vehicles that serve as tour vehicles is deductible when those vehicles are:

- electric (with an acquisition cost less than €62,500);
- hybrid plug-in (with an acquisition cost less than €50,000); or
- powered by LPG or compressed natural gas (CNG) in the proportion of 50% (with an acquisition cost less than €37,500).

1.3.2 Depreciation and capital allowances

The straight-line method is used at rates varying according to vehicle type, as follows:

Vehicle type	Annual rate of depreciation (%)
Light vehicles (weighing up to 3.5t) (passenger vehicles and goods vehicles)	25
Heavy vehicles (passenger and buses)	20
Trailers (transport of goods)	20
Agricultural tractors	16.66

Expenses on company cars exceeding the following amounts are not considered depreciation costs of the company:

- Electric cars – €62,500
- Hybrid plug-ins – €50,000
- LPG/CNG-fuelled cars – €37,500€
- Others – €25,000

1.4 REGISTRATION CHARGES

1.4.1 Issue of a new licence plate

The registration tax is €45 for all vehicle types.

New licence plates are issued by the Government Traffic Department (*Instituto da Mobilidade e dos Transportes* (IMT)) just before purchase by the consumer and after payment of ISV.

1.4.2 Ownership registration

Vehicle type	Registration tax (€)
All types	First registration: 55.00
	Subsequent registrations: 65.00

Use of the online registration system attracts a reduction of 50% on the fees mentioned above.

The transfer of property must be registered with the department of the Ministry of Justice that issues the document titled *Documento Único Automóvel* (DUA).

2 TAXES ON OWNERSHIP

2.1 CIRCULATION TAX (IUC)

The circulation tax (*Imposto Único de Circulação* (IUC)) for passenger cars, off-road vehicles and multipurpose vehicles weighing up to 2.5t combines a cylinder capacity component with an environmental component (based on CO2 emissions). For other vehicles, the tax is based exclusively on gross weight.

Table A: Passenger cars, off-road vehicles and multipurpose vehicles up to 2.5t registered from 1981 until 1 July 2007

Type of fuel		Electricity	Annual tax according to the year of registration (€)		
Petrol (cm3)	Other (cm3)	Total voltage	After 1995	1990–1995	1981–1989
≤ 1,000	≤ 1,500	≤ 100	18.36	11.58	8.12
1,001 – 1,300	1,501 – 2,000	> 100	36.38	20.71	11.58
1,301 – 1,750	2,001 – 3,000		57.56	32.17	16.14
1,751 – 2,600	> 3,000		146.03	77.02	33.29
2,601 – 3,500			265.18	144.40	73.53
> 3500			472.48	242.70	111.52

Table B: Passenger cars, off-road vehicles and multipurpose vehicles weighing up to 2.5t and registered after 1 July 2007

Cylinder capacity component		Environmental component	
Cylinder capacity (cm ³)	Tax (€)	CO ₂ emission (g/km)	Tax (€)
≤ 1,250	29.30	≤ 120	60.10
1,251 – 1,750	58.79	121 – 180	90.06
1,751 – 2,500	117.47	181 – 250	195.59
> 2,500	402.02	> 250	335.06

In 2019, following the WLTP CO₂ emissions new regulations, the tax applied in the above-mentioned tables is reduced according to the table below:

CO ₂ emissions (g/km)	% reduction applied to CO ₂ WLTP
≤ 120	21
121 – 180	15
181 – 250	12
> 250	5

Additional tax for passenger cars, off-road vehicles and multipurpose vehicles weighing up to 2.5t and registered after 1 July 2007

CO ₂ range (g/km)	Tax (€)
180 < CO ₂ ≤ 250	29.30
> 250	58.79

To determine the total value of IUC, the value obtained from these tables must be multiplied by the following rates, depending on the year of purchase of the vehicle:

Year of purchase (category B vehicle)	Coefficient
2007	1
2008	1.05
2009	1.10
2010 and after	1.15

Table C: All vehicles used for the carriage of goods, including cars and agricultural tractors whose maximum permissible weight exceeds 2.5t and trailers, except transport company fleets, are taxed on the gross weight of the vehicle according to the following tables (rates in euros):

Vehicles with GVW ¹ < 12t	
GVW (kg)	Annual tax (€)
≤ 2,500	32.42
2,501 – 3,500	53.69
3,501 – 7,500	128.65

¹ Gross vehicle weight

7,501 – 11,999					208.68					
Vehicles with GVW ≥ 12t										
Year of first registration	Before 1991		1991–1993		1994–1996		1997–1999		2000 to present	
Suspension type	Air	Other	Air	Other	Air	Other	Air	Other	Air	Other
GVW (kg)	Annual tax (€)									
2 axles										
12,000	226	234	209	219	198	208	191	198	189	196
12,001–12,999	321	378	298	349	285	334	274	322	271	320
13,000–14,999	324	383	300	355	288	338	277	326	275	324
15,000–17,999	361	402	335	376	321	358	307	343	305	340
≥ 18,000	458	510	425	473	407	452	392	433	389	428
3 axles										
< 15,000	226	321	209	297	198	284	190	274	189	271
15,001–16,999	318	359	295	333	282	320	270	305	268	302
17,000–17,999	318	367	295	340	282	325	270	312	268	309
18,000–18,999	413	456	384	423	367	405	350	390	347	386
19,000–20,999	414	456	386	423	369	409	353	390	349	391
21,000–22,999	416	462	387	427	372	460	355	393	350	437
≥ 23,000	465	517	432	482	414	460	396	440	394	437
≥ 4 axles										
< 23,000	319	357	296	331	282	318	371	302	268	300
23,000–24,999	402	453	376	421	358	402	343	387	340	384
25,000–25,999	413	456	384	423	367	405	350	390	347	386
26,000–26,999	757	857	704	799	671	761	645	730	640	723
27,000–28,999	767	877	713	817	680	780	655	751	649	755
≥ 29,000	790	890	732	828	700	793	671	760	666	755

Articulated vehicles and combination vehicles

Year of first registration	Before 1991		1991–1993		1994–1996		1997–1999		2000 to present	
Suspension type	Air	Other	Air	Other	Air	Other	Air	Other	Air	Other
GVW (kg)	Annual tax (€)									
2+1 axles										
12,000	225	227	208	210	197	200	190	192	188	191
12,001–17,999	311	383	292	355	280	337	270	325	268	323
18,000–24,999	413	486	387	452	372	431	358	415	354	412
25,000–25,999	446	498	419	464	400	441	387	424	385	421
≥ 26,000	831	915	780	850	745	812	717	779	713	772
2+2 axles										
< 23,000	307	353	290	328	277	312	267	300	266	298
23,000–25,999	397	449	375	419	355	400	344	385	342	382
26,000–30,999	758	863	710	804	676	767	656	738	650	730
31,000–32,999	819	886	768	825	732	790	709	757	704	751
≥ 33,000	871	1,051	819	979	781	933	757	898	751	888
2+3 axles										
< 36,000	771	868	722	808	691	771	669	742	663	733
36,000–37,999	851	924	801	865	764	827	738	801	731	795
≥ 38,000	882	1,040	827	976	792	930	765	901	759	893

3+2 axles										
< 36,000	768	844	717	784	686	751	663	718	658	717
36,000–37,999	784	893	737	831	704	795	677	761	672	760
38,000–39,999	786	950	738	882	705	843	680	809	673	807
≥ 40,000	915	1,175	858	1,094	819	1,045	795	1,003	787	1,002
≥ 3+3 axles										
< 36,000	715	847	670	790	641	752	620	721	613	716
36,000–37,999	843	936	793	870	756	842	730	800	723	793
38,000–39,999	851	953	800	884	763	846	737	812	730	806
≥ 40,000	870	967	816	901	780	858	756	825	748	819

Table D: All vehicles used for the public transportation of goods (transport company fleets) are levied with this tax, which depends on the gross weight of the vehicle according to the following tables (rates in euros):

Vehicles with GVW < 12t										
GVW (kg)					Annual tax (€)					
≤ 2,500					17.22					
2,501 – 3,500					29.38					
3,501 – 7,500					66.86					
7,501 – 11,999					111.43					
Vehicles with GVW ≥ 12t										
Year of first registration	Before 1991		1991–1993		1994–1996		1997–1999		2000 to present	
Suspension type	Air	Other	Air	Other	Air	Other	Air	Other	Air	Other
GVW (kg)	Annual tax (€)									
2 axles										
12,000	131	135	123	127	115	121	111	114	110	113
12,001–12,999	152	197	143	185	137	177	133	172	132	171
13,000–14,999	154	198	145	186	139	178	135	173	134	171
15,000–17,999	188	274	177	254	170	244	163	236	161	235
≥ 18,000	222	344	207	325	198	310	191	299	189	297
3 axles										
< 15,000	130	155	122	146	114	140	110	136	109	135
15,000–16,999	154	200	145	187	139	179	135	174	134	173
17,000–17,999	154	200	145	187	139	179	135	174	134	173
18,000–18,999	185	264	175	246	166	236	161	229	159	227
19,000–20,999	185	264	175	246	166	236	161	229	159	227
21,000–22,999	187	282	176	265	169	251	162	243	161	241
≥ 23,000	281	350	264	330	250	316	243	303	241	301
≥ 4 axles										
< 23,000	154	196	145	184	139	135	135	171	134	170
23,000–24,999	218	261	203	245	193	234	188	227	186	226
25,000–25,999	247	288	233	270	223	255	216	248	215	246
26,000–26,999	402	503	378	471	361	452	347	435	344	432
27,000–28,999	405	504	380	474	362	453	348	436	346	433
≥ 29,000	456	678	426	638	409	609	394	590	391	583

Articulated vehicles and combination vehicles

Year of first registration	Before 1991		1991–1993		1994–1996		1997–1999		2000 to present	
Suspension type	Air	Other	Air	Other	Air	Other	Air	Other	Air	Other
GVW (kg)	Annual tax (€)									
2+1 axles										
12,000	129	130	121	121	113	113	110	110	109	109
12,001–17,999	152	194	143	183	137	175	133	170	132	169
18,000–24,999	196	256	184	241	171	231	171	224	170	222
25,000–25,999	247	366	233	342	217	327	217	318	215	315
≥ 26,000	376	502	350	471	325	449	325	434	323	431
2+2 axles										
< 23,000	152	194	143	183	137	176	133	170	132	169
23,000–24,999	184	245	174	231	165	221	159	215	158	213
25,000–25,999	216	259	201	243	192	233	186	226	184	224
26,000–28,999	310	433	290	407	277	389	268	376	266	374
29,000–30,999	373	495	347	465	332	443	322	428	320	425
31,000–32,999	439	581	413	547	394	520	382	503	379	500
≥ 33,000	585	682	549	641	523	612	506	592	502	588
2+3 axles										
< 36,000	430	494	404	464	385	441	374	427	371	424
36,000–37,999	461	648	432	608	412	580	399	562	395	557
≥ 38,000	634	702	596	658	567	628	550	608	546	604
3+2 axles										
< 36,000	365	425	341	400	327	382	3117	369	315	366
36,000–37,999	437	571	411	536	392	512	381	495	378	490
38,000–39,999	573	672	540	631	514	604	498	583	493	578
≥ 40,000	795	926	746	868	711	830	689	802	682	796
≥ 3+3 axles										
< 36,000	303	395	285	372	272	354	264	341	261	339
36,000–37,999	399	495	376	465	358	443	344	428	342	425
38,000–39,999	465	501	436	469	416	448	404	433	400	430
≥ 40,000	478	676	448	636	427	607	414	588	411	582

Table E: Motorcycles, tricycles, quadricycles

Cylinder capacity (cm ³)	Year of first registration	
	Annual tax (€)	
	After 1996	1992–1996
120 – 250	5.71	0.00
251 – 350	8.08	5.71
351 – 500	19.53	11.56
501 – 750	58.68	34.56
> 750	127.44	62.50

3 TAXES ON MOTORING

3.1 FUEL TAXES

Price of fuel (€/l) (December 2018)

	Eurosuper 95	Diesel
Price without taxes	0.34	0.424
VAT	0.23	0.206
Tax on petroleum products (ISP)	0.659	0.471
Price at the pump	1.23	1.101

Note: ISP, *Imposto Sobre Produtos Petrolíferos*.

4 PRIVATE USE OF A COMPANY CAR

Expenses on company cars exceeding the following amounts are not considered costs of the company:

- Electric cars – €62,500
- Hybrid plug-ins – €50,000
- LPG/CNG-fuelled cars – €37,500
- Others – €25,000

Company cars are taxed as part of corporate income tax at the following rates:

Acquisition cost (€)	Electric cars (%)	Hybrid plug-in (%)	LPG / CNG (%)	Other (%)
< 25,000	0	5	7.5	10
25,000 – 35,000	0	10	15	27.5
> 35,000	0	17.5	27.5	35

On the other hand, employees' private use of company cars is taxable in terms of an autonomous tax of personal income tax at the following rates:

Acquisition cost (€)	Electric cars (%)	Hybrid plug-in (%)	LPG/CNG (%)	Other (%)
< 20,000	0	5	7.5	10
≥ 20,000	0	10	15	20



CHAPTER

24

ACEA TAX GUIDE 2019

Romania

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ACEA

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1 TAXES ON ACQUISITION

1.1 VAT

The sale of new vehicles is subject to VAT at the rate of 19%, levied on the value of the vehicle. For vehicles imported from outside EU, VAT applies to the value of the vehicle plus customs duty.

1.2 REGISTRATION FEE

Registration plates: RON 40 (€8.42).

1.3 INCENTIVES ON VEHICLE ACQUISITION

Fleet renewal scheme includes a scrappage program with incentive bonuses as follows:

- a) A scrappage bonus of €1,500 is granted for scrapping a vehicle older than eight years and for the acquisition of a new vehicle with CO₂ emissions lower than 130g/km.
- b) A scrappage bonus of €1,500 as well as an *Eco-bonus* of €250 (total €1,750) are granted for scrapping a vehicle older than eight years and for the acquisition of a new vehicle with CO₂ emissions lower than 98g/km.
- c) A subvention of €10,000 is granted for the purchase of a new pure electric vehicle to which €1,500 can be added for scrapping a vehicle older than eight years.
- d) A subvention of €4,500 is granted for the purchase of a new hybrid vehicle.

2 TAXES ON OWNERSHIP

2.1 OWNERSHIP TAX

The ownership tax is paid once a year to the local administration. The values are calculated as fixed sums for each 200cc of engine displacement.

For passenger cars, the rates of the annual ownership tax are:

Engine displacement (cc)	Rate for each 200cc (RON)
≤ 1,600	8.00
1,601-2,000	18.00
2,001-2,600	72.00
2,601-3,000	144.00
≥ 3,001	290.00

For buses the system is the same, but the value is RON 24/200cc.

For commercial vehicles weighing less than 12t gross vehicle weight (GVW), the rate is RON 30/200cc. For commercial vehicles weighing more than 12t the tax varies depending on GVW and number of axles, from RON 133 to a maximum of around RON 2,291.

There is no ownership tax for electric vehicles.

3 TAXES ON MOTORING

3.1 ROAD TAX

Road tax is paid once a year to the National Road Administration.

Payment of the tax is shown by a sticker (the *rovigneta*) on the windscreen. Payment is due only for vehicles using the roads outside the cities.

	Vehicle category	Period of use of the Romanian road network	Tariff VAT included (€)
A	Passenger cars	1 day	–
		7 days	3.00
		30 days	7.00
		90 days	13.00
		1 year	28.00
B	Commercial vehicles ≤ 3.5t	1 day	–
		7 days	6.00
		30 days	16.00
		90 days	36.00
		1 year	96.00
C	Commercial vehicles > 3.5t and ≤ 7.5t	1 day	4.00
		7 days	16.00
		30 days	32.00
		90 days	92.00
		1 year	320.00
D	Commercial vehicles > 7.5t and ≤ 12t	1 day	7.00
		7 days	28.00
		30 days	56.00
		90 days	160.00
		1 year	560.00
E	Commercial vehicles > 12t with maximum 3 axles (inclusive)	1 day	9.00
		7 days	36.00
		30 days	72.00
		90 days	206.00
		1 year	720.00
F	Commercial vehicles > 12t with minimum 4 axles (inclusive)	1 day	11.00
		7 days	55.00
		30 days	121.00
		90 days	354.00
		1 year	1,210.00
G	Minibuses with ≥ 9 seats and ≤ 23 seats	1 day	2.00
		7 days	20.00
		30 days	52.00
		90 days	120.00
		1 year	320.00
H	Buses with > 23 seats	1 day	7.00
		7 days	35.00
		30 days	91.00
		90 days	210.00
		1 year	560.00

3.2 FUEL TAXES

Excise taxes on fuels, as from 15 September 2017, are as follows:

- Unleaded petrol – RON 2,038.62/1,000l
- Diesel – RON 1,895.94/1,000l

3.3 INSURANCE TAX

In Romania, third-party insurance is mandatory. It covers only the harm done to the victim, not the harm done to the liable party. Full-cover insurance (CASCO) is optional.

Mandatory insurance must be paid for by all vehicle owners. The rates are set by the insurance companies. They vary according to the class of the vehicle and its engine displacement (regardless of whether the engine is petrol or diesel), owner's age, geographical region, traffic history and insurance company. Mandatory insurance includes the 'green card' (insurance valid outside Romania). For a passenger car with a cylinder capacity of 1,400cc, the rate is approximately €80/year.

Full-coverage insurance usually costs 5-8% of the value of the insured vehicle per year. The rate is generally set by the insurance company, mainly based on the type of vehicle and the client's history.

4 PERIODICAL INSPECTION OF VEHICLES

Every vehicle must pass a technical inspection.

- For passenger cars older than 12 years: every year
- For passenger cars and LCVs: every two years
- For commercial vehicles weighing more than 3.5t: every year
- For vehicles used for public transportation (including taxis): every six months

The inspection is carried out by selected workshops authorised by the Romanian Auto Register. To be authorised, a workshop must be able to prove that it has all the necessary equipment, including, inter alia, an exhaust gases analyser, a roller brake stand and a light check stand. The inspection covers all the parts of the vehicle that relate to safety or pollution. The results are centralised via a computer network by the Romanian Auto Register. The vehicle owner receives a certificate and two stickers to be placed on the registration plates.

Usual prices¹:

- Passenger car – RON 144
- Commercial vehicle weighing under 3.5t – RON 170
- Commercial vehicle weighing over 3.5t – minimum RON 250

¹Exchange rate: €1 = RON 4.75



CHAPTER

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ACEA TAX GUIDE 2019

Slovakia

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ACEA

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1 TAXES ON ACQUISITION

1.1 VAT

The purchase of motor vehicles is subject to VAT at the rate of 20%.

VAT paid when importing the vehicle	20%
Import duty from outside the EU	10%

In certain situations, the taxpayer is allowed to include in allowances for depreciation the price of a personal vehicle up to a maximum total value of €48,000 (including related costs). A personal vehicle is included in the first depreciation group (four years).

The formula for one year's depreciation is:

$$(\text{vehicle value} + \text{related costs})/4 = \text{up to } \mathbf{€12,000}$$

If the overall tax base of a taxpayer is lower than this depreciation, the difference between the fourth of real value plus related costs and the maximal depreciation (€12,000) is added to the taxpayers' tax base.

1.2 ALLOWABLE DEDUCTIONS

1.2.1 Input VAT deduction

A person registered for VAT is allowed to deduct VAT on the purchase of vehicles for business use.

1.3 REGISTRATION CHARGES

The fee for registration of a vehicle in category L, M1 or N1, except for N1 vehicles with a maximum of three seats, in the vehicle registry of the Slovak Republic, including necessary adjustments to the relevant documents and the issuing of such documents, amounts to at least €33 and is calculated according to the following formula:

$$RP = P_{kw} \times RV_{1-n}$$

where:

RP is the amount of the fee;

P_{kw} is the fee rate for the registration of a vehicle in euros depending on the engine power (on the first registration of the vehicle), values for which are given in Table 1;

RV_{1-n} is the coefficient of the vehicle's residual value, according to its age in years from the date of first registration of the vehicle, values for which are given in Table 2.

The assignment of a registration number and the issuing of a registration plate costs €16.50 for each plate.

Table 1: Rates for registration depending on engine power

Engine power in kW		Fee (€)
>	≤	
0	80	33.00
80	86	90.00
86	92	110.00
92	98	150.00
98	104	210.00
104	110	260.00
110	121	360.00
121	132	530.00
132	143	700.00
143	154	870.00
154	165	1,100.00
165	176	1,250.00
176	202	1,900.00
202	228	2,300.00
228	254	2,700.00
254	and over	3,900.00

Table 2: Coefficient of residual value according to age

Age of the vehicle	Coefficient of vehicle residual value
First registration	1.00
Up to 1 year including day of the first registration	0.82
Up to 2 years including day of the first registration	0.68
Up to 3 years including day of the first registration	0.56
Up to 4 years including day of the first registration	0.46
Up to 5 years including day of the first registration	0.38
Up to 6 years including day of the first registration	0.32
Up to 7 years including day of the first registration	0.26
Up to 8 years including day of the first registration	0.23
Up to 9 years including day of the first registration	0.19
Up to 10 years including day of the first registration	0.16
Up to 11 years including day of the first registration	0.14
Up to 12 years including day of the first registration	0.12
Up to 13 years including day of the first registration	0.10
Up to 14 years including day of the first registration	0.09
Up to 15 years including day of the first registration	0.08
Up to 16 years including day of the first registration	0.07
Over 16 years from the date of first registration	0.06

Registration of vehicles in other categories, and registration of trailers, is subject to a charge of €33, including adjustments to and the issuing of the necessary documents.

Registration of vehicles whose only source of power is electricity is subject to a charge of €33, including adjustments to and the issuing of the necessary documents.

Registration of a previously unregistered vehicle in category L, M1 or N1 intended for sale is subject to a charge of €33 if the registered vehicle holder is a vehicle manufacturer, vehicle manufacturer's representative, or legal entity or individual entrepreneur whose business is the sale of vehicles as part of a contractual relationship with a vehicle manufacturer or a vehicle manufacturer's representative. This includes adjustments to and the issuing of the necessary documents. This does not apply to N1 vehicles with fewer than four seats.

2 TAXES ON OWNERSHIP

There are no typical ownership taxes in the Slovak Republic.

2.1 MOTOR VEHICLE TAX (FORMER ROAD TAX)

The legislation concerning tax on motor vehicles is specified in Act No 361/2014 Z.z. and its supplements.

Any category L (motorcycles), M (vehicles for the transport of persons), N (cargo vehicles) and O (trailers) vehicles registered in the Slovak Republic and used for business or self-employment are subject to motor vehicle tax. Exempt from the tax are test vehicles with special registration plates, special vehicles not intended for the transport of persons, vehicles of diplomatic missions, emergency vehicles, public transport vehicles, and agricultural and forestry vehicles. The taxpayer may be the owner or keeper of the vehicle, the vehicle user or the employer.

The rate of tax increases gradually depending on the age of the car. The base rate of vehicle tax is reduced by 25% for new vehicles (0-36 months) and increased by 20% for vehicles aged 13 years or more. Hybrid vehicles, vehicles powered by compressed natural gas (CNG) attract 50% of the tax. Electric-powered vehicles are not subject to motor vehicle tax. The tax liability arises on the date when use of the vehicle for business begins (not from the date of purchase). It expires on the date on which the business use of the vehicle stops.

a) Vehicles in categories L, M and N powered by electric energy

Electric-powered vehicles are not subject to motor vehicle tax.

b) Passenger cars (categories Le1-Le7 and M1)

≤ 150cm ³	€50.00
151-900cm ³	€62.00
901-1,200cm ³	€80.00
1,201-1,500cm ³	€115.00
1,501-2,000cm ³	€148.00
2,001-3,000cm ³	€180.00
> 3,000cm ³	€218.00

c) Commercial vehicles and buses (categories M2, M3, N1, N3, O1, O4)

Depending on gross vehicle weight (GVW) and number of axles: from €74 up to €2,790 maximum.

3 TAXES ON MOTORING

3.1 FUEL TAXES

Taxes applicable on mineral oils are specified in Act No 98/2004 Z.z. They are determined as follows:

Fuel	Excise duty (€/1000l)	VAT (%)
Petrol (depending on the type and on the content of the biogenous substance)	550.52	20
	514.50	
	597.49	
Medium oil (eg kerosene)	481.31	
Diesel (depending on the type and on the content of the biogenous substance)	386.40	20
	368.00 ¹	
Liquefied petroleum gas (LPG)	182.00	20

3.2 INSURANCE

Generally

Liability insurance is compulsory for all registered motor vehicles. Rates are not regulated and there are small differences depending on the insurance company. Rates are specified as base rates, with additional charges for taxi cars, vehicles for hire and vehicles used by driving schools. The rate depends on engine rating and vehicle purpose.

Rates

Rates are calculated by insurance companies and vary from company to company. Insurance rates are based on owner status and the vehicles concerned.

Many aspects influence the final insurance rate, including number of traffic accidents (bonus/malus around 50%) caused by the owner, the owner's age, the vehicle's engine power, purpose, etc. The payer may be the owner or the keeper of the vehicle.

Approximate annual rates:

Motorcycles (cm ³)	Rate (€)
≤ 50	31.00
50-350	40.00
> 350	133.00

¹368/394 the change will occur depending on the date of the European Commission's statement by which the European Commission declaring that State Aid SA.47743 (2017 / PN) - Slovak Republic - Tax benefit for biofuels is compatible with European Union law in the Official Journal of the European Union

Passenger cars (up to 3.5t GVW) (cm ³)	Rate (€)	Passenger cars (up to 3.5t GVW) (kW)	Rate (€)
≤ 1,300	120.00	< 57	116.00
1,301-1,800	195.00	58-85	170.00
1,801-2,500	320.00	86-125	220.00
> 2,500	400.00	> 125	229.00

LCVs (up to 3.5t GVW) (cm ³)	Rate (€)	LCVs (up to 3.5t GVW) (kW)	Rate (€)
≤ 1,300	120.00	< 57	116.00
1,301-1,800	222.00	58-85	175.00
1,801-2,500	330.00	86-125	220.00
> 2,500	410.00	> 125	235.00

Trucks (kg)	Rate (€)
3,500-12,000	755.00
> 12,000	1,012.00

Buses (kg)	Rate (€)
For public transport only	714.00
≤ 5,000	731.00
> 5,000	1,086.00

Trolleybuses	Rate (€)
For public transport only	814.00

3.3 ROAD PRICING

Highway fees for motor vehicles

On 1 December 2015, the Slovak Republic introduced an electronic system for vignette payment collection and records (hereafter referred to as the 'electronic vignette system') for the use of specified sections of motorways and expressways. Obligatory vignette payment before the use of specified sections of motorways and expressways applies to motor vehicles with a total weight of up to 3.5t.

Types of electronic vignette








The electronic vignette is a charge for using specified sections of motorways and expressways, based on a specific period rather than distance travelled or number of journeys. It is possible to purchase electronic vignettes with 1-year, 30-day or 10-day validity, while:

- a 1-year vignette is valid from 1 January of the relevant calendar year (or the day of payment for the vignette by the customer in the relevant calendar year) until 31 January of the following calendar year;
- a 30-day vignette is valid for 30 days (including the starting date) from the date specified by the customer;
- a 10-day vignette is valid for 10 days (including the starting date) from the date specified by the customer.

Pursuant to the provision of Section 2 of the Electronic Vignette Act, obligatory vignette payment for the use of specified sections of motorways and expressways applies to the following vehicles:

- Two-track motor vehicles or vehicle combinations with a maximum permissible weight of up to 3.5t
- Two-track motor vehicles in the M1 category regardless of their total maximum permissible weight
- Two-track vehicle combinations consisting of a motor vehicle in the M1, N1, M1G or N1G category, regardless of the maximum permissible weight of the vehicle combination

Based on the provisions of Section 2 and Section 6 of the Electronic Vignette Act, and in accordance with the provision of Section 1 of Regulation of the Slovak Government No 410/2014 Coll., as amended, which establishes the amount of the electronic vignette payment for the use of specified sections of motorways and expressways, the electronic vignette has to be paid for the vehicle and, in the case of a vehicle combination with a maximum permissible weight over 3.5t, for the trailer as well. This information is displayed in the following table (also available at www.eznamka.sk/selfcare/home/#text-BasicInfo1):

Vehicle category and vehicle total maximum permissible weight/ vehicle combination maximum permissible weight*		Type and obligation of electronic vignette/electronic vignettes payment (i.e. the required type of electronic vignette/electronic vignettes)		
VEHICLE 	<ul style="list-style-type: none"> • a two-track motor vehicle up to 3.5 t • a two-track motor vehicle of M1 category regardless of its total maximum permissible weight 		Electronic vignette for VEHICLE	The obligation of electronic vignette payment for the use of the specified sections of motorways and expressways applies to the VEHICLE exclusively.
VEHICLE COMBINATION up to 3.5 t (VEHICLE + TRAILER) 	<ul style="list-style-type: none"> • a two-track vehicle combination up to 3.5 t 		Electronic vignette for VEHICLE	The obligation of electronic vignette payment for the use of the specified sections of motorways and expressways applies to the VEHICLE exclusively.
VEHICLE COMBINATION over 3.5 t (VEHICLE + TRAILER) 	<ul style="list-style-type: none"> • a two-track vehicle combination consisting of a motor vehicle of M1, N1, M1G and N1G and a trailer of O1 and O2 category if the total weight of the vehicle combination is over 3.5 t 	 	Electronic vignette for VEHICLE + Electronic vignette for TRAILER	The obligation of electronic vignette payment for the use of the specified sections of motorways and expressways applies to the VEHICLE and to the TRAILER as well.

*The total maximum permissible weight of a vehicle and the maximum permissible weight of a vehicle combination are defined by the figure in section 1 of the Vehicle Registration Certificate

For the avoidance of doubt, pursuant to the aforesaid facts and legal circumstances a trailer – in the case of a two-track vehicle combination with the total weight up to 3.5t – does not require an electronic vignette payment.

The amount of vignette payments (ie current prices of vignettes in euros including VAT are as follows (also available at www.eznamka.sk/selfcare/home/#text-BasicInfo1):

Annual	GVW < 3.5t	€50.00
	Trailers	€50.00
9 months	GVW 3.5-12t	Toll
	GVW > 12t	Toll
1 month	GVW < 3.5t	€14.00
	Trailers	€14.00
	GVW 3.5-12t	Toll
	GVW > 12t	Toll
10 days	GVW < 3.5t	€10.00
	Trailers	€10.00
	GVW 3.5-12t	Toll
	GVW > 12t	Toll
1 day	GVW 3.5-12t	Toll
	GVW > 12t	Toll

The toll rates are regulated by Section 4 of Act No 474/2013 Z.z. on the collection of tolls for the use of specified road sections and on amendments and supplements to certain laws as amended.

The method of toll calculation and the toll rate are set out in Slovak Government Regulation No 97/2013 Z.z. as amended, which stipulates the method of toll calculation, the toll rate and the system of discounts that apply to the use of specified road sections and to vehicles depending on vehicle category, EURO emission class and number of vehicle axles.

The toll rates are modified annually in September, in accordance with the consumer price index, which is based on a year-on-year comparison with the same month of the previous year, and which is published by the Statistical Office of the Slovak Republic. Rates are rounded to three decimal places. The new rates always take effect on 1 January of the following calendar year.

The above-mentioned government regulation provides for toll rates to be determined specifically for the following vehicle categories:

- Vehicles with a total maximum permissible weight of 3.5t-12t, according to EURO vehicle emission class and regardless of the number of axles and whether or not they are intended for the transportation of more than nine passengers including a driver
- Vehicles with a total maximum permissible weight of 12t, or more according to their EURO vehicle emission class and regardless of the number of axles, intended for the transport of passengers
- Vehicles with a total maximum permissible weight of 12t, or more according to their EURO vehicle emission class and number of axles, not intended for the transport of passengers

The above-mentioned government regulation provides for toll rates to be determined specifically for the use of:

- specified sections of highways and expressways;
- specified sections of first-class roads parallel with highways and expressways;
- specified sections of first-class roads not parallel with highways and expressways;
- specified sections of other first-class roads;
- specified sections of second- and third-class roads.

Toll rates for the use of specified sections of highways and expressways

	Vehicle category		Emission class		
			EURO 0-II (€)	EURO III, IV (€)	EURO V, VI, EEV (€)
Lorries	3.5-12t		0.108	0.098	0.085
	> 12t	2 axles	0.231	0.209	0.181
		3 axles	0.244	0.220	0.190
		4 axles	0.253	0.228	0.198
		≥ 5 axles	0.244	0.220	0.190
Buses	3.5-12t		0.064	0.053	0.032
	> 12t		0.116	0.105	0.064

Toll rates for the use of specified sections of first-class roads parallel with highways and expressways

	Vehicle category		Emission class		
			EURO 0-II (€)	EURO III, IV (€)	EURO V, VI, EEV (€)
Lorries	3.5-12t		0.108	0.098	0.085
	> 12t	2 axles	0.231	0.209	0.181
		3 axles	0.244	0.220	0.190
		4 axles	0.253	0.228	0.198
		≥ 5 axles	0.244	0.220	0.190
Buses	3.5-12t		0.043	0.032	0.022
	> 12t		0.085	0.074	0.043

Toll rates for the use of specified sections of first-class roads not parallel with highways and expressways

	Vehicle category		Emission class		
			EURO 0-II (€)	EURO III, IV (€)	EURO V, VI, EEV (€)
Lorries	3.5-12t		0.085	0.076	0.066
	> 12t	2 axles	0.181	0.164	0.140
		3 axles	0.190	0.172	0.147
		4 axles	0.195	0.176	0.150
		≥ 5 axles	0.190	0.172	0.147
Buses	3.5-12t		0.043	0.032	0.022
	> 12t		0.085	0.074	0.043

Toll rates for the use of specified sections of other first-class roads and specified sections of second- and third-class roads

	Vehicle category		Emission class		
			EURO 0-II (€)	EURO III, IV (€)	EURO V, VI, EEV (€)
Lorries	3.5-12t		0.00	0.00	0.00
	> 12t	2 axles	0.00	0.00	0.00
		3 axles	0.00	0.00	0.00
		4 axles	0.00	0.00	0.00
		≥ 5 axles	0.00	00.00	0.00
Buses	3.5-12 t		0.00	0.00	0.00
	> 12t		0.00	0.00	0.00

The toll rates determined per kilometre of distance travelled on specified sections of other first-class roads and on specified sections of second- and third-class roads do not include VAT.

Discounts on toll rates

In compliance with Section 4, Subsection 3, of Act No 474/2013 Z.z. on toll collection for the use of specified road sections and on amendments and supplements to certain laws, as amended, the vehicle operator may be eligible for a discount on the prevailing toll rate in accordance with the discounts system.

The method of calculating the discounts from the toll rates is governed by Slovak Government Regulation No 497/2013 Z.z., as amended, which stipulates the method of toll calculation, the toll rate and the system of discounts that apply to the use of specified road sections.

The method and conditions of providing the discounts from toll rates:

- A specific vehicle 'liable to pay the toll' shall attract a discount provided the number of kilometres travelled on specified road exceeds the limits determined in a calendar year, ie from 1 January to 31 December of the relevant year. The number of kilometres travelled shall not include the kilometres travelled on the specified sections of roads subject to a zero-toll rate.

- The relevant discount shall apply only to the specific vehicle 'liable to pay the toll' according to the kilometres travelled, not to all the vehicles 'liable to pay the toll' owned by the specific vehicle operator.
- The discount shall be applied in real time, ie when the vehicle exceeds the predetermined minimum distance travelled on the specified road section to which the predetermined limit applies. The toll payment will be calculated automatically according to the distance travelled and the appropriate discount applied.
- The percentage discount on toll rates will be provided to a vehicle with a valid Contract on the Use of Specified Road Sections. A change of vehicle operator requires a new Contract on the Use of Specified Road Sections and also setting the number of kilometres travelled to 'zero'.
- Discounts on toll rates do not apply to vehicles with payment liability over 3.5t used to transport more than nine persons including a driver, because these vehicles have attracted a discount of 50% from the moment the electronic toll system was put into operation.

Discount from toll rates

Minimum distance travelled during a calendar year (km)	Percentage discount rates for individual vehicle categories	
	Lorries up to 12t (%)	Lorries of 12t and more (%)
> 5,000	3	-
> 10,000	5	3
> 20,000	7	5
> 30,000	9	7
> 50,000	11	9

4 PRIVATE USE OF A COMPANY CAR

The use of a company car for private motoring is treated as a benefit in kind under personal income tax. The amount to be added to an employee's income before taxation is 1% of the purchase price of the company car for each month of use.

5 PERIODICAL INSPECTION OF VEHICLES

Compulsory periodic inspections of road vehicles include regular technical inspections. Brand-new cars undergo their first inspection after four years and every two years thereafter. Emissions are measured at the same frequency.



CHAPTER

26

ACEA TAX GUIDE 2019

Slovenia

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1 TAXES ON ACQUISITION

1.1 VAT

The purchase of motor vehicles is subject to VAT at the rate of 22%.

1.2 MOTOR VEHICLE TAX

In accordance with the Motor Vehicle Tax Act - ZDMV, motor vehicle tax (DMV) is paid for vehicles that are first placed on the market or registered for the first time on the territory of the Republic of Slovenia and for vehicles from individual tariff codes as determined in the European Community Customs Tariff.

The following sections describe the specific contents of the ZDMV.

1.2.1 Object of taxation

On the basis of the ZDMV, DMV is paid from motor vehicles categorised under the following headings: 8703 21, 8703 22, 8703 23, 8703 24, 8703 31, 8703 32, 8703 33 and 8703 90 and of heading 8711 set out in the European Community Customs Tariff published as Annex I of Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1), last amended by Commission Implementing Regulation (EC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff Regulation (EC) No 1101/2014 of 16 October 2014 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 312 of 31.10.2014, p. 1), which are first placed on the market or registered for the first time on the territory of the Republic of Slovenia.

1.2.2 Tax liable for motor vehicles

The taxable person for tax accounting and payment is a producer or a person who acquires a motor vehicle in another member state of the European Union or an importer of motor vehicles.

Acquisition of a motor vehicle from another member state of the European Union for the purposes of this Act means the acquisition of goods within the Union, as defined in the Value Added Tax Act - ZDDV - 1.

The importer referred to in the first paragraph of this Article shall be the customs debtor, determined in accordance with the customs regulations or the consignee of the motor vehicle.

1.2.3 Exemptions

The tax exemptions provided for in Article 5 of the ZDMV are only an exception to the obligation to pay tax on motor vehicles, which is why they are interpreted and treated restrictively.

1.2.3.1 Vehicles which are exported or delivered to another member state of the European Union before the first registration

DMV is not paid from vehicles that are exported or delivered to another member state of the European Union before the first registration. In this case, this is a direct exemption from DMV payment according to the law itself.

1.2.3.2 Vehicles intended for the transport of families

DMV is not paid from vehicles purchased for the transport of families with three or more children, from one motor vehicle with five or more seats, which is purchased once a year by one of the parents in a family and that has three or more children who have not reached the age of 18 years.

Exemption under this point shall be exercised on the basis of evidence of a common household when a declaration is lodged with the tax authority or when a customs declaration for release for free circulation is lodged with a customs authority or by filing an application for a refund of the tax paid to the tax authority within three months of the purchase, in the case of imports by the customs authority within three months of importation.

The tax or customs authority shall return the tax paid under this Act within 30 days after the receipt of the request.

The registration certificate and the register of households shall state that a refund of the tax for the purchased vehicle is entered.

A motor vehicle cannot be sold or disposed of free of charge or otherwise disposed of before the expiry of the three-year period from the date of purchase, otherwise it must pay the difference up to the full amount of the tax, interest at the interest rate for default interest specified in the special law, namely the law governing the tax process.

1.2.3.3 Vehicles purchased for the transport of disabled persons

DMV is not paid from vehicles purchased for the transport of people with disabilities, namely:

- from one motor vehicle with a petrol engine capacity of up to 1.8l and a diesel engine of up to 1.9l or with a petrol engine capacity of up to 2l and a diesel engine of up to 2.2l for a motor vehicle with automatic steering;
- from a motor vehicle specially adapted for the transport of disabled people in a wheelchair, which is purchased by disabled persons' organisations and persons who have a driving license or need assistance from other persons holding a driving license, not more than once every five years.

Persons under this item shall be counted as:

- persons with at least 80% physical impairment due to loss, malfunction or paralysis of the lower limbs or pelvis;
- persons who have completely lost vision on both eyes;
- persons with moderate, severe or severe physical or mental disability who are recognised as having a disability according to the law governing the social protection of physically and mentally disabled persons;
- children who need special care.

The exemption under the first and second indents of the preceding paragraph shall be exercised according to the regulations on pension and disability insurance on the basis of the decision of the Pension and Disability Insurance Institute of Slovenia.

The exemption under the third indent of the second paragraph shall be exercised on the basis of a decision on the recognised status of a disabled person in accordance with the regulations referred to in this indent, or the decision of the competent center for social work, issued on the basis of an expert opinion on the classification of children and youth with disabilities in physical and mental development.

The exemption under the fourth indent of the second paragraph shall be granted on the basis of a decision of the Center for Social Work on the recognition of the child care allowance that needs special care and protection in accordance with the law governing parental protection and family benefits.

The exemption for disability organisations is granted on the basis of a certificate from the ministry responsible for work, family and social affairs.

An exemption shall be granted when filing a declaration with the tax authority or lodging a customs declaration for release for free circulation at the customs authority or by filing a claim for a refund of the tax paid to the tax authority within three months of the purchase, and, in the case of imports, at the customs authority within three months of importation . The tax or customs authority shall return the tax paid under this Act within 30 days after the receipt of the request.

In the traffic authorisation of such a bought or imported car, it is written that a tax refund has been established for the purchased vehicle.

If an invalidity organisation, a disabled person or his parents or care-givers sell a motor vehicle or dispose of it free of charge or otherwise, before the expiration of a five-year period from the date of purchase or import, they must pay tax in the amount of the tax for which the refund was requested and the related interest from the date of purchase, of imports up to the date of payment of the tax.

When the basic conditions are met, the right to exemptions under this item shall be re-established on the day following such payment.

If a motor vehicle has been damaged in a car accident by more than 70% of the market value of a motor vehicle on the day of the accident, the damaged motor vehicle may be sold without any tax paid.

If a disabled person dies before the expiry of a five-year period from the date of purchase or import of a motor vehicle, the legal heirs may sell the motor vehicle that they inherited without paying the tax.

A military invalid of the first group exercising the right to additional costs to the costs of a technical device - a personal motor vehicle under the Disabled War Veterans Act - does not have the right to a tax exemption under this point.

If the beneficiaries are not drivers, the motor vehicle can be driven on their behalf by parents or guardians or persons who have a written authorisation from the beneficiary, his/her parents or guardian without the compulsory presence of a disabled person in a motor vehicle.

1.2.3.4 Vehicles for diplomatic purposes, consular missions and international organisations

DMV is not paid from vehicles for:

- the official needs of diplomatic and consular missions accredited in Slovenia;
- the official needs of international organisations, if so provided by international treaties that bind Slovenia;
- personal needs of foreign personnel of diplomatic and consular missions accredited in Slovenia, including their family members;
- the personal needs of foreign personnel of international organisations, including their family members, if so provided by international treaties that bind Slovenia.

The beneficiaries of the exemption referred to in the preceding paragraph of the motor vehicle may not be sold or disposed of free of charge or otherwise disposed of before the expiry of a period of three years from the date of purchase or import until the tax is paid. If the beneficiaries of the exemption at that point sell the vehicle, or free it free of charge, or otherwise dispose of it before the expiry of three years from the date of purchase or import, they must pay tax in the amount of tax that would have been paid if there were no exemption and the related interest from the day purchase or import until the date of payment of the tax.

Notwithstanding the preceding paragraph, the tax shall not be paid if the alienation is the result of the official early dismissal or death of the beneficiary, or if the motor vehicle is disposed of by the family member of the beneficiary who ceases to be resident in Slovenia due to the early recall or death of the beneficiary. The tax is also not paid if the motor vehicle that is alienated is damaged in a car accident by more than 70% of the market value of the vehicle on the day of the accident.

If the ministry responsible for foreign affairs finds that in order to respect the condition of reciprocity, in respect of the prohibition on alienation referred to in the second paragraph, a different time period must be taken, it shall issue a corresponding certificate to the beneficiary.

1.2.3.5 Traders

DMV is not paid from vehicles that have the status of an old-fashioned vehicle in accordance with the regulations on motor vehicles. More on the acquisition of the status of an ancient vehicle is published on the website of the Public Agency of the Republic of Slovenia for Traffic Safety.

1.2.3.6 Vehicles temporarily imported from another member state of the European Union

DMV shall not be paid from vehicles that are temporarily imported if they are completely exempted from payment of import duties in accordance with customs regulations and from vehicles entering Slovenia from another member state of the European Union for the temporary resettlement of the owner who does not reside in Slovenia, but only if, in accordance with the law governing value added tax, these vehicles do not need to be subject to value added tax.

1.2.3.7 Sports cars

DMV is not paid from sports vehicles not designed for road traffic and intended for use only at racing stations.

1.2.3.8 Status transformation of the owner

DMV is not paid from the transfer of vehicles in the event of a status change of the owner of the vehicle. DMVs do not pay for those companies that are transforming - merging, unbundling or, for example, transformed from a company with unlimited liability to a public limited company.

1.2.3.9 Emergency ambulance vehicles

DMV is not paid from interventional ambulances specially adapted for the transportation of casualties and patients.

1.2.3.10 Financial leasing

The above tax exemptions can also be enforced in the financial leasing of a vehicle. If the finance lease is interrupted or terminated and there is no transfer of ownership, the beneficiary who has exercised the tax exemption must pay the tax that has been forfeited or returned in accordance with this Article.

1.2.4 Tax basis and tax level

1.2.4.1 Tax base

The tax base is the selling price of an individual motor vehicle without the value added tax.

As a selling price, when purchasing a motor vehicle from another member state of the European Union, the purchase price is considered, and the value determined in the first to fourth paragraphs of Article 38 of the ZDDV-1 for imports.

If the selling price does not correspond to the transaction value or, if there is no payment, the taxable amount is the transport value of these motor vehicles as determined by the tax authority. The tax authority establishes the tax base on the basis of all the circumstances of the individual case, using as the starting point for the determination of the traffic value, except in the case of importing a motor vehicle, the orientation values of motor vehicles from catalogues for the evaluation of vehicles.

1.2.4.2 Tax rate

DMV rates are progressive and dependent on factors as follows.

As of 1 July 2012, an additional DMV depending on the volume of the engine is introduced for personal use motor vehicles (including dwellings) of 2,500cc and for motorcycles, tricycles and quadricycles of 1,000cc. An additional tax is payable from the tax base set out above.

1.2.4.2.1 'Personal use' motor vehicles

The tax rate depends on the CO₂ emissions of the vehicle and on the type of fuel used for propulsion (petrol, liquefied petroleum gas, diesel, hybrid vehicle, electric):

CO ₂ emission (g/km)	Tax rate (%) of the tax base according to the type of fuel	
	Gasoline, liquefied petroleum gas	Diesel
0 - 110	0.5	1
111 - 120	1	2
121 - 130	1.5	3
131 - 150	3	6
151 - 170	6	11
171 - 190	9	15
191 - 210	13	18
211 - 230	18	22
231 - 250	23	26
> 250	28	31

In order to correctly determine the tax rate, in addition to the CO₂ emissions, the Euro release rate (Euro 3, Euro 4, Euro 5, etc) should be taken into account, as well as diesel particulate emissions (less than or greater than 0.005 g/km).

If a motor vehicle uses any other propulsion, including an electric one, or a combination of different drives (hybrid vehicle), the tax rate shall be determined by taking into account the scale applicable to petrol vehicles. For motor vehicles with at least eight seats, the tax rate is reduced by 30%.

For motor vehicles that do not have a CO₂ release, a rate of 28% is applied to vehicles powered by petrol or liquefied petroleum gas, and 31% for diesel-powered vehicles.

Rates of additional tax for passenger cars

The rate of additional tax on motor vehicles of headings 8703 21, 8703 22, 8703 23, 8703 24, 8703 31, 8703 32, 8703 33 and 8703 90, except for tricycles and quadricycles, depends on the volume of the engine and is as follows:

Engine volume (in cm ³)	Rate of additional tax (%) of the tax base
0 - 2,499	0
2,500 - 2,999	8
3,000 - 3,499	10
3,500 - 3,999	13
≥ 4,000	16

1.2.4.2.2 Motorcycles (including mopeds), bicycles with engines, tricycles and quadricycles

The tax rate depends on engine power in kW.

Engine power (kW)	Tax rate (%) of the tax base
≤ 25	1.5
25 - 50	2
51 - 75	3
> 75	5

In addition, the Euro standards of the release rate are also taken into account in determining the margin, ie for the rate of discharge below Euro 2, the tax rate shall be increased by 10 percentage points, and the rate of tax shall increase by 5 percentage points for the Euro 2 release rate.

For motor vehicles from this point with a two-stroke engine, the tax rate is increased by 3 percentage points.

For motor vehicles from this point on an exclusive electric drive, the tax rate is 0.5%.

Rates of additional tax

The rate of additional tax depends on the volume of the engine and amounts to:

Engine volume (cm ³)	Rate of additional tax (%) of the tax base
< 1,000	0
≥ 1,000	5

1.2.4.2.3 Vehicles Tax rate depends on engine power in kW

Engine power (kW)	Tax rate (%) of the tax base
≤ 60	6
61 - 90	9
91 - 120	13
> 120	18

In addition, the Euro standards for the release rate (Euro 3, Euro 4, Euro 5, etc) are also taken into account for the determination of the rate, and for diesel engines, the level of solid particles release (less than or more than 0.005 g/km).

For motor vehicles from this point on an exclusive electric drive, the tax rate is 0.5%.

Rates of additional tax for accommodation

The rate of additional tax on motor vehicles of headings 8703 21, 8703 22, 8703 23, 8703 24, 8703 31, 8703 32, 8703 33 and 8703 90, except for tricycles and quadricycles, depends on the volume of the engine and is as follows:

Engine volume (cm ³)	Rate of additional tax (%) of the tax base
0 - 2,499	0
2,500 - 2,999	8
3,000 - 3,499	10
3,500 - 3,999	13
≥ 4,000	16

1.2.5 Development of obligations of the DMV account

The obligation to calculate the tax arises when the turnover of motor vehicles is affected. Motor vehicles are deemed to have been carried out:

- when an invoice is issued for the sale of a motor vehicle;
- when a motor vehicle is delivered if it is delivered before the invoice is issued or without the issue of an invoice;
- on importation: when a customs debt is incurred or would have arisen if the exemption from customs duty or a certain rate of duty was not prescribed;
- when a motor vehicle is taken for its own use;
- when a motor vehicle is handed over if it is disposed of free of charge;
- when a motor vehicle is acquired from another member state of the European Union.

1.2.6 DMV accounting by manufacturers and traders with motor vehicles

A taxable person, a motor vehicle manufacturer or a person who, in pursuit of the activity of trade in motor vehicles, obtains from another EU member state a motor vehicle that has not previously been provisionally or permanently registered in another country and whose type has been approved in accordance with the EC regulations approval certificate and a SA type-approval certificate issued for it, shall charge a tax liability for the calendar month.

The taxable person must provide in his records the information on the vehicle's brand, the type and model of the vehicle, the identification number (chassis number), CO2 emissions, engine power in kW, engine operating mode (two-stroke, electric), particulate matter in g/km the rate of release Euro, the date of issue of the certificate of conformity, the country of delivery, the date of acquisition, the value, the tax base, the tax rate and the amount of the tax charged, and the rate of additional tax and the amount of the additional tax charged.

The taxpayer shall, on the basis of the records referred to in the preceding paragraph, draw up a monthly statement of tax which must be submitted to the tax authority by the last day of the month following the expiration of the month for which the statement was drawn up.

The following information must be shown in the statement of account: basic information on the taxpayer, taxable person's name, tax-payable data, vehicle brand data, vehicle type and model, identification number (chassis number), CO2 emissions, power engine in kW, mode of operation of the engine (two-stroke, electric), solid particle release in g/km, evolution rate Euro, date of issue of the certificate of conformity, value, country of delivery, tax base, tax rate and amount of the tax charged.

The taxable person must submit tax returns to the tax authority, irrespective of whether he or she is obliged to pay tax for the period for which the bill is submitted.

The bill is submitted exclusively in electronic form via the eTax system.

The taxable person must pay the calculated tax until the last working day of the month following the end of the month in which the tax liability was incurred.

For all other taxpayers who, in accordance with the Vehicle Conformity Assessment Body, have to obtain a certificate of conformity of a vehicle bearing the mark SB, the obligation for the announcement for the assessment of the DMV is subject.

1.2.7 DMV TRAVEL DEPARTMENT

A taxable person who acquires a motor vehicle from another EU member state and is not obliged to charge a tax on the basis of a DMV account shall be taxed by the tax authority on the basis of the forecast. The tax return shall be submitted by the taxable person no later than 15 days from the date of acquisition of the motor vehicle. The following should be attached to the announcement:

- The original of the purchase amount, where the selling price and the date of acquisition must be shown
- A statement on the emission suitability of the vehicle, which the taxpayer obtains from the professional organisation responsible for the conformity assessment; the statement contains information on the vehicle and the vehicle type, the identification number (chassis number), the CO2 emissions, the engine power in kW, the engine operating mode (two-stroke, electric), particulate matter in g/km, the Euro release rate, the date of issue of the certificate of conformity, the country of delivery, in the case of a vehicle that has already been previously provisionally or permanently registered in another country

- The original or certified copy of a registration document or a traffic authorisation (if the vehicle has already been registered temporarily or permanently in another country).

If the motor vehicle is not registered in the tax authority's register, the professional organisation responsible for the conformity assessment may not issue a certificate of conformity of a vehicle type SB. In accordance with the rules governing technical requirements for products and the conformity assessment, if the issue of a certificate of conformity is not required, the authority responsible for registration or the authorised organisation may not register a motor vehicle when a vehicle is registered in a motor vehicle records of the tax authority. The tax is levied by the tax authority irrespective of the residence or registered office of the taxpayer.

1.2.8 DMV RECOVERY

The beneficiary holds the right to repay a proportionate portion of the tax paid, if the motor vehicle from which the tax was paid is exported, transferred to another EU member state and, consequently, it is removed from the register of registered motor vehicles in Slovenia.

The beneficiary can only reimburse the refund once the motor vehicle has been unregistered from the register of registered motor vehicles. The beneficiary can enforce the refund of the tax paid on the basis of proof of payment of tax in Slovenia and the submission of evidence that the motor vehicle has left the territory of Slovenia. Depending on the circumstances, the following must be considered as evidence:

- Proof of export, issued or approved by the customs authority, from which it must be shown that the motor vehicle has left the customs territory of the EU
- Proof of registration of a motor vehicle in an EU member state or another country
- Proof of actual delivery or transfer of a motor vehicle to another EU member state
- An invoice issued to a customer in another EU member state
- Proof of moving to another EU member state

The amount of tax refund is calculated on the basis of the data on the actual tax paid in Slovenia and the data on the period of use of the motor vehicle in Slovenia. The amount of tax actually paid is reduced by 10% for each year of application in Slovenia. The date of the first registration of a motor vehicle in Slovenia shall be considered as the beginning year of the use of a motor vehicle in Slovenia.

Notwithstanding the foregoing, however, for motor vehicles that were temporarily registered in Slovenia for the purpose of exporting or delivery to another member state of the European Union for a maximum of 30 days, the amount of repayment in the amount of 100% of the tax actually paid shall be determined.

Upon complying with the legal requirements, the DMV refund can also be claimed through a tax return. The taxable person who calculates the tax liability for the calendar month and the conditions for tax refund in the month of the tax are fulfilled may be taxed within the monthly calculation.

A tax return is submitted within three months of the expiration of the month in which the circumstances that led to the claiming of a tax refund could arise.

2 INCENTIVES FOR THE ACQUISITION OF CLEAN VEHICLES IN 2018

On 22 February 2018, the Eco Fund published two new public invitations in the Official Gazette of the Republic of Slovenia and on the website www.ekosklad.si. The Eco Fund's Supervisory Board has confirmed the public calls 63SUB-EVPO18 and 62SUB-EVOB18 for the grants to new and remanufactured electric vehicles to citizens and legal entities.

On behalf of legal entities, sole proprietors and private individuals, on the basis of a public call 63SUB-EVPO18, €3,000,000.00 grants were awarded for electric vehicles; and for citizens, on the basis of a public call 62SUB-EVOB18 tendered €2,500,000.00 for non-return vehicles.

A non-refundable financial incentive can be granted for:

- the purchase of a new vehicle of category M1, N1, L7e or L6e with no electric drive CO2 emissions at the discharge;
- the conversion of a vehicle into an electric vehicle or the purchase of a vehicle which has been processed electrically vehicle so that the series-mounted internal combustion engine is replaced by drive motors, categories M1, N1, L7e or L6e;
- the purchase of a new plug-in hybrid vehicle (plug-in) or new vehicle at electric drive with range extender, with CO2 emissions per emissions of less than 50g CO2/km, category M1 or N1.
- The amount of grant aid depends on the category of vehicle and is:
- €7,500 for a new electric vehicle without CO2 emissions or an electrically processed vehicle, category M1;
- €4,500 for a new electric vehicle without CO2 emissions or a power-driven vehicle, category N1 or L7e;
- €4,500 for a new plug-in hybrid vehicle or a new electric vehicle with a range extender, with CO2 emissions at a discharge of less than 50g/km, category M1 or N1;
- €3,000 for a new electric vehicle without CO2 emissions or a power-driven vehicle, category L6e.
- €1,000 for a new electric vehicle without CO2 emissions of category L3e or L4e or L5e;
- €500 for a new electric vehicle without CO2 emissions of category L1e-B or L2e;
- €200 for a new electric vehicle without CO2 emissions of category L1e-A.



CHAPTER

27

ACEA TAX GUIDE 2019

Spain

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1 ENGINE RATINGS

The engine rating is set out under Article 260 of the Motorway Code.

The computation of the engine rating, expressed in fiscal horsepower (hp), for motor vehicles is based on the following formula:

- a) for four-stroke internal combustion or spark-ignition engines:

$$\text{hp} = 0.080 \times (0.785 \times D^2 \times R)^{0.6} \times N$$

- b) for two-stroke internal combustion or spark-ignition engines:

$$\text{hp} = 0.11 \times (0.785 \times D^2 \times R)^{0.6} \times N$$

where:

D = the diameter of the cylinder in cm

R = the stroke of the piston in cm

N = the number of cylinders of the engine

- c) for rotary engines

$$\text{hp} = \text{Re}/7$$

The effective rating (Re) expressed in fiscal horsepower, will be determined by the official laboratory appointed by the Ministry of Industry using the method of testing approved by the Ministry.

The engine rating indicated on the certificate of vehicle characteristics issued by the Provincial Office of the Ministry of Industry will, in all instances, be the one which results from the application of the formula to the appropriate type of engine, rounded to one decimal place.

2 TAXES ON ACQUISITION

2.1 VAT

VAT is imposed on the acquisition of a vehicle from a taxable person.

2.1.1 Rate of VAT for new vehicles

The rate of VAT charged on new vehicles is 21% since 1 September 2012.

2.1.2 Acquisition of a second-hand vehicle

- Transactions between individuals are not subject to VAT but are liable to property transfer tax at the rate of 4%.
- Transactions involving car dealers are subject to the VAT provisions on second-hand goods.

The basis of taxation of motor vehicles sold under the special second-hand goods scheme (REBU, *Régimen Especial de Bienes Usados*) is the difference between the purchase and the resale price, where the resale price must be at least 10% of the purchase price.

2.2 ALLOWABLE DEDUCTIONS

2.2.1 VAT exemptions

VAT on the acquisition of a passenger car, and of its parts and accessories, is not deductible, except by enterprises involved in the sale of motor vehicles.

VAT on the acquisition of a commercial vehicle is always deductible.

Specific rules provide that VAT on the following types of vehicles is deductible:

- Vehicles for the carriage of goods
- Vehicles used exclusively for public transport
- Vehicles used in driving schools
- Vehicles used in trials, tests, demonstrations and sales promotions
- Vehicles acquired by independent brokers and intended exclusively for business or professional travel
- Vehicles used for the provision of security and surveillance
- Vehicles owned by a company the use of which cannot be considered as a benefit in kind for employees

2.2.2 Depreciation and capital allowances

Vehicles purchased by a non-transport company are depreciated annually at a rate varying between a minimum of 7.1% and a maximum of 16%.

2.3 SPECIAL TAX

The Special Tax (IEDMT, *Impuesto Especial sobre Determinados Medios de Transporte*) is applied on the first definitive registration in Spain of motor vehicles, except in following cases:

- Vehicles of categories N1, N2 and N3. The tax applies to vehicles of category N1 only when they are used in relation to an economic activity (at least 50% of the time)
- Vehicles of categories M2 and M3 and the tramway
- Vehicles for exclusive industrial, commercial or agricultural use, previously approved by the tax authorities
- Motorbikes with two or three wheels and light quad bikes
- Motorcycles and vehicles with three wheels that are not quad bikes and have an engine capacity of less than 250cc
- Special vehicles other than 'quad'-type vehicles
- Multi-purpose vehicles with a total height of more than 1,800mm, except off-road vehicles. It should be proven that the vehicle will be used in relation to an economic activity (at least 50% of the time)
- Vehicles for exclusive use by governmental institutions
- Vehicles for exclusive use by government and regional institutions in their role of surveillance, defence and security
- Ambulances and vehicles that with their specific characteristics cannot be used for any other purpose than supervising and providing assistance on roads and highways

On the other hand, the following vehicles are exempted from the tax:

- Taxis
- Vehicles for exclusive use by driving schools or rental services
- Vehicles registered by disabled persons, subject to specific requirements
- Vehicles for exclusive use by diplomatic and other similar services

2.3.1 Basis of taxation

- For new vehicles: same basis as for VAT.
- For used vehicles newly registered under an ordinary registration tax in Spain:
 - Market value, or
 - Value according to official tables published annually to be applied in ITP (*Impuesto sobre Transmisiones Patrimoniales*), or
 - Individual valuation by tax authorities

2.3.2 Rate of tax (new framework for registration taxes based on vehicles' official CO2 emissions)

CO2 emissions (g/km)	Rate (%)		
	Península and Baleares Islands	Canary Islands	Ceuta and Melilla
≤ 120	0	0	0
> 120 - 160	4.75	3.75	0
≥ 160 - 200	9.75	8.75	0
≥ 200 ¹	14.75	13.75	0
Others ²	12	11	0

Responsibility for the Special Tax has been transferred to regional governments (*Comunidades Autónomas*), allowing them to increase the tax rate by up to 15% and to modify some other significant tax aspects (exemptions, deductions, etc).

Therefore, the rate can rise to:

- 5.4% for CO2 emissions (g/km) > 120 < 160;
- 11.2% for CO2 emissions (g/km) ≥ 160 < 200;
- 16.9% for CO2 emissions (g/km) ≥ 200;
- 13.8% for other rates of CO2 emissions (g/km)³.

Currently, some regional governments apply the higher tax rate to only some groups, as follows:

(%)	Andalucía	Asturias	Baleares	Cantabria	Cataluña	Extremadura	Murcia	Valencia
>120-160	-	-	-	-	-	5.2	-	-
≥160-200	-	-	-	9.75	-	11	-	-
≥200	16.9	16	16	15	16	16	15.9	16

2.3.3 Special Tax deductions

'Large families' incentives:

A reduction in the Special Tax of 50% is granted when a large family (ie a family with three or more children) buys a vehicle (passenger car or four-wheel drive vehicle) with five or more seats.

'Motor caravans' incentives:

A reduction in the Special Tax of 30% applies for the acquisition of a motor caravans or vehicles adapted to be used as accommodation.

2.4 REGISTRATION CHARGES

The registration fee is €95.80 for all types of vehicles, except motorcycles, for which the registration fee is fixed at €26.70.

¹ Also includes taxable vehicles whose level of CO2 emissions should have been provided but has not been proven, and vehicles in categories N2 and N3 such as motor caravans, quad-type vehicles and nautical motorcycles

² Vehicles not included in other groups, and ships, boats, light aircraft, aeroplanes and airships

³ Vehicles not included in previous epigraphs and ships, boats, light aircrafts, aeroplanes and other airships.

3 TAXES ON OWNERSHIP

3.1 BASIS OF TAXATION

Private vehicles	Engine rating
Coaches and buses	Number of seats
Commercial vehicles	Payload
Motorcycles	Cylinder capacity

3.2 RATES

3.2.1 Private cars

hp	Minimum amount (€)	Taxes applied in Madrid, 2019 (€)
< 8	12.62	20.00
8 – 11.99	34.08	59.00
12 – 15.99	71.94	129.00
16 – 19.99	89.61	179.00
≥ 20	112.00	224.00

3.2.2 Buses and coaches

Seats	Minimum amount (€)	Taxes applied in Madrid, 2019 (€)
< 21	83.30	145.00
21 – 50	118.64	212.00
> 50	148.30	266.00

3.2.3 Commercial vehicles

	Payload	Minimum amount (€)	Taxes applied in Madrid, 2019 (€)
Lorries	< 1,000kg	42.28	73.00
	1,000 – 2,999kg	83.30	149.00
	3,000 – 9,999kg	118.64	213.00
	≥ 10,000kg	148.30	266.00
Tractive units	< 16hp	17.67	32.00
	16 – 25hp	27.77	50.00
	> 25hp	83.30	149.00

3.2.4 Motorcycles

cc	Minimum amount (€)	Taxes applied in Madrid, 2019 (€)
< 125	4.42	7.00
125 – 250	7.57	12.00
250 – 500	15.15	27.00
500 – 1,000	30.29	60.00
> 1,000	60.58	121.00

Most important city councils (Madrid, Barcelona, Zaragoza, Valencia and others) are reducing the tax on ownership for fuel-efficient vehicles (essentially for electric vehicles) by 75%.

4 TAXES ON MOTORING

4.1 FUEL TAXES

Average fuel prices in €/1,000l for January 2019

	Euro-super petrol (ON 95)	Diesel fuel	LPG
Cost of product plus distribution profit	537.34	594.29	507.74
Excise and other taxes	472.69	379.00	34.20
VAT (21% of sales price)	212.11	204.39	113.81
Price at the pump	1,222.14	1,177.68	655.75

4.2 SPECIAL TAX ON FUEL SALES TO PRIVATE CONSUMERS (INCLUDED IN EXCISE AND OTHER TAXES)

From 1 January 2019, the Special tax on fuel sales to private consumers is composed of two different rates: a general rate (*Tipo Estatal General*), fixed at €400.69/1,000l for petrol and €307/1,000l for diesel, and a special one (*Tipo Estatal Especial*) fixed at €72/1,000l for both petrol and diesel.

4.3 INSURANCE TAXES

Vehicle insurance premiums are liable for the *Consortio de Compensación de Seguros* (CCS) at the rate of 2%.

An additional tax imposed on the vehicle insurance premium is fixed at the rate of 6%.

5 PRIVATE USE OF A COMPANY CAR

The use of a company car for private purposes is regarded as a payment in kind and included in the computation of personal income tax.

In the case of private use, the rules to determine the payment in kind are as follows:

Use of a company car

The amount of the payment is 20% of the cost of acquisition, including taxes. A reduction can be applied depending on the ratio of private to corporate use, with 50% being a widely applicable figure.

In 2016 a reduction in the payment in kind for alternative vehicles was introduced:

Type of vehicle	Price limit before taxes (€)	Reduction (%)
Euro 6 < 120g/km CO ₂	25,000	15
HEV/LPG/CNG ⁴	35,000	20
BEV/PHEV ⁵	40,000	30

Free delivery of a car previously acquired by the company

Market value, including taxes.

⁴ Hybrid electric vehicles (HEV), liquefied petroleum gas (LPG) and compressed natural gas (CNG) vehicles

⁵ Battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV)

6 PERIODIC INSPECTION OF VEHICLES

6.1 FREQUENCY OF INSPECTION OF MOTOR VEHICLES

Motorbike	Inspection every two years after the third year
Motorcycles, quads	Inspection every two years after the fourth year
Cars	Inspection every two years after the fourth year Annually after the tenth year
Lorries	Inspection every two years from the second to the sixth year Annual inspection from the sixth to the tenth year Half-yearly inspection after the tenth year
Buses	Annual inspection up to the fifth year Half-yearly inspection after the fifth year
Trucks	Annual inspection up to the fifth year Thereafter, twice annually
Taxis	Annual inspection up to the fifth year Half-yearly inspection after the fifth year
Hire-cars	Annual inspection from the second to the fifth year Half-yearly inspection after the fifth year

6.2 ORGANISATION OF THE INSPECTION

Motor vehicle inspection is carried out by the state directly or by private companies approved by the regional authorities. There are 221 depots, and inspection take approximately 30 minutes for a car and 45 minutes for a commercial vehicle.

6.3 COST OF THE INSPECTION

The cost of the periodic inspection is determined by regional authorities that have not deregulated the market. Some regional authorities have deregulated it, as is the case in Madrid. Below are the average prices for Spain in 2018⁶:

Type of vehicle	Price (€)
Petrol cars and light commercials (< 3.5t)	34.82
Diesel cars and light commercials (< 3.5t)	42.05
Industrial vehicles (> 3.5t)	41.53 - 86.44
Motorbike, motorcycles	19.71

⁶ FACUA, Estudio comparativo de las tarifas de las ITV en 2018 (December 2018)



CHAPTER

28

ACEA TAX GUIDE 2019

Sweden

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1 TAXES AND INCENTIVES ON PURCHASE

1.1 VAT

The VAT rate in Sweden is 25% on most goods, including motor vehicles. The basis of VAT assessment is the sales price exclusive of VAT. On used cars, VAT is levied at 25% of the value added.

VAT is not deductible when purchasing cars, vans or buses with a gross vehicle weight (GVW) of 3.5t or less.

For other vehicles, VAT is deductible.

1.2 INCENTIVES ON PURCHASE

Climate bonus incentive

A new bonus-malus system for incentives and taxation of light vehicles (cars and light trucks/buses) was introduced in Sweden on 1 July 2018. The bonus-malus system is applied on light vehicles that are newly registered from 1 July 2018. Light vehicles registered before 1 July 2018 or manufactured before 1 January 2018 are not affected by the new system.

When the new bonus-malus system was introduced on 1 July 2018 the former so called 'super green' car premium was replaced by a 'Climate bonus' (*Klimatbonus*). This means that cars and light trucks/buses newly registered from 1 July 2018 having a CO₂ emission of maximum 60g/km will receive a bonus of up to SEK 60,000 depending on the CO₂ emission. CNG cars and light trucks/buses will receive a bonus of SEK 10,000 independent of the CO₂ emission. For electrical vehicles (BEV) with zero CO₂ emission the bonus is SEK 60,000 and plug-in hybrids (PHEV) with CO₂-emission of 60g/km receive a bonus of SEK 10,020. For every gram CO₂ above zero and up to 60g the bonus is reduced by SEK 833 from the maximum level of SEK 60,000.

Example:

Climate bonus incentive	SEK
0g CO ₂	60,000
30g CO ₂	35,010 (60,000-30 x 833)
60g CO ₂	10,020
CNG cars, light trucks/buses	10,000

The climate bonus must not exceed 25% of the new car price. For companies buying a 'super green' vehicle the bonus must not exceed 35% of the difference of the new car price of the bonus vehicle and the new car price of a comparable petrol or diesel vehicle. The bonus is paid to the first owner six months after the vehicle has been first registered. The vehicle must not change owner during this first six months if the bonus shall be paid.

1.3 TAX INCENTIVES FOR ELECTRIC VEHICLES

The five-year exemption from paying annual circulation tax for green cars and light trucks/buses was valid up to 30 June 2018 and was abolished for green vehicles newly registered from 1 July 2018 in connection with the introduction of the new bonus-malus system.

Reduction in 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 a comparable petrol or diesel car. For the period from 2017 to 2020, the maximum reduction of the taxable value is SEK 10,000.

Climate bonus new cars: From 1 July 2018 the so called 'Super green premium' was replaced by a 'Climate bonus' (*Klimatbonus*) for newly registered cars and light trucks. For electrical vehicles (BEV) with zero CO2 emission the Climate bonus is SEK 60,000 and plug-in hybrids (PHEV) with CO2-emission of 60g/km receive a bonus of SEK 10,020. For every gram CO2 above zero and up to 60g the bonus for plug-in vehicles is reduced by SEK 833 from the maximum level of SEK 60,000. The bonus shall not exceed 25% of the new car price and when a company purchases the vehicle the bonus shall not exceed 35% of the price difference between the bonus vehicle and a comparable petrol/diesel vehicle.

2 TAXES ON OWNERSHIP

2.1 ROAD TAX

The amount of annual road tax depends on:

- the service weight and fuel used for passenger cars of vehicle year¹ 2005 and older. For cars of vehicle year 2006 and later, the tax is CO2-related (see below);
- GVW, number of axles, fuel used and fulfilment of exhaust emission requirements (hybrid electric buses) for trucks and buses. Since 1 January 2011, newly registered light trucks/buses have attracted a CO2-related annual road tax calculated in the same way as for passenger cars.

Annual road tax for passenger cars of vehicle year 2005 and older

Service weight (kg)	Petrol tax (SEK)	Diesel tax (SEK)
≤ 900	913.00	2,298.00
901-1,000	1,129.00	2,863.00
Excess per 100	+ 214.00	+ 564.00

Annual road tax for passenger cars of vehicle year 2006 and later newly registered up to 30 June 2018

A CO2-related annual road tax is payable on passenger cars of vehicle year 2006 and later. The formula for the CO2-related tax for new registrations up to 30 June 2018 is:

$$SEK 360 + SEK 22 \text{ for every gram of CO2 above } 111g$$

For diesel cars, this sum is multiplied by 2.37. For diesel cars newly registered from 1 January 2008 there is an additional tax of SEK 250 and for diesel cars registered before 1 January 2008 there is an additional tax of SEK 500. For cars equipped with technology for running

¹ Vehicle year is defined as the year model or year of manufacture, or if this information is not available, the year the vehicle was first registered. If a car is of a previous vehicle year than 2006, but meets the requirements for environmental class 2005, EI or Hybrid the vehicle also pay CO2-related annual road tax.

on an alternative fuel (E85 (ethanol blend), ethanol, methanol, producer gas, natural gas or biogas) the tax is SEK 11 (instead of SEK 22) for every gram above 111g.

Examples:

- Petrol-fuelled car with CO₂ emissions of 200g/km: SEK 360 + SEK 22 × 89 = SEK 2,318 in annual road tax.
- Diesel-fuelled car with CO₂ emissions of 150g/km newly registered from 1 January 2008: $2.37 \times (\text{SEK } 360 + \text{SEK } 22 \times 39) + \text{SEK } 250 = \text{SEK } 3,137$ in annual road tax.
- E85-fuelled car with CO₂ emissions of 200g/km: SEK 360 + SEK 11 × 89 = SEK 1,339 in annual road tax.

For green cars (see definition below) newly registered from 1 July 2009 there is an exemption from annual road tax for a period of five years from the date of first registration. The exemption from annual road tax is applied to both households and companies buying green cars. A revised and more stringent definition of a green car was implemented on 1 January 2013. The five-year exemption from annual road tax has been in force since 1 January 2013, also for light trucks/buses weighing up to 3.5t and fulfilling the green car definition given below. However, the exemption from paying annual road tax for five years was abolished for cars and light trucks/buses newly registered from 1 July 2018, in connection with the introduction of the bonus-malus system. For new registrations of cars and light trucks/buses up to and including 30 June 2018 the tax exemption will still be valid for those vehicles.

The green car definition valid up to 30 June 2018 is related to the EU Directive 2009/443 but is more stringent than the directive. The definition is dependent on the car's CO₂ emissions in relation to its kerb weight.

The formula for petrol, diesel, hybrid electric cars and plug-in cars is as follows:

Maximum CO₂ emission allowed = 95g/km + 0.0457 × (the kerb weight of the car - 1,372kg)

For ethanol and gas cars, the formula is:

Maximum CO₂ emission allowed = 150g/km + 0.0457 × (the kerb weight of the car - 1,372kg)

If the actual CO₂ emissions of the car do not exceed the value calculated above, the car is regarded as a green car and will receive a five-year exemption from annual road tax if the vehicle is newly registered before 1 July 2018.

Example:

A diesel car has CO₂ emissions of 90g/km and a kerb weight of 1,250kg:

$$95 + 0.0457 \times (1,250 - 1,372) = 89.4\text{g/km}$$

As the actual value (90g/km) exceeds the calculated value (89.4g/km) the car is not classified as a green car and will not receive a five-year annual road tax exemption.

For electric cars and plug-in hybrids, the electrical energy consumption per 100km must not exceed 37kWh if the car is to be regarded as green. Plug-in hybrids must also fulfil the requirements of the CO₂ formula given above.

Bonus-malus system from 1 July 2018 - annual road tax (malus)

The bonus-malus system introduced 1 July 2018 implies that new cars and light trucks/buses newly registered from 1 July 2018 will have a higher annual road tax (malus) the first three years and from year four the tax will be reduced back to the "normal" level that was valid before the bonus-malus

system was introduced. For diesel vehicles the tax from year four will also be reduced but will be somewhat higher than the level before the bonus-malus system was introduced (see below). The annual road tax according to the new bonus-malus system is based on the CO₂-emission of the vehicle. The CO₂-value to be used when calculating the annual road tax according to the bonus-malus system is up to the end of 2019 the NEDC-value and the adjusted NEDC-value when WLTP-values are available. For new registrations from 2020 the WLTP value shall be used, but the taxation values will most probably be adjusted at that time. Cars and light trucks/buses newly registered up to 30 June 2018, which are not included in the bonus-malus system, keep the same annual road tax.

Annual road tax on cars and light trucks/buses newly registered from 1 July 2018

Petrol cars and light trucks/buses

- **First 3 years**
SEK 360 + SEK 82 for every gram CO₂ above 95g up to 140g + SEK 107 for every g CO₂ above 140g
- **From year 4 and onwards**
SEK 360 + SEK 22 for every gram CO₂ above 111g

Diesel cars and light trucks/buses

- **First 3 years**
SEK 360 + SEK 82 for every gram CO₂ above 95g up to 140g + SEK 107 for every g CO₂ above 140g + 13.52 x the CO₂ value of the vehicle + SEK 250
- **From year 4 and onwards**
SEK 360 + SEK 22 for every gram CO₂ above 111g + 13.52 x the CO₂ value of the vehicle + SEK 250

CNG/Ethanol cars and light trucks/buses

- **First 3 years**
SEK 360 + SEK 11 for every gram CO₂ above 111g
- **From year 4 and onwards**
SEK 360 + SEK 11 for every gram CO₂ above 111g

Examples annual road tax:

Petrol car with CO₂-emission 150 g/km

Tax new reg 1 July 2018 (first 3 years): SEK 360 + 82 x (140-95) + 107 x (150-140) = SEK 5,120

Tax new reg 1 July 2018 (from year 4): SEK 360 + SEK 22 x (150-111g CO₂/km) = SEK 1,218

Diesel car with CO₂-emission 150 g/km

Tax new reg 1 July 2018 (first 3 years): SEK 360 + 82 x (140-95) + 107 x (150-140) + 13,52 x 150 + SEK 250 = SEK 7,398

Tax new reg 1 July 2018 (from year 4): SEK 360 + SEK 22 x (150-111g CO₂/km) + 13,52 x 150 + SEK 250 = SEK 3,496

Annual road tax for commercial vehicles

On 1 January 2011, the annual road tax on heavy commercial vehicles was lowered to the EU minimum level.

Annual road tax for commercial vehicles (January 2019) is based on GVW. Some examples:

	SEK/year
Bus, diesel, 3t	5,437.00
Bus, diesel 3 axles, 25t	16,457.00
Truck, diesel, 3t	5,437.00
Truck (no traction device), diesel, 3 axles, 25t	3,525.00 ^(b)
Truck for semi-trailer, 3 or more axles, 25t ^(a)	9,491.00 ^(b)
Trailer for diesel truck, 3 or more axles, 30t	10,405.00

(a) Annual road tax is levied only on the truck, not on the semi-trailer.

(b) For a truck that also pays the Eurovignette fee (a road user charge for heavy vehicles). If the Eurovignette fee is not paid, the annual road tax is correspondingly higher.

The Eurovignette fee for 2019 is:

- SEK 7,747-9,916 (depending on environmental performance) for heavy vehicles with up to 3 axles;
- SEK 12,912-16,011 for vehicles with four axles or more.

On 1 January 2011, a CO₂-related annual road tax (calculated in the same way as on cars) was introduced for light trucks/buses weighing up to 3.5t and newly registered from 1 January 2011. Light trucks registered before 1 January 2011 still pay the weight-related annual road tax. The new bonus-malus system includes also light trucks/buses which means that the annual road tax for newly registered light trucks/buses from 1 July 2018 was changed in the same way as for cars (see information above). The five-year exemption from paying annual road tax introduced on 1 January 2013 also applies to light trucks/buses weighing up to 3.5t and fulfilling the green car definition given above. The five-year exemption from paying annual road tax was however abolished also for light trucks/buses newly registered from 1 July 2018 when the new bonus-malus was introduced.

There is a tax on accident insurance premiums. The tax is 32% of the premium. It is included in the premium paid and transferred to the state by the insurance companies.

From 1 January 2010, heavy hybrid electric buses (over 3.5t in weight) pay an annual road tax of SEK 984.

2.2 ROAD TRAFFIC REGISTER FEE

In connection with paying annual road tax, a road traffic register fee of SEK 65 per vehicle is payable.

3 TAXES ON MOTORING

3.1 FUEL TAXES

From January 2017, the fuel tax (excluding VAT) was increased by SEK 0.26/l on petrol and by SEK 0.184/l on diesel. The new rates are set out below. Including VAT the tax on petrol was increased by SEK 0.325/l and on diesel by SEK 0.23/l.

From January 2019, the tax on petrol and diesel is automatically adjusted every year by consumer price index plus 2%. According to a Government proposal the index adjustment will be made only by consumer price index from 1 July 2019 to 31 December 2019. From 1 January 2020 the taxes will once again be adjusted by consumer price index plus 2%.

	Petrol (SEK/l) 1 January 2019 Unleaded 95 Environmental class 1	Diesel (SEK/l) 1 January 2019 Environmental class 1
Energy tax	4.08	2.48
Carbon dioxide tax	2.62	2.236
VAT (25%)	2.89	2.99
Total taxes	9.59	7.706
Price at pump	14.44	14.94

On 100% FAME (B100) there is no carbon dioxide tax or energy tax. On natural gas, a reduced carbon dioxide tax is paid but no energy tax. On biogas, no energy tax or carbon dioxide tax is paid.

From 1 July 2018 the fuel taxes on petrol and diesel was reduced in connection with the introduction of a so-called Green House Gas Quota (*Reduktionsplikt*) for fuel. This system means that the low-blending of biofuel in petrol and diesel is fully taxed. The combined effect of the full taxation of the low-blending of biofuel and the reduced energy and carbon dioxide tax is intended to result in unchanged pump prices.

3.2 OTHER CHARGES

An exhaust emission inspection fee of SEK 40 is payable on every new car and commercial vehicle registered.

A congestion tax is payable in Stockholm, and from 2013 also in Gothenburg. The maximum fee per vehicle is SEK 105 per day in Stockholm. The congestion tax in Stockholm will be increased from 1 January 2020. Among other things the maximum fee per vehicle per day will be increased to SEK 135.

4 PRIVATE USE OF A COMPANY CAR

The private use of a company car is regarded as a benefit in kind taxable under personal income tax.

The value to be regarded as personal income is calculated as the sum of:

- 31.7% of the so-called base price amount. From 1 July 2018, 29% of the base price amount for bonus-malus cars;
- 75% of the government interest rate multiplied with the price of the car when new;
- 9% of the new car price up to 7.5 times the base price amount and 20% of the price over 7.5 times the base price amount.

From 1 July 2018 cars belonging to the bonus-malus system pay benefit value for the actual annual road tax. As a compensation the bonus-malus cars pay 29% (instead of 31.7%) of the base price amount.

From 1 January 2018 the employee having a company car for private use has to pay a separate benefit value related to the value (related to the private trips including commuting to and from work) of congestion tax (Stockholm and Gothenburg) as well as road, bridge and ferry charges.

The taxable amount is calculated as follows: 31.7% of the base price amount (SEK 46,500 in 2019), + 75% of the government loan interest rate at the end of November the year before the income year multiplied by the price of the car when new, plus 9% of the price of the car when new. The government

loan interest rate was 0.51% at the end of November 2018. For a car with a price when new of maximum 7.5 times the base price amount (ie SEK 348,750) the price-related amount is calculated as 9% of the new car price. If the price of the car when new is over SEK 348,750, the price-related amount is calculated as 9% of SEK 348,750 plus 20% of the price over SEK 348,750.

As mentioned above, bonus-malus cars (new registrations from 1 July 2018) pay benefit value for the actual annual road tax. As a compensation the bonus malus cars pay 29% (instead of 31.7%) of the base price amount.

If the employer pays for all the fuel, the employee must treat 120% of the value of the fuel used for private driving as personal income. If the employee has a driving distance for business purposes of more than 30,000km per year the benefit value is reduced by 25%.

There is a tax reduction for some green cars. The reduction is divided into two parts. First, a permanent reduction of the benefit value to the benefit value of a comparable petrol or diesel car. Second, a time-limited special reduction by 40% (from 2017 to a maximum of SEK 10,000) compared with a comparable petrol or diesel car.

For electric cars and plug-in hybrids² as well as for cars driven by gas (not liquefied petroleum gas (LPG)), there is a reduction of the value for personal income taxation of 40% (to a maximum of SEK 10,000) compared with the taxation value of the corresponding or a comparable car driven by petrol or diesel. The 40% reduction is valid up to and including 2020. From 1 July 2018 the reduction of the benefit value is calculated based on the new car price of the comparable car instead of the benefit value of the comparable car.

For electric hybrid cars, the time-limited reduction of the benefit value by 40% (to a maximum of SEK 16,000) was abolished from 2012. However, the permanent reduction of the benefit value to the benefit value of a comparable petrol or diesel car is still valid.

For cars driven by alcohol (ethanol) the time-limited reduction of the benefit value by 20% (to a maximum of SEK 8,000) was abolished since 2012. However, the permanent reduction of the benefit value to the benefit value of a comparable petrol or diesel car is still valid.

For cars driven by LPG, rape oil or other environmentally adjusted fuel, the benefit value is the same as for a comparable petrol or diesel car.

² Cars equipped with the technology to run on electricity that is supplied by recharging from an external energy source



CHAPTER

29

ACEA TAX GUIDE 2019

United Kingdom

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1 TAXES ON ACQUISITION

1.1 VAT

1.1.1 VAT on new vehicles

The rate of VAT, across the UK, has been 20% since 4 January 2011. Previously, VAT was set at 17.5%, with a temporary reduction to 15% from 1 December 2008 until 31 December 2009.

Cars (up to 12 seats), commercial vehicles and motorised caravans are subject to VAT at the standard rate, calculated on the invoice value.

1.1.2 VAT on second-hand vehicles

Cars and motorised caravans

VAT is paid on the difference between the vendor's purchase price and sale price when the second-hand car is acquired from a taxable person registered for VAT – the Margin Scheme. If VAT was deducted on the purchase of the new car, it has to be applied on the full selling price of the second-hand car. Private individual to private individual transactions are not taxed. See VAT Notice 700/64 for more details.

Commercial vehicles

VAT is paid on the resale price of the vehicle.

1.2 ALLOWABLE DEDUCTIONS

1.2.1 Deduction of VAT

New vehicles

A taxable person (registered for VAT) who is operating in the rental car, driving school or taxi sector is permitted to deduct the VAT on the purchase of a vehicle. Leasing companies providing cars for these purposes are also allowed to deduct VAT. With regard to motorised caravans, a taxable person is able to claim back the VAT. Finally, the VAT paid on the purchase of a commercial vehicle is deductible by VAT-registered taxable companies. Leasing companies and companies buying cars wholly for a business purpose are able to fully deduct VAT. Only 50% of the VAT applying to the car leasing charge is recoverable where there is any use of the car for private motoring.

Second-hand vehicles

VAT is generally not deductible on cars although taxable companies registered for VAT may claim the VAT on qualifying cars purchased wholly for a business purpose. Taxable companies registered for VAT may claim the VAT paid on their purchases of commercial vehicles.

1.2.2 Depreciation

Business cars – see also further explanatory note at end of this section

As of April 2002, certain very low CO₂-emitting cars, including electric vehicles, qualify for 100% first-year writing down allowances (FYAs). Since April 2009 the capital allowance treatment of all cars has been designed to benefit those with low CO₂ emissions. From 1 April 2013, expenditure on cars with CO₂ emissions above 130g/km attracts 8% writing-down allowance (WDA), while expenditure on cars

with CO₂ emissions of 95-130g/km attracts an 18% WDA. Cars that emit less than 95g/km can claim 100% FYA. From 2015, the 100% rate will apply to cars emitting less than 75g/km. The government has reviewed the main rate thresholds and, from April 2018 until March 2021, cars that emit less than 50g/km can claim 100% FYA. Also, the main threshold rate (for determining the 8% and 18% rates) is reduced to 110g/km. These changes also amend the lease rental restriction in line with these values.

Commercial vehicles

Firms apply the reducing-balance method of depreciation at the annual rate of 18% in the general asset pool for plant and machinery (plant and machinery capital allowances).

1.3 REGISTRATION CHARGES

The first registration fee is £55 for all vehicles. The flat rate fee was introduced in 1998 at £25. It rose to £38 on 1 January 2004, to £50 on 1 May 2007 and to its current rate on 1 April 2008. As of February 2017, the rate remains at £55.

1.4 PLUG-IN GRANT FOR THE ACQUISITION OF LOW-EMISSION VEHICLES

Buyers can get a discount on the price of brand new low-emission vehicles through a grant the government gives to vehicle dealerships and manufacturers. Grants range from £3,500 for qualifying vehicles (BEVs), up to £8,000 for LCVs.

See <https://www.gov.uk/plug-in-car-van-grants> for more details.

2 TAXES ON OWNERSHIP

2.1 BASIS OF TAXATION

Private cars	Up to 1999	Flat rate
	Up to March 2001	Graduated system (all cars based on engine size)
	From March 2001	Existing cars based on engine size and new cars based on CO ₂ emission ratings
Buses and coaches	Number of seats and environmental characteristics	
Commercial vehicles	Structure based on dead weight and environmental characteristics	
Vehicle excise duty rates	Rates currently reviewed on a budget by budget basis (typically in March)	

2.2 RATES

2.2.1 Private cars and vans (of dead weight less than 3,500kg)

In March 2001, a graduated system for new cars, based on CO₂ emissions ratings and fuel type (petrol/diesel), was introduced. However, note that these rates apply only to cars that have been type-approved within category M1 of Annex II to Council Directive 70/156/EEC and which have been registered on the basis of a type-approval certificate that shows the CO₂ emissions level in terms of grams per kilometre driven. Cars without a CO₂ value or registered before March 2001 have a rate determined by engine size, over or under 1,549cc. Cars registered before 1 January 1974 are exempt from the tax.

2.2.2 Coaches and buses

A road tax is imposed on buses and coaches according to their number of seats. Vehicles with Reduced Pollution Certificates are charged at the lowest rate.

2.2.3 Lorries

Lorries used to be rated for road tax according to their laden weight, vehicle type and axle configuration. The various rates are listed hereafter. Discounted rates were and continue to be applied for vehicles with Reduced Pollution Certificates.

A new structure was introduced from 1 December 2001. There are seven bands or rates of vehicle excise duty (VED). These are applied to rigid and articulated vehicles according to their gross vehicle weight and axle configurations (two, three, four or more).

From 1 April 2014, rates for heavy goods vehicles (HGVs) were revised within the HGV Road User Levy Scheme. This scheme charges foreign and UK hauliers' vehicles for road use; UK hauliers pay the levy alongside VED payments, which were cut at the onset of the scheme.

Trailer duty

If the pulling vehicle is a rigid truck that is over 12,000kg and draws laden trailers over 4,000kg, additional duty is payable. There are two rates for a laden trailer: 4,000-12,000kg and over 12,000kg. The rates vary according to the weight and axle type of the vehicle, the type of trailer, truck levy rates, reduced pollution certificate (RPC) grant and road-friendly suspension. Other rates apply for more specialised trucks.

2.2.4 Overview of vehicle excise duty rates

The current vehicle excise duty rates for all vehicle types are typically published in the notice rates of vehicle tax – V149. Current rates are available at:

<https://www.gov.uk/government/publications/rates-of-vehicle-tax-v149>

The tables below give the rates of VED that have been in effect for licences since 1 April 2017 following a major reform of the VED system for cars. There are further differences in values for direct debit and non-direct debit payments. First registration remains aligned with CO2 emissions values, but subsequent relicensing is set at a flat-rate value linked to fuel type and a supplement aligned with the list price of the car at first registration (up to £40,000 and over £40,000).

More details on the structure of the change from 1 April 2017 are available at:

www.gov.uk/government/news/new-vehicle-tax-rates-from-1-april-2017

and further details on all taxes and rates linked to vehicles are available at:

www.gov.uk/government/publications/autumn-budget-2017-overview-of-tax-legislation-and-rates-outlar/annex-a-rates-and-allowances

Private/light goods vehicles (goods vehicles not over 3,500kg 'revenue weight', ie confirmed maximum gross weight or designed weight)

Vehicles registered before 1 March 2001

Tax Class 11 (cc)	12 months (£)	6 months (£)
≤ 1,549	155.00	85.25
> 1,549	255.00	140.25

Vehicles registered on or after 1 March 2001

	12 months (£)	6 months (£)
Tax Class 39	250.00	137.50

Cars (registered on or after 1 March 2001)

VED has been based on CO₂ emissions since 2001, for cars registered after 1 March 2001. Since 1 May 2009, the system has had 13 bands, as shown in the table below. The rates for petrol and diesel cars were equalised on 22 March 2007; alternatively-fuelled cars receive a (£10) discount. In 2001, the VED bands were originally based on four bands, A to B, then bands AA and AAA were introduced, which were then reclassified from 1 April 2005 as bands A and B in an A to F system. A new G band for cars over 225g/km was then introduced from 23 March 2006, applying to cars only from that date onwards.

Legacy table VED standard rates¹ on relicensing up to 1 April 2017

Band	CO ₂ emissions (g/km)	Standard car		Alternatively-fuelled car	
		12 months (£)	6 months (£)	12 months (£)	6 months (£)
A	≤ 100	0.00	-	0.00	-
B	101 - 110	20.00	-	10.00	-
C	111 - 120	30.00	-	20.00	-
D	121 - 130	120.00	66.00	110.00	60.50
E	131 - 140	140.00	77.00	130.00	71.50
F	141 - 150	155.00	85.25	145.00	79.75
G	151 - 165	195.00	107.25	185.00	101.75
H	166 - 175	230.00	126.50	220.00	121.00
I	176 - 185	250.00	137.50	240.00	132.00
J	186 - 200	290.00	159.50	280.00	154.00
K ²	201 - 225	315.00	173.25	305.00	167.75
L	226 - 255	540.00	297.00	530.00	291.50
M	> 255	555.00	305.25	545.00	299.75

From 1 April 2010 a new first-year/first-registration rate of VED was introduced. Cars emitting up to 130g/km CO₂ attract a zero rate of VED, while cars with CO₂ emissions between 131 and 165g/km are charged at the standard rate and cars with CO₂ emissions over 166g/km attract a considerably higher rate (for cars in the highest band, band M – over 255g/km – the rate is more than twice the standard rate). In 2013, rates for cars with CO₂ emissions under 130g/km remained at zero, with rates above rising by £5-35. The M band rate was pushed to £1,055. For cars registered on or after 1 April 2017 the thirteen bands which provide the rates were changed. Additional bands have been created below the 100g/km as well as consolidation of other bands groupings as shown in the table below.

Tax is only available for 12 months at these rates and bands and is set to change from April 2019. The UK Finance Bill from Autumn 2018 characterises between higher rate diesel vehicles, which will be subject to an increased rate based on CO₂ emissions. Diesels which do not meet RDE2 are subject to the one band rise in VED.

¹ Band K includes cars that have a CO₂ emission figure over 225g/km but which were registered before March 2006

² Different rates apply if paying by direct debit

A vehicle imported into the UK that was previously registered abroad may also be eligible for the first-year rate. If it is over six months old, the standard rate will apply. If the mileage is more than 6,000km (3,728 miles), it will also be eligible for the standard rate of VED.

UK government is reviewing whether to amend VED and company car tax to reflect the new WLTP test procedure. A decision is expected in Spring 2019.

VED standard rates for cars registered on or after 1 April 2018

CO2 emissions figure (g/km)	Petrol and diesel cars (tax class 48 and 49) ³	Alternatively-fuelled car (tax class 59)
	12 months (£)	12 months (£)
0	-	0.00
1 - 50	10.00	0.00
51 - 75	25.00	15.00
76 - 90	105.00	95.00
91 - 100	125.00	115.00
101 - 110	145.00	135.00
111 - 130	165.00	155.00
131 - 150	205.00	195.00
151 - 170	515.00	505.00
171 - 190	830.00	820.00
191 - 225	1,240.00	1,230.00
226 - 255	1,760.00	1,750.00
> 255	2,070.00	2,060.00

Light goods vehicles TC39 (not over 3,500kg)

	12 months (£)	6 months (£)
Vehicles registered on or after 1 March 2001	240.00	132.00
Euro 4-compliant vehicles (TC36) registered between 1 January 2003 and 31 December 2006	140.00	77.00
Euro 5-compliant vehicles (TC36) registered between 1 January 2009 and 31 December 2010	140.00	77.00

Light goods vehicles attract the same VED charges as cars without CO2 figures. From 1 January 2009, diesel vans that meet Euro 5 emissions standards and first registered between 1 January 2009 and 31 December 2010 are eligible for a reduced VED rate. Euro 4 light goods vehicles registered between 1 March 2003 and 31 December 2006 are also eligible for the concessionary rate of duty. A CO2-based VED system is due to be introduced for LCVs, not until at least April 2020. Details of proposals can be seen here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752006/VED_for_vans_summary_of_responses_web.pdf

³ Diesel vehicles will be subject to paying the value of tax in the band above their applicable CO2 emissions figure, determined in accordance with 'diesel supplement' announced at Budget 2017 as part of a transient item

HCVs and buses meeting Euro 5 emissions standards and registered before 30 September 2009 can benefit from a Reduced Pollution Certificate. RPCs were abolished on 31 December 2016. A HGV Road User Levy Scheme was introduced from 1 April 2014.

See www.gov.uk/government/collections/hgv-road-user-levy for more details.

As noted above, levy values were introduced for trucks of 12t GVW and more, and are set alongside the main VED rates and so vary by vehicle weight, axle configuration and duration of (levy paid for) road use. For UK-registered vehicles, the levy is paid at the same time and in the same transaction as VED. For UK-based operators VED payments were reduced when the levy was set: over 90% pay no more as a result of the introduction of the levy.

For more details on the many rates now payable, see the V149 notice, as above.

For the specific VED rates for **heavy commercial vehicles** – see:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/770275/v149x1-rates-of-vehicle-tax.pdf

Rates of VED for trucks have been unchanged for many years and at the last regime change – to incorporate a levy on road use for foreign-based hauliers – the VED rates for UK-based hauliers were reduced so that they would be no worse off as a result of the change in the regime. More details on the history of and recent trends in UK VED are conveniently summarised in a recent Research Paper from the (UK) House of Commons Library, at:

researchbriefings.files.parliament.uk/documents/SN01482/SN01482.pdf

3 TAXES ON MOTORING

3.1 FUEL TAXES

January 2019 fuel prices

	Unleaded 95 Octane		Diesel		Super Unleaded		LPG
	Litres (pence)	Gallons (pence)	Litres (pence)	Gallons (pence)	Litres (pence)	Gallons (pence)	Litres (pence)
UK Average							
January 2018	121.7	553.3	124.4	565.5	132.1	600.5	58.00
January 2019	120.0	545.5	128.9	586.0	132.4	601.9	59.4
% taken as tax 2019	65		61.6		60.4		n/a

LPG, liquefied petroleum gas

Source: The AA Public Affairs Fuel Price Report uses data sourced from Experian Catalist (www.catalist.com)

The duty rates for petrol and diesel are the same in the UK. The rate is 57.95p/l. The last increase to this level was in March 2011. Since 2011 proposed changes have been consistently postponed or scrapped. Rates are set on a budget-by-budget basis. Prices at the pump in the table above are sourced from the Automobile Association (AA). VAT is payable on the duty and the underlying price of fuel.

4 PRIVATE USE OF A COMPANY CAR

The private use of a company car (and van) by employers and directors of companies is taxed in the United Kingdom as a benefit in kind. There is a further tax charge if free or subsidised fuel is provided for private use in a company car. Since April 2002, company car taxation has been based on discounts from the then standard 35% rate of the list price of a car (including any extras, accessories or options). The charge is set according to the CO₂ emissions ratings (g/km) of the car and its fuel type (petrol/diesel/alternative fuels). This standard rate has now increased to 37%.

From 1 April 2010, pure electric cars (BEVs) attracted a 0% rate. This was increased to 5% for all cars with CO₂ emissions ≤ 50g/km for the tax year 2015/16; further planned increases are due over the years ahead. However, a review of the appropriate regime for discounts or incentives for ultra-low emissions and electric vehicles has set some further changes for the period from 2020/21. CO₂ is still a key reference parameter, but zero-emissions capability and miles specified as possible in zero-emissions mode are new reference items. For more details on these changes see: www.gov.uk/government/publications/finance-bill-2017-draft-legislation-overview-documents/overview-of-legislation-in-draft (section 1.15 Company Car Tax – bands and rates for tax year 2020 to 2021).

Employers also pay National Insurance (NI) contributions, currently at the rate of 13.8%, on the benefit of the cars and fuel that they offer to their employees for their private use.

As with VED, government is considering amending CCT rates for the introduction of the new WLTP test procedure. A decision is expected in Spring 2019.

Van benefit was £3,000 per year in the 2011/12 tax year; for 2017/18 the level is £3,230 for 2018/2019 £3,350 and for 2019/2020 £3,430. The corresponding van fuel benefits are £500, £610, £633 and £655 – making combined benefits of £3,800 in 2011/12, £3,840 in 2017/18, £3,993 in 2018/19 and £4,985 in 2019/20. As with company car tax, NI contributions are also due, and this amount is added to an individual's taxable income and is subject to tax at the individual's marginal tax rate. From April 2010 to March 2015, electric vans and all zero-emissions vans were exempt from the van benefit charge. In 2016/17 and 2017/18 this is set at 20% of the main charge for van benefit in kind and is planned to taper to parity with the standard rate in April 2022.

4.1 COMPANY CAR AND VAN BENEFIT IN KIND TAXATION

For more details on company car and van benefit-in-kind taxation, see:

- www.gov.uk/tax-company-benefits/tax-on-company-cars
- www.gov.uk/calculate-tax-on-company-cars

Since 1 April 2002 an individual's company car tax (CCT) liability has been based on the vehicle's CO₂ emissions. An employee or director who receives this benefit is taxed (at his or her marginal tax rate) on the value of the benefit added to their income. This value is a percentage (currently 0-37%) of the vehicle's list price, including VAT and delivery charges. Until 6 April 2010 there was a limit of £80,000, but now there is no upper limit to the price of the car. The price is adjusted by a percentage factor based on the CO₂ emissions band in which the vehicle falls. As noted above, further changes to the regime are planned to take effect from 2020/21.

Selected rates are detailed in the table below. For full details see:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684687/tc2b.pdf

Diesel cars attract a 3% surcharge, up to a previous maximum of 35% (now 37%). This surcharge was planned to be removed from April 2016; however, in the government's autumn statement in November 2015, it was stated that for 2018-19 the 3% surcharged is 4%, unless the diesel is certified to RDE2 standard, in which case it is 0%.

Cars without an approved CO2 emissions rating are taxed on their engine size (cc). There are no special rules for second company cars; they are taxed on the same basis as first cars – based on recommended/published list prices and CO2 ratings.

Company car tax appropriate percentage rates (applied to the cash value of a car's list price and to corresponding CO2 (g/km) values – 2015/16 to 2019/20 selected rates

Rate ⁴ (%)	2015/16	2016/17	2017/18	2018/19	2019/20
5	< 50	–	–	–	–
7	51 - 75	< 50	–	–	–
9	–	51 - 75	< 50	–	–
13	< 94	–	51 - 75	< 50	–
16	105 - 109	< 94	–	51 - 75	< 50
25	150 - 154	140 - 144	130 - 134	120 - 124	105 - 109
35	200 - 204	190 - 194	180 - 184	170 - 174	155 - 159
37	≥ 210	≥ 200	≥ 190	≥ 180	≥ 165

4.2 FUEL BENEFIT IN KIND INCOME TAX CHARGES

The benefit of fuel for private use in a car is taxable according to a scale charge. In April 2003, a new system linked a car's CO2 percentage rating for car benefit tax to a set cash monetary value. In 2016/17 the monetary value is £22,200, £22,600 for 2017/18, £23,400 for 2018/19 and £24,100 for 2019/20. For example, if a car's CO2 rating is 240g/km (petrol or diesel), this equates to a 37% rate for car benefit and, when applied to 2018/19's £23,400 would give a benefit value of £8,658 for a private fuel to be charged to personal taxable income.

There is no tax liability if the employee provides his or her own fuel for private motoring. The journey between the employee's home and workplace is treated as private travel. From 6 April 2018 no benefit in kind is offered on fuel provided for an electric vehicle.

The van fuel benefit is a flat rate of £610 for 2017/18, £633 for 2018/2019 and £655 for 2019/20.

4.2.1 Allowable deductions and capital allowances – a further note

Deductions for new and second-hand vehicles

These reliefs apply to businesses incurring expenditure from April 2018 on the acquisition or leasing of cars for use in their business.

Business expenditure on plant and machinery normally qualifies for tax relief as capital allowances, which are normally given at the rate of 18% a year on a reducing balance basis.

⁴ The supplement for diesel of three percentage points is retained, so add 3% to the rates for petrol cars as given in the above table to derive the appropriate percentage rate for a diesel car.

Under current UK law, new car section 45D Capital Allowances Act 2001, 100% first year allowances (FYAs) are available to businesses that purchase cars with low CO2 emissions or electrically propelled cars.

The capital allowances rules for cars are based on their CO2 emissions per kilometre driven. The current enhanced capital allowance scheme (ECA) is on-going.

CO2 emissions (g/km)	April 2015-April 2018 (%)	CO2 emissions (g/km)	April 2018-April 2021 (%)
≤ 75	100 FYA	≤ 50	100 FYA
76 - 130	18 WDA	51 - 110	18 WDA
< 130	8 WDA	< 110	8 WDA

FYA: first year allowance

WDA: writing-down allowance (annual)

Refuelling equipment and natural gas, biogas and hydrogen vehicles are also eligible under the enhanced capital allowance (ECA) scheme. These benefits no longer apply to rental or hire companies which make vehicles available for short term hire.

EFTA countries

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CHAPTER

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ACEA TAX GUIDE 2019

Iceland

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1 TAXES ON ACQUISITION

1.1 COMMODITY TAX

Passenger cars are taxed according to their CO2 emissions:

Tax (%)	CO2 emissions (g/km)	Condition
0.37/g	> 74	if the emissions were recorded according to the European Driving Cycle (NEDC) only
0.31/g	> 90	if the emissions were recorded according to the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) only
0.34/g	> 81	if the emissions were recorded according to both the European Driving Cycle (NEDC) and the Worldwide Harmonised Light Vehicle Test Procedure (WLTP)

The excise duties applied should never exceed 65% of the customs value of the vehicle.

Trucks are taxed according to gross vehicle weight (GVW):

> 5,000kg in GVW	0%
------------------	----

Buses are taxed according to the number of passengers they are allowed to carry:

< 10 passengers	< 5,000kg GVW	30% (reduction to 5% for licensed buses)
> 10 passengers	> 5,000kg GVW	0%

The basis of the assessment is the customs price (\pm cost, insurance and freight (CIF) price).

1.2 VAT

VAT is charged at 24% on all motor vehicles.

1.3 REGISTRATION FEE

The registration fee for all new vehicles is ISK 5,060.

1.4 TAXES ON OWNERSHIP

The automobile charge for each charging period is based on the vehicle's recorded emissions of CO2. Recorded emissions are measured in grams per kilometre.

The automobile charge for each charging period for a vehicle with an unladen weight of 3,500kg or less is ISK 5,925 for the first 121g/km of the automobile's recorded emissions and ISK 142 for each gram per kilometre of recorded emissions beyond that, if the emissions were recorded only according to NEDC. If the emissions were recorded according to both NEDC and to WLTP, the charge for each charging period for a vehicle is ISK 6,075 for the first 133g/km of the automobile's recorded emissions and ISK 133 for each gram

per kilometre recorded emissions beyond that. If the recorded emissions were recorded according only to WLTP, the charge for each charging period for a vehicle is ISK 6,075 for the first 146g/km of the automobile's recorded emissions and ISK 121 for each gram per kilometre recorded emissions beyond that.

Where a vehicle's recorded CO2 emissions are not available, the emissions of the vehicle in question are determined to be 0.12g of CO2 for each kilogram of the vehicle's registered unladen weight, in addition to 50g of CO2.

The automobile charge for a vehicle with an unladen weight of 3,500kg or greater is ISK 55,510 for each charging period in addition to ISK 2,370 for each kilogram of the vehicle's registered unladen weight beyond 3,500kg.

The automobile charge for a vehicle with an unladen weight greater than 3,500kg unladen weight will not, however, exceed ISK 87,375 for any charging period.

2 TAXES ON MOTORING

Fuel taxes (ISK/l, January 2019)

	95 unleaded	Diesel
Import duty ¹	28.05	-
Petrol tax	45.20	-
CO2 tax	9.10	10.40
Oil tax	-	62.85
VAT (24%)	42.84	43.26
Price at the pump	221.40	223.50

¹ Basis of assessment of import duty: customs price (± CIF price)



CHAPTER

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ACEA TAX GUIDE 2019

Norway

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1 TAXES ON ACQUISITION

1.1 IMPORT TAX

For passenger cars in Norway, the rates for 2019 are as follows:

Weight¹ tax

NOK 0.00/kg for the first 500kg of weight
NOK 25.42/kg for the following 700kg
NOK 63.35/kg for the following 200kg
NOK 197.96/kg for the following 100kg
NOK 230.23/kg for the remaining weight

CO2 tax

* NOK -1,137.09 per g/km below 40g/km of CO2 emissions
* NOK -966.48 per g/km below 70g/km (including the first 40g/km) of CO2 emissions
NOK 0.00 per g/km for the first 70g/km of CO2 emissions
NOK 943.28 per g/km for the following 25g/km of CO2 emissions
NOK 1,057.04 per g/km for the following 30g/km of CO2 emissions
NOK 2,769.89 per g/km for the following 70g/km of CO2 emissions
NOK 3,557.58 per g/km for the remaining CO2 emissions

* Only for cars with total CO2 emissions below 40g/70g

NOx tax

NOK 73.14 per g/km of nitrogen oxide emissions
--

Cars running on E85 ethanol fuel receive a tax reduction of NOK 10,000.

For plug-in hybrids, the maximum reduction is 23% of the weight tax, but to achieve full reduction, the electrical range must be at least 50km (WLTP). Vehicles with shorter electrical range than 50km get a lower reduction, ie the type approved range divided by 50.

For purely electric cars, including fuel-cell cars, there is no import tax.

For imported used motor vehicles, the taxable value is reduced according to the age of the vehicles as follows:

Over 1 month: 2%	Over 2 years: 30%
Over 2 months: 4%	Over 2 years and 6 months: 33%
Over 3 months: 6%	Over 3 years: 36%
Over 4 months: 8%	Over 3 years and 6 months: 39%
Over 5 months: 10%	Over 4 years: 42%

¹ Weight of the vehicle when ready for use, ie with all equipment installed and fluid reservoirs filled with oil, water and fuel

Over 6 months: 11%	Over 5 years: 45%
Over 7 months: 12%	Over 6 years: 50%
Over 8 months: 13%	Over 7 years: 55%
Over 9 months: 14%	Over 8 years: 59%
Over 10 months: 15%	Over 9 years: 63%
Over 11 months: 16%	Over 10 years: 67%
Over 1 year: 17%	Over 11 years: 70%
Over 1 year and 2 months: 19%	Over 12 years: 73%
Over 1 year and 4 months: 21%	Over 13 years: 76%
Over 1 year and 6 months: 23%	Over 14 years: 78%
Over 1 year and 8 months: 25%	15-29 years: 80%
Over 1 year and 10 months: 27%	30 years or over: NOK 3,447.00

A 'used motor vehicle' is a vehicle that was registered at the time of customs clearance. The age of the vehicle has to be proven by official documents stating the date of first registration abroad.

1.2 VAT

VAT is levied on all motor vehicles at a rate of 25% of the amount comprising customs value and customs duty (if any). This does not apply to purely electric cars, including fuel-cell cars.

1.3 SPECIAL TAX

1.3.1 New vans class 1

Same taxes as passenger cars.

1.3.2 New vans class 2

For a van to be defined as class 2, it must have room for a box with the following dimensions:

- Length: 140cm
- Height: 105cm
- Width: 90cm

CO2 tax for vans

Vans Class 2

The highest level for the CO2 component does not apply.

The second highest level is 25 percent of the tax for passenger cars.

The remaining levels are 30 percent of the tax for passenger cars.

Class 2 vans attract 20% of the weight tax for similar passenger cars, except for NOx tax, which is charged at 75% of the usual rate, and CO2 tax, which varies as shown above.

1.3.3 New minibuses

New minibuses of less than 6m length and with not more than 17 seats where at least 10 seats are mounted in the direction of traffic are taxed at 40% of the import tax (similarly to passenger cars in taxation group A).

For new trucks, buses or vans with an extra seat, exceeding 7.5t in total weight, there are no special taxes.



CHAPTER

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ACEA TAX GUIDE 2019

Switzerland

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1 TAXES ON ACQUISITION

1.1 CUSTOMS DUTIES

For imports from EU countries, no customs duties are due. However, a car tax amounting to 4% of the value of the car (as invoiced to the importer) is levied at customs.

1.2 VAT

All vehicles are subject to VAT at the rate of 7.7%.

Registration taxes are levied by the cantons. They may amount to a maximum of CHF 250.

2 TAXES ON OWNERSHIP

Motor vehicle tax is an annual tax levied by the cantons.

It is based on:

- fiscal horsepower (hp);
- cylinder capacity (cc);
- vehicle gross weight (GVW);
- horsepower in kilowatts (kW); or
- a combination of two of the elements listed above.

Several cantons have reduced taxes for electric cars and hybrids and some have also reduced them for cars fuelled by compressed natural gas.

3 TAXES ON MOTORING

Fuel taxes (CHF/l) (as at January 2019)

	Unleaded 95	Diesel
Fuel price plus distribution costs	0.697	0.867
Tax	0.43	0.46
Tax extra charge	0.30	0.30
VAT 7.7%	0.11	0.13
Import rate	0.003	0.003
Price at the pump	1.54	1.75

Other countries

Brazil	245
China	247
India	269
Japan	300
Korea	317
Russia	321
Turkey	331
United States of America	340



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CHAPTER

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ACEA TAX GUIDE 2019

Brazil

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1 TAXES ON ACQUISITION

The tables below provide an overview of the taxes that are due upon the acquisition of a motor vehicle in Brazil.

Taxes (BRL)	Passenger cars				
	≤ 1,000cc	1,001-2,000cc		> 2,000cc	
		Petrol	Ethanol/Flex Fuel	Petrol	Ethanol/Flex Fuel
IPI ¹	7.00	13.00	11.00	25.00	18.00
ICMS ²	12.00	12.00	12.00	12.00	12.00
PIS ³ /Cofins ⁴	11.60	11.60	11.60	11.60	11.60
% of price	27.10	30.40	29.20	36.40	33.10

Taxes (BRL)	Light Commercial Vehicles	Trucks		Buses	Wheeled Tractors
		Trucks	Trucks-Tractors		
IPI	8.00	0.00	0.00	0.00	0.00
ICMS	12.00	12.00	12.00	12.00	7.00
PIS/Cofins	11.60	8.10	6.02	6.02	6.02
% of price	27.30	18.70	16.90	16.90	12.00

¹ Industrial Products Tax (*Imposto sobre Produtos Industrializados*)

² Tax on the Circulation of Products and Services (*Imposto sobre Operações Relativas à Circulação de Mercadorias e Serviços de Transporte Interestadual de Intermunicipal e de Comunicações*)

³ Contribution to the Social Integration Programme (*Contribuição para os Programas de Integração Social*)

⁴ Social Security Financing Contribution (*Contribuição para Financiamento da Seguridade Social*)



CHAPTER

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ACEA TAX GUIDE 2019

China

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This document summarises the main tax/charge categories pertinent to motor vehicles in China, as well as the corresponding tax rates, calculation methods of payable tax amount, and billing criteria (for charges). Based on taxpayer type, these vehicle-related taxes/charges are grouped into two primary categories as follows:

1. Taxes to be paid by the vehicle manufacturer/importer/marketer (as taxpayer), including:

- Import tariff
- Consumption tax
- Value added tax (VAT)

Note: Unlike the situation in the EU, consumers in China do not pay VAT directly – although the VAT amount, as a part of the vehicle's price, is eventually paid by the consumer who purchases the vehicle – since it is collected during the vehicle manufacturing, importing and marketing processes.

Other taxes payable by the vehicle manufacturer, importer or marketer that have no direct relationship to the vehicle product (business tax, enterprise income tax) fall outside the scope of this document.

2. Taxes/charges to be paid by the vehicle owner/user (as taxpayer)

Based on their nature, these taxes and charges are classified as follows:

- Taxes on acquisition: taxes/charges paid by the vehicle owner/user once only, upon vehicle purchase or prior to the start of use of the vehicle
- Taxes on ownership: taxes/charges paid annually, regardless of how the vehicle is used
- Taxes on motoring: taxes/charges on fuels or use of the vehicle

Note: The amounts of all the taxes and charges are expressed in RMB (yuan).

3. Incentives for energy-saving and new-energy vehicles (NEVs)

1 TAXES TO BE PAID BY THE VEHICLE MANUFACTURER/IMPORTER (AS TAXPAYER)

1.1 IMPORT TARIFF

For vehicles imported into China, the consignee should pay the appropriate duty to customs.

1.1.1 Tariff amount and rate

The tariff is fixed at 15% for regular automobiles.

1.2 CONSUMPTION TAX

As consumer goods, vehicles are subject to the consumption tax upon manufacture, subcontracting for processing, or importation.

1.2.1 Collection criteria for consumption tax

In the case of a vehicle manufactured by a taxpayer, the tax shall be paid by the taxpayer upon the sale of the vehicle.

In the case of a vehicle product subcontracted for processing, the tax shall be collected and paid by the subcontractor upon delivery to the contractor, except where the subcontract is assumed by an individual.

Imported vehicles are subject to the tax upon customs declaration for import.

1.2.2 Consumption tax rate and calculation of payable tax amount

The consumption tax is based on the price of the vehicle.

- a) In the case of a taxable vehicle product manufactured in China, the payable amount of consumption tax shall be calculated as follows:

$$\text{payable tax amount} = \text{sales amount} \times \text{tax rate}$$

Note: the sales amount is exclusive of VAT.

- b) In the case of a taxable vehicle product subcontracted for processing, the payable amount of consumption tax shall be calculated based on the sales price of the same kind of vehicle product if sold on by the subcontractor; failing that, the following formula will apply:

$$\text{payable tax amount} = (\text{material cost} + \text{processing fee}) + (1 - \text{tax rate}) \times \text{tax rate}$$

- c) In the case of an imported vehicle product, the payable amount of consumption tax shall be calculated as follows:

$$\text{payable tax amount} = (\text{customs dutiable price} + \text{customs duty}) + (1 - \text{tax rate}) \times \text{tax rate}$$

1.2.3 Extra consumption tax on an ultra-luxury small motor vehicle

As of 1 December 2016, an extra consumption tax of 10% is imposed on ultra-luxury small motor vehicles, namely passenger cars and light- or medium-duty commercial buses with a VAT-exclusive retail price of more than RMB 1.3 million. The extra ultra-luxury small motor vehicle consumption tax will be paid by the retailer based on previous consumption tax paid during the production and import phase.

$$\text{payable tax amount} = \text{retail sales amount (VAT-exclusive)} \times \text{tax rate}$$

For domestic automobile manufacturers who sell ultra-luxury small motor vehicles directly to the consumer, the consumption tax rate is calculated as the sum of the tax rate upon production and the tax rate upon retail. The formula for the consumption tax payable is below:

$$\text{payable tax amount} = \text{VAT-exclusive sales amount} \times (\text{tax rate upon production} + \text{tax rate upon retail})$$

Consumption tax rates for motor vehicle products

Taxable item	Tax rate (%)	
	Production/Imports	Retail
Small motor vehicles		
1. Passenger cars		
a) with a cylinder capacity (ie displacement volume) not exceeding 1.0l	1	
b) with a cylinder capacity (ie displacement volume) exceeding 1.0l but not exceeding 1.5l	3	
c) with a cylinder capacity (ie displacement volume) exceeding 1.5l but not exceeding 2.0l	5	
d) with a cylinder capacity (ie displacement volume) exceeding 2.0l but not exceeding 2.5l	9	
e) with a cylinder capacity (ie displacement volume) exceeding 2.5l but not exceeding 3.0l	12	
f) with a cylinder capacity (ie displacement volume) exceeding 3.0l but not exceeding 4.0l	25	
g) with a cylinder capacity (ie displacement volume) exceeding 4.0l	40	
2. Light and medium-duty commercial passenger vehicles	5	
3. Ultra-luxury small motor vehicle	As for passenger cars and light- and medium-duty commercial passenger vehicles	10

1.3 VAT

All individuals/entities engaged in the sale of motor vehicles, the provision of processing, repairs and replacement services, and the import of motor vehicles must pay VAT.

1.3.1 VAT rate

The VAT rate varies for different sectors. For a manufacturing industry like the automotive sector, VAT rate is 16%.

To boost the country's economy, VAT rates will be reduced from 1 April 2019. The 16% VAT rate which applies to the manufacturing sector will be lowered to 13%, and the 10% rate which applies to the construction and transport sectors will be lowered to 9%.

1.4 EXTRA TAXES/CHARGES RELATING TO VAT AND CONSUMPTION TAX

1.4.1 Urban maintenance and construction tax and educational surcharge

Entities/individuals subject to VAT, consumption tax and business tax are required to pay the extra urban maintenance and construction tax and educational surcharge.

1.4.2 Rates of the urban maintenance and construction tax and the educational surcharge

The urban maintenance and construction tax rate vary by region, and is set at either 7%, 5% or 1%. The amount to be paid is calculated as follows:

$$\text{urban maintenance and construction tax} = (\text{sum of actually paid VAT, consumption tax and business tax}) \times \text{applicable tax rate}$$

The educational surcharge rate is 3%. The amount to be paid is calculated as follows:

$$\text{educational surcharge} = (\text{sum of actually paid VAT, consumption tax and business tax}) \times 3\%$$

For the time being, foreign investment enterprises and foreign enterprises are exempt from both the urban maintenance and construction tax and the educational surcharge.

2 TAXES AND CHARGES TO BE PAID BY THE VEHICLE OWNER/USER (AS TAXPAYER)

2.1 TAXES ON ACQUISITION

2.1.1 Vehicle purchase tax

The law of the People's Republic of China on Vehicle Purchase Tax will enter into force on 1 July 2019.

Scope

All organisations and individuals who purchase a motor vehicle, trolley car, trailer or motorcycle whose displacement exceeds 150ml (hereunder referred to as taxable vehicle) on the territory of the People's Republic of China are vehicle purchase tax payers and shall pay the vehicle purchase tax accordingly.

Calculation of payable tax amount

The vehicle purchase tax implements lump sum imposition. For the purchase of a vehicle on which vehicle purchase tax has already been imposed, no more vehicle purchase tax will be imposed.

The rate of vehicle purchase tax is 10%.

The vehicle purchase tax amount is calculated by multiplying the taxable value of taxable vehicle by tax rate.

Taxable value of taxable vehicle shall be determined as per the following stipulations:

- a) Taxable value of taxable vehicle purchased by tax payer for private use shall be the total amount actually paid by the tax payer to the seller, excluding VAT.
- b) Taxable value of taxable vehicle imported by tax payer for private use shall be customs duty paying value plus customs duty and consumption tax.
- c) Taxable value of taxable vehicle produced by tax payer itself for private use shall be determined as per the sales price of taxable vehicle of the same category produced by tax payer, excluding VAT.
- d) Taxable value of taxable vehicle obtained by tax payer through acceptance of donation, award or other methods for private use shall be determined as per the price indicated on relevant evidence for purchase of the taxable vehicle, excluding VAT.

The following vehicles are exempt from vehicle purchase tax:

- (1) vehicles used by foreign embassies and consulates in China and international organisations' institutions stationed in China, which shall be granted exemption from tax in accordance with the stipulations of law and vehicles used by relevant personnel for private purposes;
- (2) vehicles listed in the equipment ordering plan by the Chinese People's Liberation Army and the Chinese People's Armed Police Forces;
- (3) national comprehensive fire protection rescue vehicles granted special license plates for emergency

rescue;

(4) non-transport special operation vehicles configured with fixed device;

(5) public bus and electric bus purchased by urban public bus enterprises.

In accordance with the demand of development of national economy and society, the State Council may specify the circumstances for the reduction of vehicle purchase tax or exemption from vehicle purchase tax, and report to NPC Standing Committee for registration.

Purchase tax exemption for New-Energy Vehicles (NEVs)

From 1 January 2018 to 31 December 2020, NEVs are exempt from vehicle purchase tax.

The NEVs to be exempted from vehicle purchase tax have to be listed in the 'Catalogue of New-Energy Vehicle Models Exempted from Vehicle Purchase Tax', hereafter referred to as 'the Catalogue'.

NEVs listed in the Catalogue must comply with all the following conditions:

1. Battery electric vehicle, plug-in (including range extended) hybrid electric vehicle and fuel-cell electric vehicle that are allowed for sales in territory of China
2. New energy vehicle manufacturer or import new energy vehicle dealer (hereunder abbreviated as enterprise) shall meet the relevant requirements on product quality assurance, product conformity, after-sales service, safety monitoring, traction battery recycling and other aspects
3. Shall meet the new energy vehicle technical requirements as below:

a) Requirements on battery electric range of new energy vehicle

Category	Passenger car (km)	Bus (km)	Goods vehicle (km)	Special vehicle (km)	Testing method
Battery electric vehicle (BEV)	≥ 100	≥ 200	≥ 80	≥ 80	Adopt operating mode method for categories M1 and N1 and 40km/h constant speed method for others for the time being.
Plug-in (including range extended) hybrid electric vehicle (PHEV)	≥ 50 (Operating mode method)	≥ 50	≥ 50	≥ 50	Adopt operating mode method or 60km/h constant speed method for categories M1 and N1 and 40km/h constant speed method for others for the time being.
	≥ 70 (Constant speed method)				
Fuel cell electric vehicle (FCEV)	≥ 300	≥ 300	≥ 300	≥ 300	Adopt operating mode method for categories M1 and N1 and 40km/h constant speed method for others for the time being.

Notes: No requirements on battery electric range for battery electric buses using ultracapacitor and Lithium Titanium Oxide (LTO) quick charge. Category M1 includes passenger cars with no more than nine seats including the driver seat. Category N1 included goods vehicles with a maximum total mass not exceeding 3,500kg by design.

b) Technical requirements for new energy passenger cars

- Maximum thirty-minutes speed of battery electric passenger car shall not be less than 100km/h
- Mass energy density of traction battery system of battery electric passenger car shall not be less than 95Wh/kg
- For battery electric passenger car products, as per different kerb mass (m) of complete vehicle, the power consumption (Y) per 100km under driving mode conditions shall meet the following requirements: when $m \leq 1,000\text{kg}$, $Y \leq 0.014 \times m + 0.5$; when $1,000 < m \leq 1,600\text{kg}$, $Y \leq 0.012 \times m + 2.5$; when $m > 1,600\text{kg}$, $Y \leq 0.005 \times m + 13.7$
- For plug-in hybrid electric passenger car of pure electric range less than 80km under driving mode

conditions, the fuel consumption under condition B (excluding fuel consumption converted from electric power) is less than 70% of corresponding limit in prevailing national standard on conventional fuel consumption. For plug-in hybrid electric passenger car of pure electric range more than or equivalent to 80km under driving mode conditions, the power consumption per 100km under condition A shall meet requirements identical with battery electric passenger car

c) Technical requirements of new energy buses

- Unit load mass energy consumption (Ekg) shall not be more than 0.24Wh/km per kg
- Energy density of battery system of battery electric bus other than quick charging type shall be more than 95Wh/kg, quick charge multiplying power of quick charging type of battery electric bus shall be more than 3C¹, and fuel saving rate level of plug-in hybrid electric bus (including range extended) shall be more than 40%

d) Technical requirements for new energy goods vehicles and special vehicles

- Mass energy density of the installed traction battery system shall not be less than 95Wh/kg
- Unit load mass energy consumption (Ekg) shall not be more than 0.49Wh/km per kg for battery electric goods vehicle and transport type of special vehicle and power consumption per t/100km shall not be more than 10kWh for other types of battery electric special vehicle (according to test mass)

e) Technical requirements for fuel cell electric vehicles

- The rated power of fuel-cell system shall not be less than 30% of the rated power of driving motor and rated power of fuel-cell system of passenger car shall not be less than 10kW, shall not be less than 30kW for commercial vehicle

2.1.2 Motor vehicle registration fee

The nationwide unified billing criteria for the production fees for licence plates and driving licences for motor vehicles are implemented according to law.

Licence plate fees

- a) For motor vehicles:
 - Reflective licence plate, RMB 100 per pair
 - Non-reflective licence plate, RMB 80 per pair
- b) For trailers:
 - Reflective licence plates, RMB 50 per piece
 - Non-reflective licence plates, RMB 30 per piece
- c) For tri-wheel vehicles, low-speed goods vehicles and tractors:
 - Reflective licence plate, RMB 40 per pair
 - Non-reflective licence plate, RMB 25 per pair
- d) For motorcycles:
 - Reflective licence plate, RMB 70 per pair
 - Non-reflective licence plate, RMB 50 per pair

¹C=Capacity[Ah]/1[h], meaning C is the Current based on ampere-hour rating for total discharge in 1 hour

- e) Temporary licence plates for motor vehicles: RMB 5 per piece

The above-mentioned fees cover the specific required tightening/sealing devices (showing the code of the issuance authority) and the mounting of licence plates.

Fees for motor vehicle licences

- a) Licence for motor vehicle: RMB 15
b) Temporary licence for motor vehicle: RMB 10

The above-mentioned fees cover the production of the licences themselves, as well as the taking and lamination of the photo affixed to the licence.

Production fee for registration certificate of a motor vehicle

The charge is RMB 10 per certificate.

2.2 TAX ON OWNERSHIP

2.2.1 Vehicle and vessel tax

The Law on Vehicle and Vessel Tax of China entered into force on 1 January 2012.

Scope

Vehicles and vessels are subject to the vehicle and vessel tax. Vehicles and vessels are:

- motor vehicles and vessels registered with the administrative departments for vehicle and vessel registration according to the laws;
- motor vehicles and vessels that do not need to be registered with the administrative departments for vehicle and vessel registration according to the laws and are driven or operated within the premises of units.

The owners or custodians of vehicles and vessels are the taxpayers of vehicle and vessel tax.

Payable amount of vehicle and vessel tax

The tax amount applicable to vehicles and vessels complies with the Schedule of Taxable Items and Tax Amounts for Vehicle and Vessel Tax below.

The people's government of each province, autonomous region or municipality directly under the central government determines the specific tax amounts applicable to vehicles in accordance with the Schedule of Taxable Items and Tax Amounts for Vehicle and Vessel Tax, and these amounts must comply with the following principles:

- For passenger vehicles, the tax amounts must increase proportionately as displacement volume increases, from small to large
- For buses, the tax amounts must increase depending on whether the approved passenger number is greater than 20 or less than or equal to 20

The specific tax amounts are reported to the State Council for the record.

Schedule of Taxable Items and Tax Amounts for Vehicle and Vessel Tax

Item		Unit	Annual reference tax (RMB)	Remarks
Passenger vehicle classified by engine cylinder capacity (exhaust volume in litre)	≤ 1.0	Per vehicle	60 – 360	Rated capacity ≤ 9
	> 1.0 and ≤ 1.6		360 – 540	
	> 1.6 and ≤ 2.0		540 – 660	
	> 2.0 and ≤ 2.5		660 – 1,200	
	> 2.5 and ≤ 3.0		1,200 – 2,400	
	> 3.0 and ≤ 4.0		2,400 – 3,600	
	> 4.0		3,600 – 5,400	
Commercial vehicle	For passengers	Per unit	480 – 1,440	Rated capacity > 9 people, trolley included
	For cargos	Kerb weight per tonne	16 – 120	Including semi-trailer towing vehicle, three-wheeled vehicles and low-speed trucks, etc
Trailer		Kerb weight per tonne	Calculated based on 50% of truck tax	
Other vehicle	Special-purpose vehicle	Kerb weight per tonne	16 – 120	Excluding tractors
	Wheeled special-purpose mechanical vehicle		16 – 120	
Motorcycle		Per unit	36 – 180	
Vessel	Motor vessel	Net tonnage	3 – 6	Trailers and dumb barges are calculated based on 50% of motor vehicle tax
	Yacht	Body length (m)	600 – 2,000	

Notes:

- Passenger vehicle: a vehicle that is mainly used for carrying passengers and baggage, this being clear from its design and technical features; the approved number of passengers including the driver must be not more than nine persons
- Commercial vehicle: a vehicle, excluding passenger vehicles, that is used for carrying passengers and cargo, this being clear from its design and technical features; these vehicles are classified as passenger cars and trucks
- Semi-trailer towing vehicle: a commercial vehicle equipped with a special device for towing semi-trailers
- Three-wheeled vehicle: a truck with maximum designed speed not exceeding 50km/h and which has three wheels
- Low-speed truck: a diesel-powered vehicle the maximum designed speed of which does not exceed 70km/h and which has four wheels
- Trailer: a kind of non-powered road vehicle which requires to be towed by a car or tractor for normal use
- Special-purpose vehicle: a vehicle that is used for special work, this being clear from its design and technical features
- Wheeled special-purpose mechanical vehicle: a wheeled engineering machinery vehicle with a special structure and specialised functions, equipped with rubber wheels; it may be self-propelling and its maximum designed speed must be greater than 20km/h
- Motorcycles: a two- or three-wheeled vehicle, regardless of the type of power used, or whether or not the vehicle has an internal combustion engine, it must have a maximum designed speed greater than 50km/h and a displacement volume greater than 50ml

Vehicle and vessel tax must be declared and paid once per year.

For a vehicle purchased new, the taxable amount for the year the vehicle was purchased is calculated from the month that tax liability began on a monthly basis. The taxable amount is the annual taxable amount divided by 12 then multiplied by the number of taxable months.

Exemptions from vehicle and vessel tax

The following shall be exempted from vehicle and vessel tax:

- Vehicles belonging to the army and armed police
- Police vehicles
- Vehicles/vessels belonging to foreign embassies/consulates in China, offices in China of international organisations, or their personnel, which are exempted from tax in accordance with the relevant local laws or the international treaties concluded or joined by China

2.2.2 Incentive for energy-efficient and new-energy vehicles

Energy-efficient vehicles (EEVs) benefit from a 50% reduction on the vehicle and vessel tax, and NEVs are exempt from vehicle and vessel tax.

2.2.2.1 Criteria for EEVs

Criteria for energy-efficient passenger cars

EEVs are petrol- and diesel-powered passenger cars (including non-plug-in hybrid electric passenger cars, bi-fuel and dual-fuel passenger cars) that are authorised to be sold within the territory of China, having an engine capacity of or below 1.6l.

The combined fuel consumption must comply with the requirements set out in the table below:

Complete vehicle kerb mass (CM) (kg)	2018		2019		2020	
	Fuel consumption (l/100km) (vehicles having ≤ 2 rows of seats)	Fuel consumption (l/100km) (vehicles having ≥ 3 rows of seats)	Fuel consumption (l/100km) (vehicles having ≤ 2 rows of seats)	Fuel consumption (l/100km) (vehicles having ≥ 3 rows of seats)	Fuel consumption (l/100km) (vehicles having ≤ 2 rows of seats)	Fuel consumption (l/100km) (vehicles having ≥ 3 rows of seats)
CM ≤ 750	4.4	4.7	4.2	4.6	4.0	4.3
750 < CM ≤ 865	4.6	4.8	4.5	4.7	4.2	4.4
865 < CM ≤ 980	4.7	5.0	4.6	4.8	4.3	4.5
980 < CM ≤ 1,090	5.0	5.2	4.8	5.0	4.5	4.7
1,090 < CM ≤ 1,205	5.2	5.4	5.0	5.2	4.7	4.9
CM > 1,205	5.4	5.4	5.2	5.2	4.9	4.9

Criteria for energy-efficient commercial vehicles

EEVs are natural gas-, petrol- and diesel-powered light and heavy-duty commercial vehicles (including non-plug-in hybrid electric, bi-fuel and dual-fuel light and heavy-duty commercial vehicles) that are authorised to be sold within the territory of China.

The combined fuel consumption of petrol- and diesel-powered light and heavy-duty commercial vehicles must comply with the requirements set out in the table below:

Criteria for limits on the combined fuel consumption of energy-efficient light-duty commercial vehicle

Vehicle of Category N1 unit: l/100km

Complete vehicle kerb mass (CM) (kg)	2018		2019		2020	
	Petrol	Diesel	Petrol	Diesel	Petrol	Diesel
CM ≤ 750	5.0	4.5	4.7	4.3	4.5	4.1
750 < CM ≤ 865	5.2	4.7	5.0	4.4	4.7	4.2
865 < CM ≤ 980	5.5	5.0	5.2	4.7	5.0	4.5
980 < CM ≤ 1,090	5.8	5.2	5.5	5.0	5.2	4.7
1,090 < CM ≤ 1,205	6.0	5.5	5.7	5.2	5.4	5.0
1,205 < CM ≤ 1,320	6.4	5.8	6.1	5.5	5.8	5.2
1,320 < CM ≤ 1,430	6.8	6.0	6.4	5.7	6.1	5.4
1,430 < CM ≤ 1,540	7.1	6.3	6.8	6.0	6.4	5.7
1,540 < CM ≤ 1,660	7.5	6.6	7.1	6.2	6.7	5.9
1,660 < CM ≤ 1,770	7.8	6.8	7.4	6.5	7.1	6.2
1,770 < CM ≤ 1,880	8.2	7.1	7.8	6.8	7.4	6.4
1,880 < CM ≤ 2,000	8.6	7.5	8.2	7.1	7.8	6.7
2,000 < CM ≤ 2,110	9.1	7.8	8.6	7.4	8.2	7.1
2,110 < CM ≤ 2,280	9.5	8.2	9.1	7.8	8.6	7.4
2,280 < CM ≤ 2,510	10.0	8.6	9.5	8.1	9.0	7.7
CM > 2,510	10.5	9.0	10.0	8.6	9.5	8.1

M2 vehicle with maximum total design mass less than 3,500kg unit: l/100km

Complete vehicle kerb mass (CM) (kg)	2018		2019		2020	
	Petrol	Diesel	Petrol	Diesel	Petrol	Diesel
CM ≤ 750	4.5	4.2	4.3	4.0	4.1	3.8
750 < CM ≤ 865	4.9	4.5	4.6	4.3	4.4	4.1
865 < CM ≤ 980	5.2	4.8	5.0	4.5	4.7	4.3
980 < CM ≤ 1,090	5.6	5.0	5.3	4.8	5.0	4.5
1,090 < CM ≤ 1,205	5.9	5.3	5.6	5.0	5.4	4.8
1,205 < CM ≤ 1,320	6.3	5.6	6.0	5.3	5.7	5.0
1,320 < CM ≤ 1,430	6.7	5.9	6.3	5.6	6.0	5.3
1,430 < CM ≤ 1,540	7.0	6.1	6.7	5.8	6.3	5.5
1,540 < CM ≤ 1,660	7.4	6.4	7.0	6.1	6.7	5.8

1,660 < CM ≤ 1,770	7.7	6.7	7.4	6.3	7.0	6.0
1,770 < CM ≤ 1,880	8.1	6.9	7.7	6.6	7.3	6.3
1,880 < CM ≤ 2,000	8.6	7.2	8.1	6.8	7.7	6.5
2,000 < CM ≤ 2,110	9.0	7.6	8.6	7.2	8.1	6.8
2,110 < CM ≤ 2,280	9.5	7.9	9.0	7.5	8.5	7.1
2,280 < CM ≤ 2,510	9.9	8.3	9.4	7.9	8.9	7.5
CM > 2,510	10.4	8.6	9.8	8.2	9.3	7.8

Criteria for limits on the combined fuel consumption of energy-efficient goods vehicles unit: l/100km

Gross vehicle weight (GVW) (kg)	2018	2019	2020
3,500 < GVW ≤ 4,500	11.5 ^a	10.9 ^a	10.4 ^a
4,500 < GVW ≤ 5,500	12.2 ^a	11.6 ^a	11.0 ^a
5,500 < GVW ≤ 7,000	13.8 ^a	13.1 ^a	12.5 ^a
7,000 < GVW ≤ 8,500	16.3 ^a	15.5 ^a	14.7 ^a
8,500 < GVW ≤ 10,500	18.3 ^a	17.4 ^a	16.5 ^a
10,500 < GVW ≤ 12,500	21.3 ^a	20.2 ^a	19.2 ^a
12,500 < GVW ≤ 16,000	24.0	22.8	21.7
16,000 < GVW ≤ 20,000	27.0	25.7	24.4
20,000 < GVW ≤ 25,000	32.5	30.9	29.3
25,000 < GVW ≤ 31,000	37.5	35.6	33.8
GVW > 31,000	38.5	36.6	34.7

(a) For petrol vehicles, the limits are determined as follows: multiply the corresponding limits in the table by 1.2 and round to the nearest decimal place.

Criteria for limits on the combined fuel consumption of energy-efficient semi-trailer towing vehicles unit: l/100km

Gross combination vehicle weight (GCW) (kg)	2018	2019	2020
GCW ≤ 18,000	28.0	26.6	25.3
18,000 < GCW ≤ 27,000	30.5	29.0	27.5
27,000 < GCW ≤ 35,000	32.0	30.4	28.9
35,000 < GCW ≤ 40,000	34.0	32.3	30.7
40,000 < GCW ≤ 43,000	35.5	33.7	32.0
43,000 < GCW ≤ 46,000	38.0	36.1	34.3
46,000 < GCW ≤ 49,000	40.0	38.0	36.1
GCW > 49,000	40.5	38.5	36.6

Criteria for limits on the combined fuel consumption of energy-efficient buses unit: l/100km

GVW (kg)	2018	2019	2020
3,500 < GVW ≤ 4,500	10.6 ^a	10.1 ^a	9.6 ^a
4,500 < GVW ≤ 5,500	11.5 ^a	10.9 ^a	10.4 ^a
5,500 < GVW ≤ 7,000	13.3 ^a	12.6 ^a	12.0 ^a
7,000 < GVW ≤ 8,500	14.5	13.8	13.1
8,500 < GVW ≤ 10,500	16.0	15.2	14.4
10,500 < GVW ≤ 12,500	17.7	16.8	16.0
12,500 < GVW ≤ 14,500	19.1	18.1	17.2
14,500 < GVW ≤ 16,500	20.1	19.1	18.1
16,500 < GVW ≤ 18,000	21.3	20.2	19.2
18,000 < GVW ≤ 22,000	22.3	21.2	20.1
22,000 < GVW ≤ 25,000	24.0	22.8	21.7
GVW > 25,000	25.0	23.8	22.6

(a) For petrol vehicles, the limits are determined as follows: multiply the corresponding limits in the table by 1.2 and round to the nearest decimal place.

Criteria for limits on the combined fuel consumption of energy-efficient tipper trucks unit: l/100km

GVW (kg)	2018	2019	2020
3,500 < GVW ≤ 4,500	13.0	12.4	11.7
4,500 < GVW ≤ 5,500	13.5	12.8	12.2
5,500 < GVW ≤ 7,000	15.0	14.3	13.5
7,000 < GVW ≤ 8,500	17.5	16.6	15.8
8,500 < GVW ≤ 10,500	19.5	18.5	17.6
10,500 < GVW ≤ 12,500	22.0	20.9	19.9
12,500 < GVW ≤ 16,000	25.0	23.8	22.6
16,000 < GVW ≤ 20,000	29.5	28.0	26.6
20,000 < GVW ≤ 25,000	37.5	35.6	33.8
25,000 < GVW ≤ 31,000	41.0	39.0	37.0
GVW > 31,000	41.5	39.4	37.5

Criteria for limits on the combined fuel consumption of energy-efficient city buses unit: l/100km

GVW (kg)	2018	2019	2020
3,500 < GVW ≤ 4,500	11.5	10.9	10.4
4,500 < GVW ≤ 5,500	13.0	12.4	11.7
5,500 < GVW ≤ 7,000	14.7	14.0	13.3
7,000 < GVW ≤ 8,500	16.7	15.9	15.1
8,500 < GVW ≤ 10,500	19.4	18.4	17.5
10,500 < GVW ≤ 12,500	22.3	21.2	20.1
12,500 < GVW ≤ 14,500	25.5	24.2	23.0
14,500 < GVW ≤ 16,500	28.0	26.6	25.3
16,500 < GVW ≤ 18,000	31.0	29.5	28.0
18,000 < GVW ≤ 22,000	34.5	32.8	31.1
22,000 < GVW ≤ 25,000	38.5	36.6	34.7
GVW > 25,000	41.5	39.4	37.5

2.2.2.2 Criteria for NEVs

The NEVs exempted from vehicle and vessel tax are battery electric commercial vehicles and plug-in (including range-extended) hybrid and fuel-cell commercial vehicles. Battery electric passenger cars and fuel-cell passenger cars fall outside the levying scope of vehicle and vessel tax.

- NEVs exempted from vehicle and vessel tax must be battery electric commercial vehicles and plug-in (including range-extended) hybrid and fuel-cell commercial vehicles that are authorised to be sold within the territory of China.
- Battery electric range must satisfy the criteria set out in the table below:

Criteria for battery electric range of NEVs (km)

Classification	Passenger car	Bus	Goods vehicle	Special-purpose vehicle	Test methods
BEV		≥ 200	≥ 80	≥ 80	M1 and N1 to adopt the driving mode method; others to adopt the constant speed method (40km/h) for the time being
PHEV (incl. range-extended)	≥ 50 (driving mode method)	≥ 50	≥ 50	≥ 50	M1 and N1 to adopt the driving mode method or the constant speed method (60km/h); others to adopt the constant speed method (40km/h) for the time being
	≥ 70 (constant speed method)				
FCEV		≥ 300	≥ 300	≥ 300	M1 and N1 to adopt the driving mode method; others to adopt the constant speed method (40km/h) for the time being

Notes: Battery electric fast-charge buses using ultra-capacitors, lithium, titanate, etc. are exempted from the battery electric range requirements.

Category M1 refers to passenger vehicles having no more than nine seats (including the driver's seat). Category N1 refers to goods vehicles having a GVW not exceeding 3,500kg.

Technical criteria for new energy passenger vehicles

Battery electric passenger cars and fuel cell electric passenger cars are not within the scope of the vehicle and vessel tax. Plug-in hybrid electric vehicles (including extended-range) which are exempted from this tax shall meet the following requirements:

For plug-in hybrid electric vehicles (including extended-range) with driving range under electric working condition less than 80km, fuel consumption (not including fuel consumption converted from electric energy) of B status should be less than 70% of the corresponding limit of regular fuel consumption in national standard. For plug-in hybrid electric vehicles (including extended-range) with driving range under electric working condition more than or equal to 80km, according to different mass kerb (m), power consumption per 100km of A status (Y) should meet below requirements:

- if $m \leq 1000\text{kg}$, $Y \leq 0.014 \times m + 0.5$
- if $1000\text{kg} < m \leq 1600\text{kg}$, $Y \leq 0.012 \times m + 2.5$
- if $m > 1600\text{kg}$, $Y \leq 0.005 \times m + 13.7$

Technical criteria for new energy bus

New energy buses exempted from vehicle and vessel taxes should meet the following requirements as well:

- a) Energy consumption per unit load mass (Ekg) is not more than 0.24Wh/km·kg
- b) Mass energy density of battery system for non-fast charging battery electric buses is more than 95Wh/kg, fast charging rate of fast charging battery electric bus should be higher than that required in 3C, rate of oil saving for plug-in hybrid electric vehicles (including extended-range) is more than 40%

Technical criteria for new energy trucks and special vehicles

New energy trucks and special vehicles exempted from vehicle and vessel taxes should meet the following requirements as well:

- a) Mass energy density of battery system loaded is not less than 95Wh/kg
- b) Energy consumption per unit load mass (Ekg) of battery electric trucks and special vehicles with transportation purposes is not more than 0.49Wh/km·kg, power consumption per 100km of other types special battery electric vehicles (as per test mass) does not exceed 10kWh

Technical criteria for fuel cell commercial vehicles

Fuel cell vehicles exempted from vehicle and vessel tax shall meet the following requirements:

- a) The rated power of the fuel cell system is not less than 30% of the rated power of the driving motor
- b) The rated power of fuel cell system for the commercial vehicle is not less than 30kW

2.2.3 Periodic safety and technical inspection fee for motor vehicles**Charging criterion for the periodic safety and technical inspection fee for motor vehicles**

The charging criterion is determined by the relevant provincial price authority in conjunction with the fiscal authority.

The upper limits specified by the state are as follows:

- not exceeding RMB 100 per vehicle for motor vehicles
- not exceeding RMB 60 per vehicle for three-wheeled vehicles, low-speed goods vehicles, motorcycles and tractors

When the test agency undertaking the safety and technical inspection has no test equipment and conducts the inspection artificially, the fee is reduced by half. When a motor vehicle fails the inspection, the test agency may not charge any fee for the re-inspection.

Safety and technical inspection cycle for motor vehicles

- a) Commercial vehicles for passenger transport are to be inspected once per year for the initial five years after first registration; thereafter, they are to be inspected once every six months.
- b) Goods carrying vehicles, as well as non-commercial large and medium-sized vehicles for passenger transport, are to be inspected once per year for the initial 10 years after first registration; thereafter, they are to be inspected once every six months.

- c) From 1 September 2014, non-commercial small and mini vehicles for passenger transport are exempt from safety inspection for the initial six years after first registration, provided that the vehicle is not involved in any casualty-causing traffic accident; when such vehicles are between 7 and 15 years old, they are to be inspected once per year; thereafter, they are to be inspected once every six months.

2.2.4 Periodic emission testing fee for motor vehicles

The relevant regional competent authority works out the billing criteria for periodic emission testing for motor vehicles, based on the testing methods and vehicle category.

2.2.5 Annual fee for inspection of the composite performance of commercial vehicles

Road transport vehicles must undergo an annual examination and inspection as set out in the 'Composite performance requirements and detecting methods for road transport vehicles' standard.

The annual fee for inspection of the composite performance of commercial vehicles is determined by the relevant regional competent authority for transportation.

2.3 TAX ON MOTORING

2.3.1 Consumption tax on refined oil products

From 13 January 2015, consumption tax on refined oil products was increased as follows:

Petrol – RMB 1.52/l

Diesel – RMB 1.20/l

2.3.2 Motor vehicle traffic accidents liability compulsory insurance (TALCI)

Scope

The owner/custodian of any motor vehicle operating on the roads within the territory of the People's Republic of China must, as set out in the provisions of the Law of the People's Republic of China on Road Traffic Safety, take out a policy of mandatory liability insurance for traffic accidents of motor vehicles.

The policy holder must not terminate the contract for the TALCI of the motor vehicle except where the motor vehicle covered is lost or deregistered, or where discontinued travel has already been applied for.

Calculation of insurance premium

Actual premium of TALCI = base premium of TALCI × (1 + variable ratio A linked to road traffic accidents)

Base premium of TALCI

Calculation of base premium for a one-year policy

For a one-year policy for TALCI of a motor vehicle, the base premium is determined based on the corresponding amount shown in the 'Schedule of base premium rates for TALCI of motor vehicles' below.

Schedule of base premium rates for TALCI of motor vehicles (2008 version)

Vehicle category	No	Vehicle type	Premium (RMB)
I. Household vehicles	1	< 6 seats	950.00
	2	≥ 6 seats	1,100.00
II. Non-commercial passenger-carrying vehicles	3	Owned by enterprise, < 6 seats	1,000.00
	4	Owned by enterprise, 6 – 10 seats	1,130.00
	5	Owned by enterprise, 10 – 20 seats	1,220.00
	6	Owned by enterprise, > 20 seats	1,270.00
	7	Owned by institution, < 6 seats	950.00
	8	Owned by institution, 6 – 10 seats	1,070.00
	9	Owned by institution, 10 – 20 seats	1,140.00
	10	Owned by institution, > 20 seats	1,320.00
III. Commercial passenger-carrying vehicles	11	Taxi/rental vehicle, < 6 seats	1,800.00
	12	Taxi/rental vehicle, 6 – 10 seats	2,360.00
	13	Taxi/rental vehicle, 10 – 20 seats	2,400.00
	14	Taxi/rental vehicle, 20 – 36 seats	2,560.00
	15	Taxi/rental vehicle, > 36 seats	3,530.00
	16	City bus, 6 – 10 seats	2,250.00
	17	City bus, 10 – 20 seats	2,520.00
	18	City bus, 20 – 36 seats	3,020.00
	19	City bus, > 36 seats	3,140.00
	20	Highway passenger transportation, 6 – 10 seats	2,350.00
	21	Highway passenger transportation, 10 – 20 seats	2,620.00
	22	Highway passenger transportation, 20 – 36 seats	3,420.00
	23	Highway passenger transportation, > 36 seats	4,690.00
IV. Non-commercial goods-carrying vehicles	24	< 2t	1,200.00
	25	2 – 5t	1,470.00
	26	5 – 10t	1,650.00
	27	> 10t	2,220.00
V. Commercial goods-carrying vehicles	28	< 2t	1,850.00
	29	2 – 5t	3,070.00
	30	5 – 10t	3,450.00
	31	> 10t	4,480.00
VI. Special-purpose vehicles	32	Type 1	3,710.00
	33	Type 2	2,430.00
	34	Type 3	1,080.00
	35	Type 4	3,980.00
VII. Motorcycles	36	< 50 cc	80.00
	37	50 – 250cc	120.00
	38	> 250cc and three-wheeled motorcycles with sidecar	400.00
VIII. Tractors	39	Concurrent use as tractor, ≤ 14.7kW	Regionally differentiated premium tariffs executed as per the document Bao Jian Chan Xian No [2007] 53
	40	Concurrent use as tractor, > 14.7kW	
	41	Transportation tractor, ≤ 14.7kW	
	42	Transportation tractor, > 14.7kW	

Notes:

- Type 1 special-purpose vehicles: oil tankers, gas tankers and liquid tankers
- Type 2 special-purpose vehicles: specific water-purification vehicles; tankers except Type 1 tankers; and various special-purpose motor vehicles intended for wreck removal, sweeping, cleaning, hoisting, loading, lifting, agitating, excavation, earth moving, refrigeration, thermal insulation, etc

- Type 3 special-purpose vehicles: various special-purpose motor vehicles fitted with permanent, dedicated instrumentation intended for specialised monitoring, fire-fighting, cash transport, medical treatment, TV relay, etc
- Type 4 special-purpose vehicles: container tractors. Based on the nature of use, the rate for a trailer is to be calculated at 30% of that for a goods vehicle having the same tonnage

For low-speed goods vehicles, the premium rate for transportation tractors (> 14.7kW) applies.

Calculation of short-term base premium

If the effective period of the TALCI policy for a motor vehicle is less than one year, the premium is to be calculated using the short-term premium tariff coefficient (any timespan less than one month is to be regarded as one month). The calculation is done as follows: first, determine the base premium based on the 'Schedule of base premium rates of TALCI of motor vehicles' above; then select from the table below the short-term monthly premium tariff coefficient based on the duration to be covered; finally, multiply the two figures to obtain the short-term base premium.

Schedule of short-term monthly premium tariff coefficients

Policy duration (months)	1	2	3	4	5	6	7	8	9	10	11	12
Short-term monthly premium tariff coefficient (%)	10	20	30	40	50	60	70	80	85	90	95	100

Short-term base premium = annual base premium × short-term monthly premium tariff coefficient

Factors affecting the floating premium tariff for TALCI and the ratio A

The factors affecting floating premium tariff for TALCI and the ratio A are as follows:

Factors affecting floating premium tariff			Floating ratio A (%)
Floating tariff linked with road traffic accidents	A1	No occurrence of liable road traffic accident during the preceding year	-10
	A2	No occurrence of liable road traffic accident during the preceding two years	-20
	A3	No occurrence of liable road traffic accident during the preceding three or more years	-30
	A4	One occurrence of liable road traffic accident during the preceding year, involving no death	0
	A5	Two or more occurrences of liable road traffic accident during the preceding year	10
	A6	Occurrence of liable road traffic accident during the preceding year involving a death	30

2.3.3 Highway toll

In China, highway toll rates are calculated taking into account primary factors such as vehicle type, vehicle weight, mileage actually travelled on tollable highways, provincial base rate, highway grade, etc.

Highway toll criteria are determined by the relevant provincial people's government.

3 INCENTIVES FOR ENERGY-EFFICIENT AND NEW-ENERGY VEHICLES

3.1 NATIONAL NEV PROMOTION AND INCENTIVE PROGRAMME 2019

Consumers purchasing NEVs, namely BEVs, PHEVs and FCEVs included in the catalogues of recommended models of NEVs under the promotion and incentive project, benefit from central government subsidies.

The NEV subsidy programme is updated roughly annually.

On 26 March 2019, China updated the national NEV promotion subsidy programme, with a transition period from 26 March 2019 to 25 June 2019. Details are described below.

3.2 NEW ENERGY VEHICLE PROMOTION SUBSIDY CRITERIA AND TECHNICAL REQUIREMENTS

3.2.1 New energy passenger car subsidy criteria and technical requirements

New energy passenger car subsidy criteria and technical requirements are set a below (RMB 10,000/vehicle):

Vehicle type	Battery Electric Range (driving mode, km)		
	250≤RMB<400	RMB≥400	RMB≥50
Battery electric passenger car	1.8	2.5	/
Plug-in hybrid electric passenger car (including extended-range type)	/		1

1. Single vehicle subsidy amount for battery electric passenger car = Min {mileage subsidy criterion, electric quantity carried by vehicle × RMB550} × battery system energy density adjustment factor × vehicle energy consumption adjustment factor.

2. For new energy passenger cars which are not purchased by private person or are used for commercial operation, 70% of corresponding subsidy amount will be granted.

Technical requirements for new energy passenger cars are:

- a) 30 minutes maximum vehicle speed of battery electric passenger car shall be no lower than 100km/h.
- b) The driving mode range of battery electric passenger car shall be no lower than 250km. The driving mode range of plug-in hybrid electric passenger car (including extended-range type) shall be no lower than 50km.
- c) The mass energy density of traction battery system of battery electric passenger car shall be no lower than 125Wh/kg:
 - 80% of subsidy will be granted to vehicle types of which the mass energy density is between 125Wh/kg (including 125Wh/kg) and 140Wh/kg;
 - 90% of subsidy will be granted to vehicle types of which the mass energy density is between 140Wh/kg (including 140Wh/kg) and 160Wh/kg;
 - 100% of subsidy shall be granted to vehicle types of which the mass energy density is more than or equivalent to 160Wh/kg.
- d) Set adjustment factor in accordance with the energy consumption level of battery electric passenger

car:

- grant 80% of subsidy to battery electric passenger car vehicle models of which complete vehicle energy consumption is 10% (including) to 20% higher than the threshold specified in the Notice on Adjustment and Optimisation of Financial Subsidy Policy for Popularisation and Application of New Energy Vehicles (Cai-Jian [2018] No 18);
 - grant 100% of subsidy to battery electric passenger car vehicle models of which complete vehicle energy consumption is 20% (including) to 35% higher than the threshold;
 - grant 110% of subsidy to battery electric passenger car vehicle models of which complete vehicle energy consumption is 35% (including) and higher than the threshold.
- e) For plug-in hybrid electric passenger car of battery electric range less than 80km under driving mode conditions, the fuel consumption under condition B (excluding fuel consumption converted from electric power) is less than 60% of corresponding limit in prevailing national standard on conventional fuel consumption, 50% of subsidy will be granted to vehicle types of which the ratio is between 55% (including) and 60%, and 100% of subsidy shall be granted to vehicle types of which the ratio is less than 55%. For plug-in hybrid electric passenger car of battery electric range more than or equivalent to 80km under driving mode conditions, the power consumption per 100km under condition A shall meet requirements on 2019 threshold for battery electric passenger cars.

3.2.2 New energy bus subsidy criteria and technical requirements

Subsidy criteria for new energy buses are as follows:

Vehicle type	Subsidy criterion of central finance (RMB/kWh)	Adjustment factor of subsidy of central finance			Upper limit of central finance subsidy per unit of vehicle (RMB10,000)		
					6<L≤8m	8<L≤10m	L>10m
Battery electric bus other than quick charging type	500	Energy consumption per unit of payload (Wh/km·kg)			2.5	5.5	9
		0.17-0.19 (incl.)	0.15-0.17 (incl.)	≥ 0.15			
		0.8	0.9	1			
Quick charging type of battery electric bus	900	Fast charging rate (C-rates)			2	4	6.5
		3-5 (incl.)	5-15 (incl.)	< 15			
		0.8	0.9	1			
Plug-in hybrid electric bus (including extended-range type)	600	Fuel saving performance (%)			1	2	3.8
		60-65 (incl.)	65-70 (incl.)	< 70			
		0.8	0.9	1			

Single vehicle subsidy amount = Min {electric quantity carried by vehicle × subsidy criterion per unit of electric quantity; upper limit of per unit of vehicle} × adjustment factor. (Including: energy consumption factor per unit of payload, quick charging rate factor and fuel saving rate factor)

Technical requirements of new energy buses are set below:

- a) Energy consumption per unit of payload (Ekg) of battery electric bus other than quick charging type shall be not more than 0.19Wh/km·kg, energy density of battery system shall be not more than 135Wh/kg, range shall be no less than 200km (constant speed method). Additional mass required by

calculation of Ekg value shall be in compliance with the Notice on Financial Aiding Policies for Popularisation and Application of New Energy Vehicles between 2016 and 2020 (Cai-Jian [2015] No 134) and energy consumption rate shall be tested as per Electric vehicles – Energy consumption and range – Test procedures (GB/T 18386) (New energy goods vehicles are also calculated on this basis).

- b) Quick charging rate of quick charging type of battery electric bus shall be more than 3C.
- c) Fuel saving rate level of plug-in hybrid electric bus (including extended-range type) shall be more than 60%. For plug-in hybrid electric bus fuelled with petrol, perform conversion as per certain proportion by taking fuel/battery hybrid electric bus as reference. The battery electric range of plug-in hybrid electric bus (including extended-range type) shall be no less than 50km (constant speed method).
- d) Elimination of the threshold requirement that the total mass of the battery system of new energy bus shall not exceed 20% of the kerb mass of the complete vehicle (m/m).

3.2.3 New energy truck and special purpose vehicle subsidy criteria and technical requirements

Subsidy criteria for new energy goods vehicles. The details are as follows:

Vehicle type	Subsidy criterion of central finance (RMB/kWh)	Upper limit of central finance subsidy per unit of vehicle (RMB10,000)		
		Category N1	Category N2	Category N3
Battery electric goods vehicle	350	2	5.5	
Plug-in hybrid electric goods vehicle (including extended-range type)	500	-	-	3.5
According to GB/T 15089-2001, category N1 means goods vehicle with design gross vehicle mass not exceeding 3,500kg; category N2 means goods vehicle with design gross vehicle mass exceeding 3,500kg, but not exceeding 12,000kg; category N3 means goods vehicle with design gross vehicle mass exceeding 12,000kg.				

Technical requirements for new energy goods vehicles:

- a) The energy density of loaded traction battery system of battery electric goods vehicle shall be no less than 125Wh/kg.
- b) Energy consumption per unit of payload (Ekg) of battery electric goods vehicle shall not be more than 0.30Wh/km.kg. Electric power consumption (according to test mass) per tonne/100km should not exceed 8kWh for operational type of special battery electric vehicle.
- c) The fuel consumption (excluding fuel consumption converted from electric power) of plug-in hybrid electric goods vehicle (including extended-range type) is less than 60% of corresponding limit in prevailing national standard on conventional fuel consumption.
- d) The range of battery electric goods vehicle shall be no less than 80km. The range of plug-in hybrid electric goods vehicle (including extended-range type) shall be no less than 50km.



CHAPTER

35

ACEA TAX GUIDE 2019

India

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1 AUTOMOBILE TAX

The Government of India moved away from the Excise Duty regime and introduced the Goods and Services Tax (GST) from 1 July 2017 as indicated below:

Vehicle category	GST Rate (%)
Passenger vehicles (petrol, diesel, CNG, electric hybrid)	28
Commercial vehicles	
Three-wheelers	
Two-wheelers	
Electric vehicles	12

Over and above, a State GST Compensation Cess¹ was announced for a few vehicle categories to compensate the state for any loss in revenue to the states due to the introduction of GST:

Vehicle category	Cess (%)	Total applied rate (%)
Small passenger vehicles (petrol, CNG, LPG) < 4m in length and < 1,200cc engine	1	29
Small passenger vehicles (diesel) < 4m in length and < 1,500cc engine	3	31
Mid-size passenger vehicles (> 4m in length with < 1,501 cc engine)	17	45
Large passenger vehicles (> 4m in length with > 1,500cc engine)	20	48
UVs/SUVs (> 4m in length with > 1,500cc engine & >169mm ground clearance)	22	50
> 350cc two-wheelers	3	31
10 – 13-seater public transport vehicles	15	43

All the other duties like state VAT, Central Sales Tax (CST), R&D Cess, National Calamity Contingency Duty, etc have all been subsumed in GST and are no longer levied separately.

Motor Vehicle Tax/Road Tax rates are still applicable and vary according to the states. Detailed rates for different types of vehicles in different states are given in the annex below.

¹ Tax

STATE-WISE RATES OF MOTOR VEHICLE TAX

ABBREVIATIONS

AC	Air Conditioning
Addl	Additional
CC	Chassis Cost
GVW	Gross Vehicle Weight
HGV	Heavy Good Vehicle
Lakh	Unit in the Indian numbering system equal to one hundred thousand
LGV	Light Good Vehicle
LTT	Life Time Tax
LW	Laden Weight
MGV	Medium Good Vehicle
MT	Metric Tonne
OTT	One Time Tax
PA	Per Annum
PM	Per Month
PQ	Per Quarter
PP	Per Passenger
PPT	Permit Period Tax
PS	Per Seat
RLW	Registered Laden Weight
Rs	Indian Rupee
RT	Road Tax
SRT	Special Road Tax
ULW	Unladen Weight
VC	Vehicle Cost
VV	Vehicle Value

State/Union Territories	Buses	Trucks/Goods vehicles, Trailers and Tractors	Two wheelers	Cars/Jeeps	Taxi/Cabs	Auto rickshaws/ Three wheelers																														
Andhra Pradesh (March 2012)	<p>Stage Carriage <u>APSRTC</u></p> <ul style="list-style-type: none"> - Urban services: 5% on Gross Traffic Earnings - Mofussil services: 7% of Gross Traffic Earnings <p>Private Urban Service:</p> <ul style="list-style-type: none"> - Ordinary services: ₹330 to ₹660 (on daily mileage) - Express services: ₹822 <p>Mofussil services:</p> <ul style="list-style-type: none"> - Ordinary services: ₹441 to ₹948 (on daily mileage) - Express services: ₹1,092 to ₹3,500 	<p>Trucks Basis: LW</p> <table border="1"> <thead> <tr> <th>LW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 300</td> <td>404</td> </tr> <tr> <td>12,000 – 15,000</td> <td>2,967</td> </tr> <tr> <td>>15,000</td> <td>2,967 + 66 every 250kg in excess</td> </tr> </tbody> </table> <p>Trailers:</p> <table border="1"> <thead> <tr> <th>LW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 762</td> <td>230</td> </tr> <tr> <td>3,048 – 4,000</td> <td>690</td> </tr> <tr> <td>>4,000</td> <td>345 + 40 every 250kg PQ</td> </tr> </tbody> </table> <p>Tractors:</p> <table border="1"> <thead> <tr> <th>LW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 762</td> <td>230</td> </tr> <tr> <td>3,048 – 4,000</td> <td>690</td> </tr> <tr> <td>>4,000</td> <td>690 + 80 every 250kg in excess</td> </tr> </tbody> </table>	LW (kg)	Tax (₹)	Up to 300	404	12,000 – 15,000	2,967	>15,000	2,967 + 66 every 250kg in excess	LW (kg)	Tax (₹)	Up to 762	230	3,048 – 4,000	690	>4,000	345 + 40 every 250kg PQ	LW (kg)	Tax (₹)	Up to 762	230	3,048 – 4,000	690	>4,000	690 + 80 every 250kg in excess	<p>OTT:</p> <ul style="list-style-type: none"> - 9% of VC; - 12% in case of 2nd vehicle. 	<p>OTT:</p> <ul style="list-style-type: none"> - 9% of VC; - 12% in case of 2nd vehicle. 	<p>OTT</p> <table border="1"> <thead> <tr> <th>VC (₹)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td><10lakh</td> <td>12</td> </tr> <tr> <td>>10lakh</td> <td>14</td> </tr> </tbody> </table>	VC (₹)	Tax (% of VC)	<10lakh	12	>10lakh	14	<p>Auto (4 seater): ₹110 per vehicle PQ</p> <p>Auto (6 seater): ₹200 PS PQ</p>
LW (kg)	Tax (₹)																																			
Up to 300	404																																			
12,000 – 15,000	2,967																																			
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3,048 – 4,000	690																																			
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Arunachal Pradesh (March 2006)	<p>Contract Carriage</p> <ul style="list-style-type: none"> - <u>All India Tourist Permits:</u> ₹3,675 PS PQ - <u>State Wide Permits:</u> ₹2,625 PS PQ - <u>District Wide Permits:</u> ₹1,207 PS PQ - <u>Idle Contract Carriage:</u> ₹850 PS PQ <p>OTT ₹40,000</p>	<p>Trucks: ₹2,960 PA Tractors: ₹400 PA Trailers: ₹350 PA</p>	<p>OTT: ₹400 (5 years)</p>	<p>OTT: ₹2,000 (5 years)</p>	<p>₹1,400 PA</p>	<p>OTT: ₹450 every 3 years</p>																														

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250 PQ	2-5	2,000 PA; 500 PQ	5-9	4,000 PA; 1,000 PQ	>9	6,000 PA; 1,500 PQ	<p>Basis: ULLW, OTT, LTT</p> <table border="1"> <thead> <tr> <th>ULLW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 65</td> <td>2,600</td> </tr> <tr> <td>65-90</td> <td>3,600</td> </tr> <tr> <td>90-135</td> <td>5,000</td> </tr> <tr> <td>135-165</td> <td>5,500</td> </tr> <tr> <td>>165</td> <td>6,500</td> </tr> </tbody> </table> <p>Trailer/Side Car attached: ₹1,500</p> <p>Old vehicles are required to be registered in Assam on transfer from other States.</p> <p>OTT to be fixed after allowing a depreciation as follow:</p> <table border="1"> <thead> <tr> <th>Age (years)</th> <th>Rate (%)</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>7</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td>>10</td> <td>12</td> </tr> </tbody> </table>	ULLW (kg)	Tax (₹)	Up to 65	2,600	65-90	3,600	90-135	5,000	135-165	5,500	>165	6,500	Age (years)	Rate (%)	Up to 5	7	5-10	10	>10	12	<p>Basis: VC, OTT, LTT</p> <table border="1"> <thead> <tr> <th>VC (₹ lakh)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 4</td> <td>4</td> </tr> <tr> <td>4-6</td> <td>5</td> </tr> <tr> <td>6-12</td> <td>6</td> </tr> <tr> <td>12-15</td> <td>6.5</td> </tr> <tr> <td>15-20</td> <td>7</td> </tr> <tr> <td>>20</td> <td>8</td> </tr> </tbody> </table> <p>Old vehicles are required to be registered in Assam on transfer from other States.</p> <p>Depreciation to be calculated per annum of tax payable for the same category of vehicles at current cost price:</p> <table border="1"> <thead> <tr> <th>Age (years)</th> <th>Rate (%)</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>7</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td>>10</td> <td>12</td> </tr> </tbody> </table>	VC (₹ lakh)	Tax (% of VC)	Up to 4	4	4-6	5	6-12	6	12-15	6.5	15-20	7	>20	8	Age (years)	Rate (%)	Up to 5	7	5-10	10	>10	12	<p>Basis: VC, OTT, LTT</p> <table border="1"> <thead> <tr> <th>VC (₹ lakh)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 4</td> <td>4</td> </tr> <tr> <td>4-6</td> <td>5</td> </tr> <tr> <td>6-12</td> <td>6</td> </tr> <tr> <td>12-15</td> <td>6.5</td> </tr> <tr> <td>15-20</td> <td>7</td> </tr> <tr> <td>>20</td> <td>8</td> </tr> </tbody> </table> <p>Old vehicles are required to be registered in Assam on transfer from other States.</p> <p>Depreciation to be calculated per annum of tax payable for the same category of vehicles at current cost price:</p> <table border="1"> <thead> <tr> <th>Age (years)</th> <th>Rate (%)</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>7</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td>>10</td> <td>12</td> </tr> </tbody> </table>	VC (₹ lakh)	Tax (% of VC)	Up to 4	4	4-6	5	6-12	6	12-15	6.5	15-20	7	>20	8	Age (years)	Rate (%)	Up to 5	7	5-10	10	>10	12	<p>Up to 6 persons:</p> <p>One city or region: ₹4,000 PA ₹1,000 PQ</p> <p>All India: ₹6,500 PA ₹1,650 PQ</p>	<p>Auto rickshaws/ Three wheelers</p> <p>OTT Non Transport ₹6,000</p> <p>Basis: passenger carrying capacity</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 3</td> <td>1,500 PA; 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Haryana (March 2009) ¹	<p>Stage Carriage:</p> <p>(i) Plying for hire and used for the transport of passengers: ₹550 PSPA subject to a maximum of ₹35,000.</p> <p>(ii) Plying for hire under a permit issued under the Faridabad and Gurgaon City Private Bus Service Scheme: ₹18,000 PA (for half body bus) and ₹30,000 PA (for full body bus).</p>	<p>Trucks</p> <p>Basis: GVW</p> <table border="1"> <tr> <th>GVW (MT)</th> <th>Tax PA (₹)</th> </tr> <tr> <td>Up to 1.2</td> <td>300</td> </tr> <tr> <td>1.2-6</td> <td>1,200</td> </tr> <tr> <td>6-16.2</td> <td>2,400</td> </tr> <tr> <td>16.2-25</td> <td>3,500</td> </tr> <tr> <td>>25</td> <td>4,500</td> </tr> </table>	GVW (MT)	Tax PA (₹)	Up to 1.2	300	1.2-6	1,200	6-16.2	2,400	16.2-25	3,500	>25	4,500	<p>For two-wheelers with ULW up to 90.72kg: lump-sum OTT of ₹150</p> <p>For two-wheelers with ULW exceeding 90.72 kg, rates are as follows:</p> <table border="1"> <tr> <th>VV (₹ lakh)</th> <th>Tax rate (% of VV)</th> </tr> <tr> <td>Up to 0.60</td> <td>2</td> </tr> <tr> <td>0.60-4</td> <td>4</td> </tr> <tr> <td>>4</td> <td>5</td> </tr> </table>	VV (₹ lakh)	Tax rate (% of VV)	Up to 0.60	2	0.60-4	4	>4	5	<p>Basis: value of car LTT</p> <table border="1"> <tr> <th>VV (₹ lakh)</th> <th>Tax rate (% of VV)</th> </tr> <tr> <td>Up to 5</td> <td>2</td> </tr> <tr> <td>5-10</td> <td>4</td> </tr> <tr> <td>10-20</td> <td>6</td> </tr> <tr> <td>>20</td> <td>8</td> </tr> </table>	VV (₹ lakh)	Tax rate (% of VV)	Up to 5	2	5-10	4	10-20	6	>20	8	<p>Motor-cabs:</p> <p>₹100 PSPA</p> <p>Maxi-cabs:</p> <p>₹200 PSPA</p>	<p>Auto rickshaws/ Three wheelers</p> <table border="1"> <tr> <th>No of seats</th> <th>Tax (% of sale price)</th> </tr> <tr> <td>Up to 3</td> <td>2.5</td> </tr> <tr> <td>3-6</td> <td>6</td> </tr> </table>	No of seats	Tax (% of sale price)	Up to 3	2.5	3-6	6
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¹ Two-wheelers and cars tax regulation as of January 2011

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	Buses Contract Carriage: (i) Plying under a permit issued under the Faridabad and Gurgaon City Private Bus Service Scheme (2004): ₹18,000 PA (for half body bus) and ₹30,000 PA (for full body bus). (ii) Owned by any religious institution and used by exclusively for the carriage of its personnel and devotees: ₹200 PSPA.																																																							
Himachal Pradesh (March 2011)	Contract carriage: ₹500 PSPA Contract carriage: ₹1,000 PSPA	Trucks: - LGV: ₹1,500 PA - MGV: ₹2,000 PA - HGV: ₹2,500 PA Trailers and Trailers: ₹1,500 PA	LTT for 15 years Basis: engine capacity <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 50</td> <td>3</td> </tr> <tr> <td>>50</td> <td>4</td> </tr> </tbody> </table>	Engine capacity (cc)	Tax (% of VC)	Up to 50	3	>50	4	LTT for 15 years Basis: engine capacity Cars and Jeeps: <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 1,000</td> <td>2.5</td> </tr> <tr> <td>>1,000</td> <td>3</td> </tr> </tbody> </table> Commercial pick-up jeeps: ₹1,500 PA	Engine capacity (cc)	Tax (% of VC)	Up to 1,000	2.5	>1,000	3	₹350 PSPA	Passengers: ₹200 PSPA Goods: ₹1,500 PA																																						
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Jammu & Kashmir (March 2012)	Commercial: <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>8-21</td> <td>600</td> </tr> <tr> <td>22-33</td> <td>1,000</td> </tr> <tr> <td>>33</td> <td>1,100</td> </tr> </tbody> </table> Non-commercial: <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>8-21</td> <td>600</td> </tr> <tr> <td>22-33</td> <td>750</td> </tr> <tr> <td>>33</td> <td>1,000</td> </tr> </tbody> </table>	No of seats	Tax PQ (₹)	8-21	600	22-33	1,000	>33	1,100	No of seats	Tax PQ (₹)	8-21	600	22-33	750	>33	1,000	Trucks: <table border="1"> <thead> <tr> <th>ULW (kg)</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 1,000</td> <td>400</td> </tr> <tr> <td>1,000-3,600</td> <td>900</td> </tr> <tr> <td>3,600-8,100</td> <td>1,000</td> </tr> <tr> <td>>8,100</td> <td>1,100</td> </tr> </tbody> </table> Trailers: ₹250 PQ	ULW (kg)	Tax PQ (₹)	Up to 1,000	400	1,000-3,600	900	3,600-8,100	1,000	>8,100	1,100	OTT Motor cycle: ₹4,000 Scooter: ₹2,400 <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 1,400</td> <td>6,000</td> </tr> <tr> <td>>1,400</td> <td>20,000</td> </tr> </tbody> </table>	Engine capacity (cc)	Tax PQ (₹)	Up to 1,400	6,000	>1,400	20,000	<table border="1"> <thead> <tr> <th>Engine capacity (HP)</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 14</td> <td>150</td> </tr> <tr> <td>>14</td> <td>500</td> </tr> </tbody> </table>	Engine capacity (HP)	Tax PQ (₹)	Up to 14	150	>14	500	<table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>250</td> </tr> <tr> <td>>5</td> <td>375</td> </tr> </tbody> </table>	No of seats	Tax PQ (₹)	Up to 5	250	>5	375	<table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>250</td> </tr> <tr> <td>>5</td> <td>375</td> </tr> </tbody> </table>	No of seats	Tax PQ (₹)	Up to 5	250	>5	375
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Karnataka (March 2010)	<p>More than 12 passengers:</p> <ul style="list-style-type: none"> - ₹600 PQ; standing: ₹100 PS PQ - playing exclusively on routes notified by government: <ul style="list-style-type: none"> o Seating: ₹300 PS PQ o Standing: ₹100 PS PQ <p>Contract carriages carrying more than 12 persons:</p> <ul style="list-style-type: none"> - ₹2,500 PQ - complying with Rule 	<p>Trucks Basis: RLW</p> <table border="1"> <thead> <tr> <th>RLW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 2,000</td> <td>10,000 LTT</td> </tr> <tr> <td>2,000-3,000</td> <td>15,000 LTT</td> </tr> <tr> <td>3,000-5,500</td> <td>20,000 LTT</td> </tr> <tr> <td>5,500-12,000</td> <td>1,800 PQ</td> </tr> <tr> <td>12,000-15,000</td> <td>2,200 PQ</td> </tr> <tr> <td>>15,000</td> <td>2,200 PQ + 75 every 250kg or part above 15,000kg</td> </tr> </tbody> </table>	RLW (kg)	Tax (₹)	Up to 2,000	10,000 LTT	2,000-3,000	15,000 LTT	3,000-5,500	20,000 LTT	5,500-12,000	1,800 PQ	12,000-15,000	2,200 PQ	>15,000	2,200 PQ + 75 every 250kg or part above 15,000kg	<p>LTT:</p> <table border="1"> <thead> <tr> <th>VC (₹)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 50,000</td> <td>10</td> </tr> <tr> <td>>50,000</td> <td>12</td> </tr> </tbody> </table> <p>Electric motor cycles: 4% of VC</p>	VC (₹)	Tax (% of VC)	Up to 50,000	10	>50,000	12	<p>LTT:</p> <table border="1"> <thead> <tr> <th>VC (₹ lakh)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>13</td> </tr> <tr> <td>5-10</td> <td>14</td> </tr> <tr> <td>10-20</td> <td>17</td> </tr> <tr> <td>>20</td> <td>18</td> </tr> </tbody> </table> <p>Electric vehicles: 4% VC</p>	VC (₹ lakh)	Tax (% of VC)	Up to 5	13	5-10	14	10-20	17	>20	18	<p>Taxi/Cab up to 5 passengers: ₹100 PQ</p> <p>Meter Taxis: ₹60 PQ</p> <p>Cabs and maxi-cabs permitted to carry 6 passengers: ₹750 PQ</p>	<p>Passengers: ₹2,500 (LTT)</p> <p>For good vehicles up to 1,500kg GVW: ₹2,500</p>
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Kerala (March 2012)	<p>Stage Carriage:</p> <p>(i) <u>Ordinary services:</u> For every seated passenger (other than driver) ₹600 PS PQ + ₹210 per standing passenger PQ.</p> <p>(ii) <u>Fast passenger and Express services:</u> For every seated passenger (other than driver) ₹690 PS PQ + ₹150 per standing passenger PQ.</p> <p>Contract Carriage:</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>12-20</td> <td>530</td> </tr> <tr> <td>>20</td> <td>750</td> </tr> </tbody> </table>	No of seats	Tax PQ (₹)	12-20	530	>20	750	<p>Basis: GVW/LW</p> <p>Goods carriages other than those fitted with tipping mechanism:</p> <table border="1"> <thead> <tr> <th>GVW (kg)</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 300</td> <td>135</td> </tr> <tr> <td>300-1,000</td> <td>220</td> </tr> <tr> <td>1,000-1,500</td> <td>420</td> </tr> <tr> <td>1,500-2,000</td> <td>550</td> </tr> <tr> <td>2,000-3,000</td> <td>705</td> </tr> <tr> <td>3,000-4,000</td> <td>840</td> </tr> <tr> <td>4,000-5,500</td> <td>1,210</td> </tr> <tr> <td>5,500-7,000</td> <td>1,430</td> </tr> <tr> <td>7,000-9,000</td> <td>1,760</td> </tr> <tr> <td>9,000-9,500</td> <td>1,870</td> </tr> <tr> <td>9,500-</td> <td>2,090</td> </tr> <tr> <td>10,500</td> <td></td> </tr> <tr> <td>10,500-</td> <td>2,310</td> </tr> <tr> <td>11,000</td> <td></td> </tr> <tr> <td>11,000-</td> <td>2,530</td> </tr> <tr> <td>12,000</td> <td></td> </tr> </tbody> </table>	GVW (kg)	Tax PQ (₹)	Up to 300	135	300-1,000	220	1,000-1,500	420	1,500-2,000	550	2,000-3,000	705	3,000-4,000	840	4,000-5,500	1,210	5,500-7,000	1,430	7,000-9,000	1,760	9,000-9,500	1,870	9,500-	2,090	10,500		10,500-	2,310	11,000		11,000-	2,530	12,000		OTT: 6% of VW	<p>Cars and jeeps</p> <p>LTT for 15 years:</p> <table border="1"> <thead> <tr> <th>VW (₹ lakh)</th> <th>OTT tax (% of VW)</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>6</td> </tr> <tr> <td>5-10</td> <td>8</td> </tr> <tr> <td>10-15</td> <td>10</td> </tr> <tr> <td>>15</td> <td>15</td> </tr> </tbody> </table>	VW (₹ lakh)	OTT tax (% of VW)	Up to 5	6	5-10	8	10-15	10	>15	15	<p>Motor cabs (from 3 to 6 passengers):</p> <ul style="list-style-type: none"> - Petrol Vehicle: ₹240 PQ - Diesel Vehicle: ₹260 PQ <p>Maxi-cabs (carrying from 7 to 12 passengers): ₹310 PQ per passenger</p> <p>Tourist motor cabs:</p> <ul style="list-style-type: none"> - Petrol Vehicle: ₹320 PQ - Diesel Vehicle: ₹340 PQ 	<p>Passengers:</p> <p>OTT 6% of VW</p> <p>Basis: carrying capacity</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Petrol (₹)</th> <th>Diesel (₹)</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>60 PQ</td> <td></td> </tr> <tr> <td>3</td> <td>120 PQ</td> <td>130 PQ</td> </tr> </tbody> </table>	No of seats	Petrol (₹)	Diesel (₹)	2	60 PQ		3	120 PQ	130 PQ
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Nagaland (March 2012)	<p>Buses</p> <p>All India Tourist: ₹300 PS PA plus ₹2,500 passenger tax per vehicle.</p> <p>Rural and city buses: ₹120 PS PA plus ₹2,000 passenger tax.</p>	<p>Trucks</p> <p>Basis: Payload ₹304 per MT + ₹188 PA</p> <p><u>Good Tax:</u></p> <table border="1"> <thead> <tr> <th>Carrying capacity (MT)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 2</td> <td>500</td> </tr> <tr> <td>2-5</td> <td>1,000</td> </tr> <tr> <td>5-10</td> <td>1,500</td> </tr> <tr> <td>10-20</td> <td>2,000</td> </tr> <tr> <td>20-30</td> <td>2,500</td> </tr> <tr> <td>>30</td> <td>3,000</td> </tr> </tbody> </table> <p>Agricultural tractors: ₹580 PA</p>	Carrying capacity (MT)	Tax (₹)	Up to 2	500	2-5	1,000	5-10	1,500	10-20	2,000	20-30	2,500	>30	3,000	<p>OTT 15 years 5% of basic cost</p>	<p>OTT 15 years 5% of basic cost</p>	<p>Local: ₹600 PA plus ₹1,000 passenger tax per vehicle.</p> <p>Zonal: ₹800 PA plus ₹1,000 passenger tax.</p> <p>Local Maxi Cab: ₹4,000 PA plus ₹1,250 passenger tax.</p> <p>AITT Maxi Cab: ₹6,000 PA plus ₹1,500 passenger tax.</p>	<p>Passengers: ₹300 PA plus ₹750 of passenger tax per vehicle.</p>																				
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Odisha (March 2012)	<p>Basis: capacity, distance covered per day and nature of service monthly</p> <table border="1"> <thead> <tr> <th>Distance (km)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 160</td> <td>172 PA addl 576 (ordinary) 895 (express)</td> </tr> <tr> <td>160-240</td> <td>196 PA addl 720 (ordinary) 1,120 (express)</td> </tr> <tr> <td>240-320</td> <td>245 PA addl 955 (ordinary) 1,550 (express)</td> </tr> <tr> <td>>320</td> <td>294 PA addl 1,146 (ordinary) 1,746 (express)</td> </tr> </tbody> </table> <p>For every standing passenger: ₹152 PA</p>	Distance (km)	Tax (₹)	Up to 160	172 PA addl 576 (ordinary) 895 (express)	160-240	196 PA addl 720 (ordinary) 1,120 (express)	240-320	245 PA addl 955 (ordinary) 1,550 (express)	>320	294 PA addl 1,146 (ordinary) 1,746 (express)	<p>Trucks basis: RLW</p> <table border="1"> <thead> <tr> <th>RLW (MT)</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 1</td> <td>540</td> </tr> <tr> <td>1-2</td> <td>2,356</td> </tr> <tr> <td>2-5</td> <td>2,446 + 444 addl tax</td> </tr> <tr> <td>5-10</td> <td>3,773 + 1,182 addl tax</td> </tr> <tr> <td>10-13</td> <td>5,363 + 1,816 addl tax</td> </tr> <tr> <td>13-16.2</td> <td>7,800 + 2,640 addl tax</td> </tr> <tr> <td>>16.2</td> <td>7,800 + 2,640 addl tax + 120 per addl 500kg</td> </tr> </tbody> </table> <p>Trailers:</p> <table border="1"> <thead> <tr> <th>RLW (MT)</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 1</td> <td>196 addl 96</td> </tr> <tr> <td>1-3</td> <td>750 addl 370</td> </tr> <tr> <td>>3</td> <td>1,500 addl 738</td> </tr> </tbody> </table>	RLW (MT)	Tax PA (₹)	Up to 1	540	1-2	2,356	2-5	2,446 + 444 addl tax	5-10	3,773 + 1,182 addl tax	10-13	5,363 + 1,816 addl tax	13-16.2	7,800 + 2,640 addl tax	>16.2	7,800 + 2,640 addl tax + 120 per addl 500kg	RLW (MT)	Tax PA (₹)	Up to 1	196 addl 96	1-3	750 addl 370	>3	1,500 addl 738	<p>ULW <91kg: ₹150 PA</p> <p>ULW >91kg: ₹200 PA</p>	<p>5% of vehicle cost</p>	<p>N/A</p>	<p>N/A</p>
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Punjab (March 2007)	<p>Vehicles other than stage carriage:</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 25</td> <td>307 PA addl 413</td> </tr> <tr> <td>>25</td> <td>768 PA addl 1,032</td> </tr> </tbody> </table> <p>Stage Carriage</p> <ul style="list-style-type: none"> - Ordinary Buses: ₹2.25 per km per day - Ordinary HV AC Buses (3x2 seats): ₹1.00 per km per day - Integral Coach (2x2 seats): ₹0.50 per km per day <p>Stage carriage buses coming from other states:</p> <ul style="list-style-type: none"> - Buses countersigned under reciprocal agreements: ₹3.70 per km per day - Buses not countersigned under reciprocal agreements: ₹5.00 per km per day <p>Mini Buses: ₹30,000 PA City Buses Service: ₹60 PS PQ City Buses plying outside municipal limits ordinary bus: ₹4.50 per km per bus per day HV AC Buses: ₹2.00 per km per bus per day Integral Coach Buses: ₹1.00 per km per bus per day</p>	No of seats	Tax (₹)	Up to 25	307 PA addl 413	>25	768 PA addl 1,032	<p>Basis: GVW</p> <table border="1"> <thead> <tr> <th>GVW (tonnes)</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 1.2</td> <td>3,000</td> </tr> <tr> <td>1.2-6</td> <td>4,000</td> </tr> <tr> <td>6-16.2</td> <td>5,000</td> </tr> <tr> <td>16.2-25</td> <td>8,000</td> </tr> <tr> <td>>25</td> <td>15,000</td> </tr> </tbody> </table> <p>Permit holders of tractors with trolleys used for commercial purposes within the radius of 25km from the place of permit holder residence: ₹2,000 PA.</p>	GVW (tonnes)	Tax PA (₹)	Up to 1.2	3,000	1.2-6	4,000	6-16.2	5,000	16.2-25	8,000	>25	15,000	<table border="1"> <thead> <tr> <th>Motor cycle value (₹)</th> <th>Lump sum tax</th> </tr> </thead> <tbody> <tr> <td>Up to 15,000</td> <td>3% of value</td> </tr> <tr> <td>>15,000</td> <td>4% of value</td> </tr> </tbody> </table>	Motor cycle value (₹)	Lump sum tax	Up to 15,000	3% of value	>15,000	4% of value	2% of motor vehicle value	<p>Contract Carriage Maxi and Motor Cabs: ₹750 PS PA</p> <p>All India Tourist Permits</p> <ul style="list-style-type: none"> - Maxi Cab: ₹600 per day - Motor Cab: ₹300 per day <p>Tourist permit vehicles Maxi and Motor Cabs:</p> <table border="1"> <thead> <tr> <th>AC/ non-AC</th> <th>Tax (₹ PS PA)</th> </tr> </thead> <tbody> <tr> <td>Non-AC</td> <td>750</td> </tr> <tr> <td>AC</td> <td>500</td> </tr> </tbody> </table>	AC/ non-AC	Tax (₹ PS PA)	Non-AC	750	AC	500	<p>Passengers: ₹400 PS PA</p>
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	Contract Carriage Tourist Buses: - Ordinary and Deluxe: ₹6,000 PS PA - Air Conditioned: ₹5,000 PS PA - Integral Coach: ₹4,000 PS PA All India Tourist Permits: - Ordinary Buses: ₹2,000 per day per vehicle - Deluxe Buses: ₹3,000 per day per vehicle Air Conditioned Buses: ₹4,000 per day per vehicle - Omni Buses: ₹150 per day	Basis: vehicle cost <table border="1"> <thead> <tr> <th>VC (₹ lakh)</th> <th>Tax</th> </tr> </thead> <tbody> <tr> <td>Up to 3</td> <td>2.5% of VC (max ₹2,250)</td> </tr> <tr> <td>3-6</td> <td>1.10% of VC + ₹4,250</td> </tr> <tr> <td>6-10</td> <td>1% of VC + ₹7,550</td> </tr> <tr> <td>>10</td> <td>Road Tax: ₹8,300 + ₹50 per lakh of cost above ₹10 lakh as RT plus ₹5,050 + ₹50 per lakh of cost above ₹10 lakh as SRT</td> </tr> </tbody> </table>	VC (₹ lakh)	Tax	Up to 3	2.5% of VC (max ₹2,250)	3-6	1.10% of VC + ₹4,250	6-10	1% of VC + ₹7,550	>10	Road Tax: ₹8,300 + ₹50 per lakh of cost above ₹10 lakh as RT plus ₹5,050 + ₹50 per lakh of cost above ₹10 lakh as SRT	OTT Basis: engine capacity <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 125</td> <td>4</td> </tr> <tr> <td>>125</td> <td>6</td> </tr> </tbody> </table>	Engine capacity (cc)	Tax (% of VC)	Up to 125	4	>125	6	OTT Basis: vehicle cost <table border="1"> <thead> <tr> <th>VC (₹ lakh)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 2.5</td> <td>2.5</td> </tr> <tr> <td>2.5-6</td> <td>5</td> </tr> <tr> <td>>6</td> <td>8</td> </tr> </tbody> </table>	VC (₹ lakh)	Tax (% of VC)	Up to 2.5	2.5	2.5-6	5	>6	8	Motor/maxi cab Basis: seating capacity <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PQ (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>1.25</td> </tr> <tr> <td>6-9</td> <td>2.4</td> </tr> <tr> <td>>10</td> <td>3.7</td> </tr> </tbody> </table>	No of seats	Tax PQ (% of VC)	Up to 5	1.25	6-9	2.4	>10	3.7	Passengers: Basis: seating capacity/VC <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax</th> </tr> </thead> <tbody> <tr> <td>Up to 2</td> <td>8% (max ₹3,000)</td> </tr> <tr> <td>3</td> <td>9% (max ₹6,000)</td> </tr> <tr> <td>>4</td> <td>10% (max ₹8,000)</td> </tr> </tbody> </table> Goods: Basis: VC 10% of VC	No of seats	Tax	Up to 2	8% (max ₹3,000)	3	9% (max ₹6,000)	>4	10% (max ₹8,000)																		
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Rajasthan (March 2011)	Basis: seating capacity/cost of vehicle (monthly/quarterly/yearly) <table border="1"> <thead> <tr> <th>No of seats</th> <th>Purchased as vehicle</th> <th>Purchased as chassis</th> </tr> </thead> <tbody> <tr> <td>11-14</td> <td>6% of VC</td> <td>6% of CC</td> </tr> <tr> <td>15-22</td> <td>9% of VC</td> <td>12% of CC</td> </tr> <tr> <td>23-32</td> <td>12% of VC</td> <td>18% of CC</td> </tr> <tr> <td>33-42</td> <td>16% of VC</td> <td>21% of CC</td> </tr> <tr> <td>>42</td> <td>18% of VC</td> <td>24% of CC</td> </tr> </tbody> </table>	No of seats	Purchased as vehicle	Purchased as chassis	11-14	6% of VC	6% of CC	15-22	9% of VC	12% of CC	23-32	12% of VC	18% of CC	33-42	16% of VC	21% of CC	>42	18% of VC	24% of CC	Basis: vehicle cost <table border="1"> <thead> <tr> <th>VC (₹ lakh)</th> <th>Tax</th> </tr> </thead> <tbody> <tr> <td>Up to 3</td> <td>2.5% of VC (max ₹2,250)</td> </tr> <tr> <td>3-6</td> <td>1.10% of VC + ₹4,250</td> </tr> <tr> <td>6-10</td> <td>1% of VC + ₹7,550</td> </tr> <tr> <td>>10</td> <td>Road Tax: ₹8,300 + ₹50 per lakh of cost above ₹10 lakh as RT plus ₹5,050 + ₹50 per lakh of cost above ₹10 lakh as SRT</td> </tr> </tbody> </table>	VC (₹ lakh)	Tax	Up to 3	2.5% of VC (max ₹2,250)	3-6	1.10% of VC + ₹4,250	6-10	1% of VC + ₹7,550	>10	Road Tax: ₹8,300 + ₹50 per lakh of cost above ₹10 lakh as RT plus ₹5,050 + ₹50 per lakh of cost above ₹10 lakh as SRT	OTT Basis: engine capacity <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 125</td> <td>4</td> </tr> <tr> <td>>125</td> <td>6</td> </tr> </tbody> </table>	Engine capacity (cc)	Tax (% of VC)	Up to 125	4	>125	6	OTT Basis: vehicle cost <table border="1"> <thead> <tr> <th>VC (₹ lakh)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 2.5</td> <td>2.5</td> </tr> <tr> <td>2.5-6</td> <td>5</td> </tr> <tr> <td>>6</td> <td>8</td> </tr> </tbody> </table>	VC (₹ lakh)	Tax (% of VC)	Up to 2.5	2.5	2.5-6	5	>6	8	Motor/maxi cab Basis: seating capacity <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PQ (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>1.25</td> </tr> <tr> <td>6-9</td> <td>2.4</td> </tr> <tr> <td>>10</td> <td>3.7</td> </tr> </tbody> </table>	No of seats	Tax PQ (% of VC)	Up to 5	1.25	6-9	2.4	>10	3.7	Passengers: Basis: seating capacity/VC <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax</th> </tr> </thead> <tbody> <tr> <td>Up to 2</td> <td>8% (max ₹3,000)</td> </tr> <tr> <td>3</td> <td>9% (max ₹6,000)</td> </tr> <tr> <td>>4</td> <td>10% (max ₹8,000)</td> </tr> </tbody> </table> Goods: Basis: VC 10% of VC	No of seats	Tax	Up to 2	8% (max ₹3,000)	3	9% (max ₹6,000)	>4	10% (max ₹8,000)
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State/Union Territories	Buses	Trucks/Goods vehicles, Trailers and Tractors	Two wheelers	Cars/Jeeps	Taxi/Cabs	Auto rickshaws/ Three wheelers																																																				
Sikkim (September 2011)	<p>Omni-buses registered as non-transport vehicles or as educational institute buses:</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 10</td> <td>2,000</td> </tr> <tr> <td>>10</td> <td>2,000 + 200 each addl seat</td> </tr> </tbody> </table>	No of seats	Tax PA (₹)	Up to 10	2,000	>10	2,000 + 200 each addl seat	<p>Trucks: basis GVW</p> <table border="1"> <thead> <tr> <th>GVW (kg)</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 500</td> <td>1,000</td> </tr> <tr> <td>500–2,000</td> <td>1,000 + 110 every addl 250kg or part thereof above 500kg</td> </tr> <tr> <td>2,000–4,000</td> <td>1,620 + 130 every addl 250kg or part thereof above 2,000kg</td> </tr> <tr> <td>4,000–8,000</td> <td>2,660 + 85 every addl 250kg or part thereof above 4,000kg</td> </tr> <tr> <td>>8,000</td> <td>4,020 + 110 every addl 250kg or part thereof above 8,000kg</td> </tr> </tbody> </table> <p>Tractors: basis ULW</p> <table border="1"> <thead> <tr> <th>ULW (kg)</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 500</td> <td>500</td> </tr> <tr> <td>500–2,000</td> <td>500 + 120 every addl 250kg or part thereof above 500kg</td> </tr> <tr> <td>2,000–4,000</td> <td>1,220 + 125 every addl 250kg or part thereof above 2,000kg</td> </tr> </tbody> </table>	GVW (kg)	Tax PA (₹)	Up to 500	1,000	500–2,000	1,000 + 110 every addl 250kg or part thereof above 500kg	2,000–4,000	1,620 + 130 every addl 250kg or part thereof above 2,000kg	4,000–8,000	2,660 + 85 every addl 250kg or part thereof above 4,000kg	>8,000	4,020 + 110 every addl 250kg or part thereof above 8,000kg	ULW (kg)	Tax PA (₹)	Up to 500	500	500–2,000	500 + 120 every addl 250kg or part thereof above 500kg	2,000–4,000	1,220 + 125 every addl 250kg or part thereof above 2,000kg	<p>Basis: engine capacity</p> <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax (₹ PA)</th> </tr> </thead> <tbody> <tr> <td>Up to 80</td> <td>150</td> </tr> <tr> <td>80–170</td> <td>300</td> </tr> <tr> <td>170–250</td> <td>450</td> </tr> <tr> <td>>250</td> <td>600</td> </tr> </tbody> </table>	Engine capacity (cc)	Tax (₹ PA)	Up to 80	150	80–170	300	170–250	450	>250	600	<p>Basis: engine capacity</p> <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax (₹ PA)</th> </tr> </thead> <tbody> <tr> <td>Up to 900</td> <td>1,500</td> </tr> <tr> <td>900–1,490</td> <td>1,800</td> </tr> <tr> <td>1,490–2,000</td> <td>3,000</td> </tr> <tr> <td>>2,000</td> <td>4,500</td> </tr> </tbody> </table>	Engine capacity (cc)	Tax (₹ PA)	Up to 900	1,500	900–1,490	1,800	1,490–2,000	3,000	>2,000	4,500	<p>Basis: seating capacity</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax (₹ PA)</th> </tr> </thead> <tbody> <tr> <td>Up to 4</td> <td>700</td> </tr> <tr> <td>>4</td> <td>900</td> </tr> </tbody> </table>	No of seats	Tax (₹ PA)	Up to 4	700	>4	900	<p>Basis: seating capacity ₹300 PA</p>
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Tamil Nadu (March 2012)	<p>Stage carriage: ₹400 PS PQ Surcharge 25% of tax</p> <p>Tourist Omni buses</p> <ul style="list-style-type: none"> - Seating capacity <35 +1: ₹4,900 PQ for every square metre of floor area of the vehicle - 35+1 or more: ₹ 3,000 PS PQ 	<p>Trucks: basis RLW</p> <table border="1"> <thead> <tr> <th>RLW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 3,000</td> <td>19,200 LT</td> </tr> <tr> <td>3,001 – 5,500</td> <td>950 PQ</td> </tr> <tr> <td>5,501 – 9,000</td> <td>1,500 PQ</td> </tr> <tr> <td>9,001 – 12,000</td> <td>1,900 PQ</td> </tr> <tr> <td>12,001 – 13,000</td> <td>2,100 PQ</td> </tr> <tr> <td>13,001 – 15,000</td> <td>2,500 PQ</td> </tr> </tbody> </table> <p>Tractors: basis ULW</p> <table border="1"> <thead> <tr> <th>ULW (kg)</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 2,500</td> <td>110</td> </tr> <tr> <td>2,501 – 5,500</td> <td>160</td> </tr> <tr> <td>5,501 – 9,000</td> <td>1,500</td> </tr> </tbody> </table> <p>Trailers:</p> <table border="1"> <thead> <tr> <th>RLW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 3,000</td> <td>340 LT</td> </tr> <tr> <td>3,001 – 5,500</td> <td>400 PQ</td> </tr> <tr> <td>5,501 – 9,000</td> <td>700 PQ</td> </tr> <tr> <td>9,001 – 12,000</td> <td>810 PQ</td> </tr> <tr> <td>12,001 – 13,000</td> <td>1,010 PQ</td> </tr> <tr> <td>13,001 – 15,000</td> <td>1,220 PQ</td> </tr> <tr> <td>>15,000</td> <td>1,220 + 50 every 250kg and part thereof in excess of 15,000kg</td> </tr> </tbody> </table>	RLW (kg)	Tax (₹)	Up to 3,000	19,200 LT	3,001 – 5,500	950 PQ	5,501 – 9,000	1,500 PQ	9,001 – 12,000	1,900 PQ	12,001 – 13,000	2,100 PQ	13,001 – 15,000	2,500 PQ	ULW (kg)	Tax PQ (₹)	Up to 2,500	110	2,501 – 5,500	160	5,501 – 9,000	1,500	RLW (kg)	Tax (₹)	Up to 3,000	340 LT	3,001 – 5,500	400 PQ	5,501 – 9,000	700 PQ	9,001 – 12,000	810 PQ	12,001 – 13,000	1,010 PQ	13,001 – 15,000	1,220 PQ	>15,000	1,220 + 50 every 250kg and part thereof in excess of 15,000kg	LTT 8% on value	<p>Cars and jeeps: LTT</p> <table border="1"> <thead> <tr> <th>VC (₹ lakh)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 10</td> <td>10</td> </tr> <tr> <td>>10</td> <td>15</td> </tr> </tbody> </table>	VC (₹ lakh)	Tax (% of VC)	Up to 10	10	>10	15	<p>Taxi: ₹4,000 for 5 years</p> <p>Tourist Taxi: ₹6,500 for 5 years</p>	<p>Passengers:</p> <p>LTT: 10% on value</p> <p>PPT: ₹1,400</p> <p>Goods:</p> <table border="1"> <thead> <tr> <th>RLW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>3,000</td> <td>19,200 LT</td> </tr> <tr> <td>3,001 – 5,500</td> <td>950 PQ</td> </tr> <tr> <td>5,501 – 9,000</td> <td>1,500 PQ</td> </tr> <tr> <td>9,001 – 12,000</td> <td>1,900 PQ</td> </tr> <tr> <td>12,001 – 13,000</td> <td>2,100 PQ</td> </tr> <tr> <td>13,001 – 15,000</td> <td>2,500 PQ</td> </tr> <tr> <td>>15,000</td> <td>2,500 + 75 every 250kg and part thereof in excess of 15,000kg in weight laden</td> </tr> </tbody> </table>	RLW (kg)	Tax (₹)	3,000	19,200 LT	3,001 – 5,500	950 PQ	5,501 – 9,000	1,500 PQ	9,001 – 12,000	1,900 PQ	12,001 – 13,000	2,100 PQ	13,001 – 15,000	2,500 PQ	>15,000	2,500 + 75 every 250kg and part thereof in excess of 15,000kg in weight laden
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Tripura (March 2011)	₹42 PS PA	Trucks: ₹5,250 PA Tractors/Trailers: first 500kg ₹625 + ₹250 for every addl 250kg	₹220 PA	Cars: ₹275 PA Jeeps: ₹560 PA	₹440 PA	Passengers: ₹180 PA Goods: ₹125 PA												
Uttarakhand (March 2012)	Quarterly - Up to 20 seats: ₹350 + ₹30 PS - Up to 35 seats: ₹590 + ₹35 PS <u>Passenger Tax:</u> ₹160 PS PM contract carriage	Trucks/Tractors/Trailers: ₹70/MT for one region and ₹85/MT above one region. <u>Goods tax:</u> ₹210/MT PQ or part and ₹85/MT for plain routes.	OTT: ₹800 – ₹1,500	OTT: 2–5% of vehicle cost	Basis: seating capacity <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax (₹ PQ)</th> </tr> </thead> <tbody> <tr> <td>Up to 6</td> <td>230 + passenger tax ₹85 PS PM</td> </tr> <tr> <td>7–12</td> <td>350 + passenger tax ₹125 PS PM</td> </tr> </tbody> </table>	No of seats	Tax (₹ PQ)	Up to 6	230 + passenger tax ₹85 PS PM	7–12	350 + passenger tax ₹125 PS PM	Passengers: <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax (₹ PQ)</th> </tr> </thead> <tbody> <tr> <td>Up to 3</td> <td>95 + 30 PS passenger tax</td> </tr> <tr> <td>4–6</td> <td>185 + 30 PS passenger tax</td> </tr> </tbody> </table> Goods: For one region: ₹70/MT + ₹210 per MT or part thereof and ₹85/MT for plain routes. Above one region: ₹85/MT + ₹210 per MT or part thereof and ₹85/MT for plain routes.	No of seats	Tax (₹ PQ)	Up to 3	95 + 30 PS passenger tax	4–6	185 + 30 PS passenger tax
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Uttar Pradesh (March 2012)	<5 years old: ₹110 PS PM; ₹330 PS PQ; ₹1,200 PS PA. 5–10 years old: ₹115 PS PM; ₹345 PS PQ; ₹1,250 PS PA. >10 years old: ₹120 PS PM; ₹360 PS PQ; ₹1,300 PS PA.	Trucks/Trailers: basis GVW - ₹230 PQ per tonne or part thereof; - ₹850 PA per tonne or part thereof. Agriculture Trailers are exempted from tax.	OTT: 7% of vehicle cost	Cars: OTT 7% of VC Jeeps: OTT 7% of VC ₹2,350 PS PA	₹660 PS PQ or ₹2,350 PS PA	Passengers: ₹600 PS PA. OTT: ₹5,400 PS Goods: ₹850 PA per tonne or part thereof. OTT: ₹7,000 per tonne or part thereof.												

State/Union Territories	Buses	Trucks/Goods vehicles, Trailers and Tractors	Two wheelers	Cars/Jeeps	Taxi/Cabs	Auto rickshaws/ Three wheelers																																																														
West Bengal (March 2011)	<p>Buses</p> <p>Stage Carriage Basis: Seating Capacity ₹31.25 PS PQ + 10% quarterly total tax</p>	<p>Tractors: basis ULW</p> <ul style="list-style-type: none"> - ₹500 PQ per tonne or part thereof; - ₹1,800 PA per tonne or part thereof. <p>Agriculture Tractors are exempted from tax.</p> <p>Trucks: basis RLW (quarterly)</p> <table border="1"> <thead> <tr> <th>RLW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr><td>Up to 2,000</td><td>150</td></tr> <tr><td>2,000-3,500</td><td>262.50</td></tr> <tr><td>3,500-5,500</td><td>525</td></tr> <tr><td>5,500-7,000</td><td>712.50</td></tr> <tr><td>7,000-9,000</td><td>862.50</td></tr> <tr><td>9,000-</td><td>1,387.50</td></tr> <tr><td>12,000</td><td></td></tr> <tr><td>12,000-</td><td>1,875</td></tr> <tr><td>14,000</td><td></td></tr> <tr><td>14,000-</td><td>2,062.50</td></tr> <tr><td>15,000</td><td></td></tr> <tr><td>15,000-</td><td>2,325</td></tr> <tr><td>16,250</td><td></td></tr> <tr><td>>16,250</td><td>1,550/PQ + 37.5/PQ every addl 250kg + 50% of quarterly tax</td></tr> <tr><td>25,000</td><td>4,293.75</td></tr> <tr><td>26,400</td><td>4,631.25</td></tr> <tr><td>31,000</td><td>5,643.75</td></tr> </tbody> </table> <p>Trailers:</p> <table border="1"> <thead> <tr> <th>RLW (kg)</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr><td>Up to 2,000</td><td>437.50</td></tr> </tbody> </table>	RLW (kg)	Tax (₹)	Up to 2,000	150	2,000-3,500	262.50	3,500-5,500	525	5,500-7,000	712.50	7,000-9,000	862.50	9,000-	1,387.50	12,000		12,000-	1,875	14,000		14,000-	2,062.50	15,000		15,000-	2,325	16,250		>16,250	1,550/PQ + 37.5/PQ every addl 250kg + 50% of quarterly tax	25,000	4,293.75	26,400	4,631.25	31,000	5,643.75	RLW (kg)	Tax PQ (₹)	Up to 2,000	437.50	<p>LTT</p> <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr><td>Up to 80</td><td>1,560</td></tr> <tr><td>80-170</td><td>3,125</td></tr> <tr><td>170-250</td><td>4,685</td></tr> <tr><td>>250</td><td>6,250</td></tr> </tbody> </table>	Engine capacity (cc)	Tax (₹)	Up to 80	1,560	80-170	3,125	170-250	4,685	>250	6,250	<p>OTT for 5 years</p> <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr><td>Up to 900</td><td>10,500 + special tax of ₹4,000</td></tr> <tr><td>900-1,490</td><td>13,900 + special tax of ₹7,500</td></tr> <tr><td>1,490-2,000</td><td>21,800 + special tax ₹10,000</td></tr> <tr><td>2,000-2,500</td><td>28,000 + special tax ₹12,500</td></tr> <tr><td>>2,500</td><td>30,000 + special tax ₹15,000</td></tr> </tbody> </table>	Engine capacity (cc)	Tax (₹)	Up to 900	10,500 + special tax of ₹4,000	900-1,490	13,900 + special tax of ₹7,500	1,490-2,000	21,800 + special tax ₹10,000	2,000-2,500	28,000 + special tax ₹12,500	>2,500	30,000 + special tax ₹15,000	<p>Up to 5 seats: ₹1,600 PA</p>	<p>Passengers: Up to 4 seats: ₹660 PA</p> <p>Goods: GVW up to 2,000 ₹600 PA</p>
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Dadra & Nagar Haveli (31 March 2011)	<p>₹1.50 PS PA per kilometre of total daily kilometres permitted</p> <p>OR</p> <p>₹24 PS PM at the option of the operator</p>	<p>Trucks: basis RLW</p> <ul style="list-style-type: none"> - Diesel: ₹25 per 100kg RLW - Fuel other than diesel: ₹20 per 100kg RLW 	<p>Engine capacity (cc)</p> <table border="1"> <tr> <th>Up to 50</th> <th>15</th> </tr> <tr> <th>>50</th> <th>60</th> </tr> </table>	Up to 50	15	>50	60	<p>Diesel vehicles: OTT</p> <table border="1"> <tr> <th>VC (₹ lakh)</th> <th>Tax rate</th> <th>Imported vehicles</th> </tr> <tr> <td>Up to 10</td> <td>2.5% of VC</td> <td>5%</td> </tr> <tr> <td>>10</td> <td>3% of VC</td> <td>6%</td> </tr> </table> <p>Vehicles other than diesel:</p> <ul style="list-style-type: none"> - 2.5% of VC - 5% for imported vehicles 	VC (₹ lakh)	Tax rate	Imported vehicles	Up to 10	2.5% of VC	5%	>10	3% of VC	6%	<p>Basis: Seating capacity</p> <ul style="list-style-type: none"> - Up to 4 seats: ₹400 PA - For every addl seat more than 4 up to 9: ₹50 PA - For every addl seat more than 9: ₹40 PA 	<p>Passengers:</p> <p>Basis: seating capacity</p> <ul style="list-style-type: none"> - Up to 3 seats used for private purpose: ₹60 - Up to 3 seats used for hire: ₹90 <p>Goods:</p> <ul style="list-style-type: none"> - Diesel: ₹18 per 100kg RLW - Fuel other than diesel: ₹15 per 100kg RLW 																			
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² Two-wheelers and cars tax regulation as of 5 February 2011

State/Union Territories	Buses	Trucks/Goods vehicles, Trailers and Tractors	Two wheelers	Cars/Jeeps	Taxi/Cabs	Auto rickshaws/ Three wheelers
Daman & Diu (31 March 2013)	Up to 18 seats: ₹600 PA For every additional seat over 18 seats: ₹25 PA. Passenger Tax: ₹1.50 PS PA per km of total daily km permitted or ₹24 PS PM.	Trucks: basis RLW - Diesel: ₹18 per 100 kg RLW - Fuel other than diesel: ₹15 per 100kg RLW Goods Tax: - ₹37.50 up to 1,000kg RLW - ₹60 for more than 1,000kg RLW	Basis: engine capacity Engine capacity (cc) Up to 50 15 >50 60 Additional ₹5 every side car attached.	ULW (kg) Up to 850 200 850- 250 1,200- 350 1,200- 400 2,500- 60 every 1,000kg or part thereof in excess of 5,000kg	Basis: seating capacity - Up to 3 seats: ₹225 PA - Up to 4 seats: ₹250 PA - Up to 5 seats: ₹270 PA - For every addl seat up to 7: ₹225 PA	Goods tax: - ₹37.50 up to 1,000kg RLW - ₹60 for more than 1,000kg RLW Passengers: Basis: seating capacity - Up to 3 seats used for private purpose: ₹60 PA - Up to 3 seats used for hire: ₹90 PA Goods: - Diesel: ₹18 PA per 100kg RLW - Fuel other than diesel: ₹15 PA per 100kg RLW Goods tax: - ₹37.50 up to 1,000kg RLW - ₹60 for more than 1,000kg RLW
NCT of Delhi ³ (1 November 2012)	Basis: seating capacity No of seats (excluding driver) Up to 2 305 3-4 605 5-6 1,130 7-18 1,915 >18 1,915 +280 PP PA	Trucks: Tonnes Up to 1 665 1-2 940 2-4 1,430 4-6 1,915 6-8 2,375 8-9 2,865 9-10 3,320 >10 3,320 PA + 470 each addl tonne	OTT: basis VC VC (₹ lakh) Up to 25,000 2 25,000- 40,000 4 40,000- 60,000 6 >60,000 8	OTT: basis VC VC (₹ lakh) Up to 6 4 6-10 7 >10 10	Basis: seating capacity No of seats (excluding driver) Up to 2 305 3-4 605 5-6 1,130 7-18 1,915 >18 1,915 +280 PP PA	

³ There is an additional increase of 25% on existing annual tax rates levied on motor vehicles propelled by diesel (w.e.f. 29/09/2011)

State/Union Territories	Buses	Trucks/Goods vehicles, Trailers and Tractors	Two wheelers	Cars/Jeeps	Taxi/Cabs	Auto rickshaws/ Three wheelers																																																																						
Puducherry (1 October 2010)	<p>Buses</p> <p>Stage carriage:</p> <ul style="list-style-type: none"> - Urban: ₹150 PS PQ - Inter-State: ₹260 PS PQ - Inter-State Ordinary: ₹360 PS PQ - Inter-State Express: ₹370 PS PQ <p>Contract carriage:</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>6-10</td> <td>4,500 PA</td> </tr> <tr> <td>10-13</td> <td>6,500 PA</td> </tr> <tr> <td>13-27</td> <td>325 PS PQ</td> </tr> <tr> <td>>27</td> <td>375 PS PQ</td> </tr> </tbody> </table> <p>Deluxe contract carriage (up to 54 persons): ₹900 PS PQ Ordinary contract carriage (up to 54 persons): ₹450 PS PQ</p>	No of seats	Tax (₹)	6-10	4,500 PA	10-13	6,500 PA	13-27	325 PS PQ	>27	375 PS PQ	<p>Tractors: Additional tax payable if vehicles are used for drawing trailers:</p> <table border="1"> <thead> <tr> <th>RLW (tonnes)</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 2</td> <td>465</td> </tr> <tr> <td>>2</td> <td>925</td> </tr> </tbody> </table> <p>Basis: RLW</p> <table border="1"> <thead> <tr> <th>RLW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 3,000</td> <td>2,000 PA</td> </tr> <tr> <td>5,500</td> <td>800 PQ</td> </tr> <tr> <td>9,000</td> <td>1,200 PQ</td> </tr> <tr> <td>12,000</td> <td>1,700 PQ</td> </tr> <tr> <td>13,000</td> <td>2,000 PQ</td> </tr> <tr> <td>15,000</td> <td>2,200 PQ</td> </tr> <tr> <td>>15,000</td> <td>200 every 1,000kg</td> </tr> </tbody> </table> <p>Tractors: <2,500kg ULW: ₹120 PQ >2,500kg ULW: ₹150 PQ</p>	RLW (tonnes)	Tax PA (₹)	Up to 2	465	>2	925	RLW (kg)	Tax (₹)	Up to 3,000	2,000 PA	5,500	800 PQ	9,000	1,200 PQ	12,000	1,700 PQ	13,000	2,000 PQ	15,000	2,200 PQ	>15,000	200 every 1,000kg	<p>Basis: engine capacity</p> <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 55</td> <td>Nil</td> </tr> <tr> <td>56-75</td> <td>60 PA</td> </tr> <tr> <td>75-170</td> <td>450 LTT</td> </tr> <tr> <td>>170</td> <td>110 PA</td> </tr> <tr> <td></td> <td>850 LTT</td> </tr> <tr> <td></td> <td>160 PA</td> </tr> <tr> <td></td> <td>1,200 LTT</td> </tr> </tbody> </table>	Engine capacity (cc)	Tax (₹)	Up to 55	Nil	56-75	60 PA	75-170	450 LTT	>170	110 PA		850 LTT		160 PA		1,200 LTT	<p>Basis: ULW</p> <table border="1"> <thead> <tr> <th>ULW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 700</td> <td>550 PA</td> </tr> <tr> <td>700-1,500</td> <td>4,800 LTT</td> </tr> <tr> <td>1,500-</td> <td>710 PA</td> </tr> <tr> <td>2,000</td> <td>6,000 LTT</td> </tr> <tr> <td>2,000-</td> <td>910 PA</td> </tr> <tr> <td>3,000</td> <td>8,000 LTT</td> </tr> <tr> <td>>3,000</td> <td>940 PA</td> </tr> <tr> <td></td> <td>8,000 LTT</td> </tr> <tr> <td></td> <td>960 PA</td> </tr> <tr> <td></td> <td>8,000 LTT</td> </tr> </tbody> </table>	ULW (kg)	Tax (₹)	Up to 700	550 PA	700-1,500	4,800 LTT	1,500-	710 PA	2,000	6,000 LTT	2,000-	910 PA	3,000	8,000 LTT	>3,000	940 PA		8,000 LTT		960 PA		8,000 LTT	N/A	
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CHAPTER

36

ACEA TAX GUIDE 2019

Japan

CHAPTER PREPARED BY

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ACEA

European
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Manufacturers
Association

1 TONNAGE TAX

1.1 WHAT IS TONNAGE TAX?

Tonnage Tax is a national tax related to vehicle weight.

Tonnage Tax consists of a base rate and a provisional rate.

Vehicle type	Tax base	Total tax (base rate + provisional rate) (JPY)		Base rate (JPY)	
		Private use	Business use	Private use	Business use
Passenger cars	0.5t/year	4,100	2,600	2,500	2,500
Buses	t/year	4,100	2,600	2,500	2,500
Trucks (GVW > 2.5t)		4,100	2,600	2,500	2,500
Trucks (GVW ≤ 2.5t)		3,300	2,600	2,500	2,500

Note: GVW, gross vehicle weight

1.2 REVISIONS

In the tax revision for 2019:

The system of eco-car tax incentives was extended for two years from 1 May 2019 to 30 April 2021. However, the tax reduction rate of some vehicles was lowered. The criteria for 2019 are shown below.

1.3 ECO-CAR TAX INCENTIVES

Passenger cars with capacity of 10 persons or less

Applicable only to vehicles newly registered from May 2019 to April 2021.

Vehicle type	Environmental criteria		Tax rate	
	Emissions	Fuel efficiency		
Electric	n/a	n/a	Exempted (at initial registration and first renewal inspection)	
Fuel-cell	n/a	n/a		
Natural gas	2009 + NOx 10% reduction or 2018	n/a		
Plug-in hybrid	n/a	n/a		
Diesel	2009 or 2018	n/a		
Petrol (including petrol hybrid) LPG (including LPG hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2020 + 90%	Exempted	
		2020 + 40%		50% reduction*
		2020 + 20%		25% reduction*
		2020 + 10%		25% reduction*
Other than above		2020 achieved	No tax reduction**	

* Only base rate is applied

** Total tax rate (base rate and provisional rate) is applied

Note: LPG, liquefied petroleum gas; NOx, nitrogen oxides

Trucks and buses with GVW of 2.5t or less

Applicable only to vehicles newly registered from May 2019 to April 2021.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted (at initial registration and first renewal inspection)
Fuel-cell	n/a	n/a	
Natural gas	2009 + NO _x 10% reduction or 2018	n/a	
Plug-in hybrid	n/a	n/a	
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2015 + 25%	Exempted
		2015 + 20%	75% reduction*
		2015 + 15%	50% reduction*
		2015 + 5%	25% reduction*
Other than above			No tax reduction**

* Only base rate is applied

** Total tax rate (base rate and provisional rate) is applied

Trucks and buses with GVW over 2.5t up to 3.5t

Applicable only to vehicles newly registered from May 2019 to April 2021.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted (at initial registration and first renewal inspection)
Fuel-cell	n/a	n/a	
Natural gas	2009 + NO _x 10% reduction or 2018	n/a	
Plug-in hybrid	n/a	n/a	
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2015 + 15%	Exempted
		2015 + 10%	75% reduction*
		2015 + 5%	50% reduction*
	2005 + 50% reduction or 2018 + 25% reduction	2015 + 15%	75% reduction*
		2015 + 10%	50% reduction*
Diesel (including diesel hybrid)	2009 + NO _x and PM 10% reduction or 2018	2015 + 15%	Exempted
		2015 + 10%	75% reduction*
		2015 + 5%	50% reduction*
	2009	2015 + 15%	75% reduction*
		2015 + 10%	50% reduction*
Other than above			No tax reduction**

* Only base rate is applied

** Total tax rate (base rate and provisional rate) is applied

Note: PM, particulate matter

Trucks and buses with GVW over 3.5t

Applicable only to vehicles newly registered from May 2019 to April 2021.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted (at initial registration and first renewal inspection)
Fuel-cell	n/a	n/a	
Natural gas	2009 + NO _x 10% reduction	n/a	
Plug-in hybrid	n/a	n/a	
Diesel (including diesel hybrid)	2009 + NO _x and PM 10% reduction or 2016	2015 + 15%	Exempted
		2015 + 10%	75% reduction*
		2015 + 5%	50% reduction*
Other than above			No tax reduction**

* Only base rate is applied

** Total tax rate (base rate and provisional rate) is applied

1.4 ASV TAX INCENTIVES FOR HDV**Trucks and buses with GVW over 3.5t equipped with a Collision Mitigating Brake (CMB) system, a Stability Control System (SCS) and/or a Lane Departure Warning (LDW) system**

Applicable only to vehicles newly registered from May 2018.

Vehicle type	Equipped with	GVW (t)	Tax rate
Trucks	CMB and SCS	3.5 < GVW ≤ 8	75% reduction (May 2018 to October 2019)
	SCS and LDW	3.5 < GVW ≤ 8	75% reduction (May 2018 to October 2019)
	CMB and LDW	3.5 < GVW ≤ 8	75% reduction (May 2018 to October 2019)
	CMB, SCS and LDW	3.5 < GVW ≤ 8	50% reduction (November 2019 to April 2021)
		8 < GVW ≤ 20	50% reduction (November 2018 to April 2021)
	CMB or SCS	3.5 < GVW ≤ 8	50% reduction (May 2018 to October 2019)
	LDW	3.5 < GVW ≤ 8	25% reduction (May 2018 to October 2019)
20 < GVW ≤ 22		25% reduction (May 2018 to October 2020)	
Buses	CMB and SCS	5 < GVW ≤ 12	75% reduction (May 2018 to October 2019)
	SCS and LDW	5 < GVW ≤ 12	75% reduction (May 2018 to October 2019)
	CMB and LDW	≤ 5	75% reduction (May 2018 to October 2019)
		5 < GVW ≤ 12	50% reduction (November 2019 to April 2021)
	5 < GVW ≤ 12	75% reduction (May 2018 to October 2019)	
	CMB, SCS and LDW	5 < GVW ≤ 12	50% reduction (November 2019 to April 2021)
	CMB or SCS	5 < GVW ≤ 12	50% reduction (May 2018 to October 2019)
	CMB	≤ 5	50% reduction (May 2018 to October 2019)
LDW	n/a	25% reduction (May 2018 to October 2019)	

2 AUTOMOBILE ACQUISITION TAX

2.1 WHAT IS AUTOMOBILE ACQUISITION TAX?

Automobile Acquisition Tax is a local tax levied on the acquisition of *kei*, or mini-vehicles, small-sized vehicles and standard-sized vehicles.

The acquisition value is 90% of the vehicle price (excluding Consumption Tax), including integrated accessories (air conditioning, car audio, etc).

Tax rates were lowered in 2014 from 5% to 3% of the acquisition value for small and standard-sized vehicles and from 3% to 2% of the acquisition value for mini-cars.

2.2 REVISIONS

In the tax revision for 2019:

1. The system of eco-car tax incentives was extended for six months from 1 April 2019 to 30 September 2019. However, the tax reduction rate of some vehicles was lowered. The criteria for 2019 are shown below.
2. The system of ASV tax incentives for HDV was simply extended for six months from 1 April 2019 to 30 September 2019.
3. If Consumption Tax is raised to 10%, Automobile Acquisition Tax will be abolished as of the end of September 2019. However, an Automobile Tax Environmental Performance Levy will be introduced.

2.3 ECO-CAR TAX INCENTIVES

Passenger cars with a capacity of 10 persons or less

Applicable only to vehicles newly registered from April 2019 to September 2019.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted
Fuel-cell	n/a	n/a	
Natural gas	2009 + NO _x 10% reduction or 2018	n/a	
Plug-in hybrid	n/a	n/a	
Diesel	2009 or 2018	n/a	
Petrol (including petrol hybrid) LPG (including LPG hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2020 +40%	
		2020 + 30%	
		2020 + 20%	
		2020 + 10%	
		2020 achieved	
Other than above			No tax reduction

Note: LPG, liquefied petroleum gas

Trucks and buses with GVW of 2.5t or less

Applicable only to vehicles newly registered from April 2019 to September 2019.

Vehicle type	Environmental requirements		Tax rate	
	Emissions	Fuel efficiency		
Electric	n/a	n/a	Exempted	
Fuel-cell	n/a	n/a		
Natural gas	2009 + NO _x 10% reduction or 2018	n/a		
Plug-in hybrid	n/a	n/a		
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2015 + 25%		80% reduction
		2015 + 20%	60% reduction	
		2015 + 15%	40% reduction	
		2015 + 10%	20% reduction	
		2015 + 5%	20% reduction	
Other than above			No tax reduction	

Trucks and buses with GVW over 2.5t and up to 3.5t

Applicable only to vehicles newly registered from April 2019 to September 2019.

Vehicle type	Environmental requirements		Tax rate	
	Emissions	Fuel efficiency		
Electric	n/a	n/a	Exempted	
Fuel-cell	n/a	n/a		
Natural gas	2009 + NO _x 10% reduction or 2018	n/a		
Plug-in hybrid	n/a	n/a		
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2015 + 15%		75% reduction
		2015 + 10%	50% reduction	
		2015 + 5%	50% reduction	
	2005 + 50% reduction or 2018 + 25% reduction	2015 + 15%	75% reduction	
		2015 + 10%	50% reduction	
		2015 + 5%	50% reduction	
Diesel (including diesel hybrid)	2009 + NO _x and PM 10% reduction or 2018	2015 + 15%	Exempted	
		2015 + 10%	75% reduction	
		2015 + 5%	50% reduction	
	2009	2015 + 15%	75% reduction	
		2015 + 10%	50% reduction	
Other than above			No tax reduction	

Trucks and buses with GVW over 3.5t

Applicable only to vehicles newly registered from April 2019 to September 2019.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted
Fuel-cell	n/a	n/a	
Natural gas	2009 + NO _x 10% reduction	n/a	
Plug-in hybrid	n/a	n/a	
Diesel (including diesel hybrid)	2009 + NO _x and PM 10% reduction or 2016	2015 + 15%	
		2015 + 10%	75% reduction
		2015 + 5%	50% reduction
Other than above			No tax reduction

2.4 ASV TAX INCENTIVES FOR HDV

Trucks and buses with GVW over 3.5t equipped with a Collision Mitigating Brake (CMB) system, a Stability Control System (SCS) and/or a Lane Departure Warning (LDW) system.

Applicable only to vehicles newly registered from April 2019 to September 2019.

Vehicle type	Equipped with	GVW (t)	Tax exemption amount from acquisition value (JPY) (April 2017 to September 2019)
Trucks	CMB and SCS	3.5 < GVW ≤ 8	5.25m
		8 < GVW ≤ 20	3.5m (November 2018 to September 2019)
	SCS and LDW	3.5 < GVW ≤ 8	5.25m
	CMB and LDW	3.5 < GVW ≤ 8	5.25m
	CMB or SCS	3.5 < GVW ≤ 8	3.5m
	LDW	3.5 < GVW ≤ 8	1.75m
		20 < GVW ≤ 22	1.75m (April 2018 to September 2019)
Buses	CMB and SCS	5 < GVW ≤ 12	5.25m
	SCS and LDW	5 < GVW ≤ 12	5.25m
	CMB and LDW	5 < GVW ≤ 12	5.25m
	CMB or SCS	5 < GVW ≤ 12	3.5m
	CMB	≤ 5	3.5m
	LDW	n/a	1.75m (April 2018 to September 2019)

3 AUTOMOBILE TAX ENVIRONMENTAL PERFORMANCE LEVY

3.1 WHAT IS THE ENVIRONMENTAL PERFORMANCE LEVY?

The Environmental Performance Levy is a new local tax that will be introduced in conjunction with the Consumption Tax hike to 10% (October 2019) and applicable to acquisition of a kei-car, small-sized and standard sized vehicles.

The payer of the levy (the person who acquires the vehicle), the taxable object (new and used vehicles), the tax base (90% of the vehicle's acquisition price), the exemption point (JPY 500,000) and the payment method is expected to be the same as in the case of the current Automobile Acquisition Tax.

The exceptions for barrier-free taxis and buses and the exceptions for large vehicles equipped with advanced safety technologies applicable to Automobile Acquisition Tax will be carried over to the Automobile Tax Environmental Performance Levy.

3.2 TAX RATE

Tax rates applicable to private-use vehicles range from 0 to 3% and the same to business-use vehicles from 0 to 2%, both depending on the environmental performance.

For one year between October 2019 and September 2020, the rates applicable to private-use passenger cars will be cut by 1% as a measure against the last-minute increase in demand before the Consumption Tax hike and subsequent reactionary declines.

Private use passenger cars with a capacity of 10 persons or less

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Environmental requirements		Tax rate	
	Emissions	Fuel efficiency	October 2019 to September 2020	October 2020 to March 2021
Electric	n/a	n/a	Exempted	Exempted
Fuel-cell	n/a	n/a		
Natural gas	2009 + NOX 10% reduction or 2018	n/a		
Plug-in hybrid	n/a	n/a		
Diesel	2009 or 2018	n/a		
Petrol (including petrol hybrid) LPG (including LPG hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2020 + 20%	1%	2%
		2020 + 10%		
		2020 achieved		
Other than above			2%	3%

Business use passenger cars with a capacity of 10 persons or less

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted
Fuel-cell	n/a	n/a	
Natural gas	2009 + NOX 10% reduction or 2018	n/a	
Plug-in hybrid	n/a	n/a	
Diesel	2009 or 2018	n/a	
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2020 + 10%	
LPG (including LPG hybrid)		2020 achieved	0.5%
		2015 + 10%	1%
Other than above			2%

Private use trucks and buses with GVW of 2.5t or less

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted
Fuel-cell	n/a	n/a	
Natural gas	2009 + NOX 10% reduction or 2018	n/a	
Plug-in hybrid	n/a	n/a	
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2015 + 20%	
		2015 + 15%	
		2015 + 10%	2%
Other than above			3%

Business use trucks and buses with GVW of 2.5t or less

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted
Fuel-cell	n/a	n/a	
Natural gas	2009 + NOX 10% reduction or 2018	n/a	
Plug-in hybrid	n/a	n/a	
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2015 + 20%	
		2015 + 15%	
		2015 + 10%	1%
Other than above			2%

Private use trucks and buses with GVW over 2.5t and up to 3.5t

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Environmental requirements		Tax rate	
	Emissions	Fuel efficiency		
Electric	n/a	n/a	Exempted	
Fuel-cell	n/a	n/a		
Natural gas	2009 + NOX 10% reduction or 2018	n/a		
Plug-in hybrid	n/a	n/a		
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2015 + 10%		1%
		2015 + 5%	2%	
		2015 achieved		
	2005 + 50% reduction or 2018 + 25% reduction	2015 + 15%	Exempted	
		2015 + 10%		1%
		2015 + 5%		
Diesel (including diesel hybrid)	2009 + NOX and PM 10% reduction or 2018	2015 + 10%	Exempted	
		2015 + 5%		1%
		2015 achieved		
	2009	2015 + 15%	Exempted	
		2015 + 10%		1%
		2015 + 5%		
Other than above			3%	

Business use trucks and buses with GVW over 2.5t up to 3.5t

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Environmental requirements		Tax rate	
	Emissions	Fuel efficiency		
Electric	n/a	n/a	Exempted	
Fuel-cell	n/a	n/a		
Natural gas	2009 + NOX 10% reduction or 2018	n/a		
Plug-in hybrid	n/a	n/a		
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2015 + 10%		0.5%
		2015 + 5%	1%	
		2015 achieved		
	2005 + 50% reduction or 2018 + 25% reduction	2015 + 15%	Exempted	
		2015 + 10%		0.5%
		2015 + 5%		
Diesel (including diesel hybrid)	2009 + NOX and PM 10% reduction or 2018	2015 + 10%	Exempted	
		2015 + 5%		0.5%
		2015 achieved		
	2009	2015 + 15%	Exempted	
		2015 + 10%		0.5%
		2015 + 5%		
Other than above			2%	

Private use trucks and buses with GVW over 3.5t

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted
Fuel-cell	n/a	n/a	
Natural gas	2009 + NOX 10% reduction	n/a	
Plug-in hybrid	n/a	n/a	
Diesel (including diesel hybrid)	2009 + NOX and PM 10% reduction or 2016	2015 + 10%	1%
		2015 + 5%	
		2015 achieved	
	2009	2015 + 15%	Exempted
		2015 + 10%	1%
		2015 + 5%	2%
Other than above			3%

Business use trucks and buses with GVW over 3.5t

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted
Fuel-cell	n/a	n/a	
Natural gas	2009 + NOX 10% reduction	n/a	
Plug-in hybrid	n/a	n/a	
Diesel (including diesel hybrid)	2009 + NOX and PM 10% reduction or 2016	2015 + 10%	0.5%
		2015 + 5%	
		2015 achieved	
	2009	2015 + 15%	Exempted
		2015 + 10%	0.5%
		2015 + 5%	1%
Other than above			2%

3.3 ASV TAX INCENTIVES FOR HDV

Trucks and buses with GVW over 3.5t equipped with a Collision Mitigating Brake (CMB) system, a Stability Control System (SCS) and/or a Lane Departure Warning (LDW) system

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Equipped with	GVW (t)	Tax exemption amount from acquisition value (JPY) (October 2019)
Trucks	CMB and SCS	$3.5 < \text{GVW} \leq 8$	5.25m
	SCS and LDW	$3.5 < \text{GVW} \leq 8$	5.25m
	CMB and LDW	$3.5 < \text{GVW} \leq 8$	5.25m
	CMB, SCS and LDW	$3.5 < \text{GVW} \leq 20$	3.5m (November 2019 to March 2021)
	CMB or SCS	$3.5 < \text{GVW} \leq 8$	3.5m
	LDW	$3.5 < \text{GVW} \leq 8$	1.75m
		$20 < \text{GVW} \leq 22$	1.75m (October 2019 to October 2020)
Buses	CMB and SCS	≤ 5	5.25m
			3.5m (November 2019 to March 2021)
		$5 < \text{GVW} \leq 12$	5.25m
	SCS and LDW	$5 < \text{GVW} \leq 12$	5.25m
	CMB and LDW	$5 < \text{GVW} \leq 12$	5.25m
	CMB, SCS and LDW	$5 < \text{GVW} \leq 12$	3.5m (November 2019 to March 2021)
	CMB or SCS	$5 < \text{GVW} \leq 12$	3.5m
	CMB	≤ 5	3.5m
LDW	n/a	1.75m	

4 AUTOMOBILE TAX ENGINE DISPLACEMENT LEVY

The Automobile Tax Engine Displacement Levy is a local tax levied on ownership of motor vehicles.

Taxpayers are the owners as of 1 April and the tax is paid in advance for one year until next March by May every year. In case of purchase in mid-year, taxes will be paid on a prorated monthly basis from the following month of registration until next March.

4.1 REVISIONS

In the tax revision for 2019:

1. The tax rates applicable to the private use passenger vehicles newly registered in October 2019 onward of all engine sizes will be reduced.
2. The system of Green Automobile Taxation was simply extended for two years from 1 April 2019 to 31 March 2021.

4.2 TAX RATE

Passenger vehicles

Engine displacement (l)	Private use (JPY)		Business use (JPY)
	Newly registered until September 2019	Newly registered from October 2019	
≤ 1	29,500	25,000	7,500
1 - 1.5	34,500	30,500	8,500
1.5 - 2	39,500	36,000	9,500
2 - 2.5	45,000	43,500	13,800
2.5 - 3	51,000	50,000	15,700
3 - 3.5	58,000	57,000	17,900
3.5 - 4	66,500	65,500	20,500
4 - 4.5	76,500	75,500	23,600
4.5 - 6	88,000	87,000	27,200
> 6	111,000	110,000	40,700

Trucks

Maximum load (t)	Private use (JPY)	Business use (JPY)
≤ 1	8,000	6,500
1 - 2	11,500	9,000
2 - 3	16,000	12,000
3 - 4	20,500	15,000
4 - 5	25,500	18,500
5 - 6	30,000	22,000
6 - 7	35,000	25,500
7 - 8	40,500	29,500
> 8	40,500 + 6,300/t	29,500 + 4,700/t

Buses

Capacity (persons)	Private use (JPY)	Business use (JPY)	
		Route bus	Other than route bus
≤ 30	33,000	12,000	26,500
31 - 40	41,000	14,500	32,000
41 - 50	49,000	17,500	38,000
51 - 60	57,000	20,000	44,000
61 - 70	65,500	22,500	50,500
71 - 80	74,000	25,500	57,000
> 80	83,000	29,000	64,000

4.3 GREEN AUTOMOBILE TAXATION

Green Automobile Taxation is a special measure under which rates of Automobile Tax, and, in future, of the Automobile Tax Engine Displacement Levy, are reduced or raised depending on the environmental burden of the vehicle.

Passenger vehicles with a capacity of 10 persons or less (April 2019 to March 2021)

Vehicle type	Environmental criteria		Tax rate	
	Emissions	Fuel efficiency		
Electric	n/a	n/a	75% reduction	
Fuel-cell	n/a	n/a		
Natural gas	2009 + NO _x 10% reduction or 2018	n/a		
Plug-in hybrid	n/a	n/a		
Diesel	2009 or 2018	n/a		
Petrol (including petrol hybrid) LPG (including LPG hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2020 + 30%	50% reduction	
		2020 + 10%		No tax reduction
		2015 + 20%		
		2015 + 10%		
		2015 achieved		

Note: LPG, liquefied petroleum gas

Trucks and buses with GVW of 2.5t or less (April 2019 to March 2021)

Vehicle type	Environmental criteria		Tax rate	
	Emissions	Fuel efficiency		
Electric	n/a	n/a	75% reduction	
Fuel-cell	n/a	n/a		
Natural gas	2009 + NO _x 10% reduction or 2018	n/a		
Plug-in hybrid	n/a	n/a		
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2020 + 30%		50% reduction
		2020 + 10%	No tax reduction	
		2015 + 20%		
		2015 + 10%		
		2015 achieved		

Trucks and buses with GVW of over 2.5t up to 3.5t (April 2019 to March 2021)

Vehicle type	Environmental criteria		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	75% reduction
Fuel-cell	n/a	n/a	
Natural gas	2009 + NO _x 10% reduction or 2018	n/a	
Plug-in hybrid	n/a	n/a	

Trucks and buses with GVW over 3.5t (April 2019 to March 2021)

Vehicle type	Environmental criteria		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	75% reduction
Fuel-cell	n/a	n/a	
Natural gas	2009 + NO _x 10% reduction	n/a	
Plug-in hybrid	n/a	n/a	

The above criteria are set by the central government. Local governments may set their own additional criteria.

Criteria for an increase in Automobile Tax

Vehicle type	Ongoing scheme (April 2014 to March 2021)
Petrol or LPG (13 years or older)	15% tax increase (the tax increase will remain at 10% for trucks and buses)
Diesel (11 years or older)	

Note: The additional levy is not applicable to electric vehicles, natural gas vehicles, methanol vehicles, public transport buses or trailers

From 2019, an additional levy will be payable in accordance with the age of the vehicle as set out below:

Vehicle type	Year/month of initial registration of the vehicle inspection certificate
Petrol/LPG (13 years or older)	Any year/month between April 2005 and March 2006
Diesel (11 years or older)	Any year/month between April 2007 and March 2008

Note: LPG, liquefied petroleum gas

5 MINI-VEHICLE (KEI/CAR) TAX

Mini-Vehicle Tax is a local (municipal) tax levied on ownership of a mini-vehicle, or *kei* car.

Definition of a mini-vehicle (kei car)

Maximum length (m)	Maximum width (m)	Maximum height (m)	Maximum displacement (cc)
3.4	1.48	2.0	660

5.1 REVISIONS**In the tax revision for 2019:**

1. The system of Green Automobile Taxation for Mini-Vehicle was simply extended for two years from 1 April 2019 to 31 March 2021.
2. The Mini-Vehicle Tax Environmental Performance Levy will be introduced from October 2019.

Vehicle type	Environmental criteria		Vehicle category/purpose of use		Tax rate (JPY)
	Emissions	Fuel efficiency			2016 onward
Electric	n/a	n/a	Passenger car	Private use	2,700
				Business use	1,800
			Truck	Private use	1,300
				Business use	1,000
Natural gas	2009 + NO _x 10% reduction	n/a	Passenger car	Private use	2,700
				Business use	1,800
			Truck	Private use	1,300
				Business use	1,000
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2020 + 30%	Passenger car	Private use	5,400
				Business use	3,500
		2015 + 35%	Truck	Private use	2,500
				Business use	1,900
		2020 + 10%	Passenger car	Private use	8,100
				Business use	5,200
		2015 + 15%	Truck	Private use	3,800
				Business use	2,900
Other than above					No reduction

5.2 MINI-VEHICLE TAX RATES

From 2015 (payable from April 2016).

Vehicle type		Private use (JPY)	Business use (JPY)
Mini-vehicle (four-wheeled) ¹	Passenger vehicle	10,800	6,900
	Truck	5,000	3,800
Small-sized motorcycle (over 250cc)		6,000	
Mini-motorcycle (125-250cc)		3,600	

5.3 MINI-VEHICLE TAX ENVIRONMENTAL PERFORMANCE LEVY

Mini-vehicles will also be subject to an Environmental Performance Levy if Consumption Tax is raised to 10% and Acquisition Tax is abolished in October 2019.

The criteria for the Mini-Vehicle Tax Environmental Performance Levy is shown in the table below.

Tax rates range from 0 to 2%, depending on the environmental performance.

For one year between October 2019 and September 2020, the rates applicable to private-use passenger cars will be cut by 1% as a measure against the last-minute increase in demand before the Consumption Tax hike and subsequent reactionary declines.

¹ Applicable only to new vehicles

Private use passenger cars

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Environmental requirements		Tax rate	
	Emissions	Fuel efficiency	October 2019 to September 2020	October 2020 to March 2021
Electric	n/a	n/a	Exempted	Exempted
Natural gas	2009 + NOX 10% reduction or 2018	n/a		
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2020 + 10% 2020 achieved		
Other than above			1%	2%

Business use passenger cars

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted
Natural gas	2009 + NOX 10% reduction or 2018	n/a	
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2020 + 10% 2020 achieved 2015 + 10%	
Other than above			2%

Private use trucks

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted
Natural gas	2009 + NOX 10% reduction or 2018	n/a	
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2015 + 20% 2015 + 15%	
Other than above			2%

Business use trucks

Applicable only to vehicles newly registered from October 2019.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted
Natural gas	2009 + NOX 10% reduction or 2018	n/a	
Petrol (including petrol hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2015 + 20% 2015 + 15% 2015 + 10%	
Other than above			2%



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ACEA TAX GUIDE 2019

Korea

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1 TAXES ON ACQUISITION

1.1 STRUCTURE OF AUTO TAXATION

	Type of taxes	Remarks
Purchase	Individual consumption tax	National tax
	Education tax	National tax
	VAT	National tax
Registration	Acquisition tax	Local tax
	Public bond	Local tax
Possession	Annual vehicle tax	Local tax
	Education tax	Local tax
Use	Fuel excise tax	National tax
	Education tax	National tax
	Motor fuel tax	Local tax
	VAT on fuel	National tax

1.2 TAX RATES

1.2.1 Individual consumption tax (only for passenger cars)

Vehicle category	Tax rates	Remarks
≤ 1,000cc	Exempted	Education tax: 30% of excise tax
> 1,000cc	5% of ex-factory price	VAT: 10% of (ex-factory price + excise tax + education tax)
Hybrids/PHEVs (plug-in hybrid electric vehicles)	Temporary tax reduction: max KRW 1m per car (January 2013-December 2021)	Education tax cut: max KRW 0.3m per hybrid car (January 2013-December 2021)
Electric vehicles	5% of ex-factory price Temporary tax reduction: max KRW 3m per car (January 2012-December 2020)	Education tax cut: max KRW 0.9m per car (January 2012-December 2020)
FCEVs (fuel-cell electric vehicles)	Temporary tax reduction: max KRW 4m per car (January 2017-December 2019)	Education tax cut: max KRW 1.2m per car (January 2017-December 2019)

1.2.2 Acquisition tax

Vehicle category	Tax rates	Remarks
≤ 1,000cc	Temporary tax reduction (passenger cars): Max KRW 0.5m per car Temporary tax exemption (bus, truck) (January 2019-December 2021)	Retail price: ex-factory price + excise tax + education tax + VAT
Passenger cars	7% of (retail price minus VAT)	Temporary exemption for households with 3 children or more: <ul style="list-style-type: none"> ○ 7-10 seaters: exemption ○ under 7 seaters, max KRW 1.4m tax exemption
Commercial vehicles	5% of (retail price minus VAT)	Temporary exemption for households with 3 children or more. <ul style="list-style-type: none"> ○ Bus: < 15 seaters ○ Truck: < 1t
Hybrids/PHEVs (plug-in hybrid electric vehicles)	Temporary tax reduction: 2019: max KRW 1.4m per car 2020: max KRW 0.9m per car 2021: max KRW 0.4m per car	
Electric vehicles	Temporary tax reduction: max KRW 1.4m per car (January 2019-December 2019)	
FCEVs (fuel-cell electric vehicles)	Temporary tax reduction: max KRW 1.4m per car (January 2019-December 2019)	

1.2.3 Public bond (passenger cars)

Vehicle category	Tax rates
≤ 1,000cc	Exempted
1,001-1,599cc	9% of retail price minus VAT
1,600-1,999cc	12% of retail price minus VAT
≥ 2,000cc	20% of retail price minus VAT
MPVs (multipurpose vehicles)	5% of retail price minus VAT
Electric vehicles: <u>Length</u> <u>Width</u> <u>Height</u> ≤ 4.7m ≤ 1.7m ≤ 2.0m	9% of retail price minus VAT
Exceeding any of the sizes above	12% of retail price minus VAT
Exceeding all of the sizes above	20% of retail price minus VAT

1.2.4 Annual vehicle tax (passenger cars)

Vehicle category (cc)	Tax rates (KRW)	Remarks
≤ 1,000	80/cc	Education tax: 30% of annual vehicle tax Tax reduced by 5% per year (up to max 50%) starting from the third year after the initial registration of a new car
1,001-1,600	140/cc	
> 1,600	200/cc	

1.2.5 Fuel excise tax (Transportation-Energy-Environment Tax)

Fuel	Tax rates (KRW)	Remarks
Petrol	529/l	Applicable rates are adjustable ± 30% of legal rates: Petrol: KRW 475/l Diesel: KRW 340/l LPG: KRW 252/kg Education tax: 15% of fuel excise tax VAT: 10% of ex-factory price + excise tax + motor fuel tax + education tax Mini cars receive a refund of max KRW 200,000 pa (valid until December 2021)
Diesel	375/l	
LPG (liquefied petroleum gas)	275/kg	

1.2.6 Motor fuel tax

Motor fuel tax was introduced in 2000 to make up for the loss of provincial government tax revenue resulting from the reduction of annual vehicle tax.

Fuel	Tax rate	Remarks
Petrol, diesel	26% of fuel excise tax	Legal rate: 36%



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ACEA TAX GUIDE 2019

Russia

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1 IMPORT DUTIES

Since 1 September 2018, in accordance with the decision of the Council of the Eurasian Economic Commission (EEC), new duties on vehicles imported into the territory of the Customs Union (CU) are in force. The rates have been lowered as part of the obligations of the Russian Federation to the World Trade Organisation (WTO) and are valid in Russia, Belarus, Kazakhstan, Armenia, and Kyrgyzstan. New duties were introduced for the period from 1 September 2018 to 31 August 2019 included. Starting from 1 September 2018, the following import duties on passenger vehicles are in place for legal entities:

Vehicle type	Tariff, ad valorem (%)
New vehicles (less than three years old)	17
Used vehicles (less than seven years old)	22

For vehicles five to seven years old and more than seven years old, customs duty is realised at a specific rate depending on the engine's size:

Petrol engine, size (cc)	Tariff, ad valorem (%) 5-7 years	Tariff, ad valorem (%) >7 years
≤ 1,000	0.4	1.4
1,001 - 1,500	0.44	1.5
1,501 - 1,800	0.41	1.6
1,801 - 2,300	0.5	2.2
2,300 - 3,000	0.5	
> 3,000	0.88	0.78
Diesel engine, size (cc)		
≤ 1,500	0.36	1.5
1,501 - 2,500	0.45	2.2
> 2,500	0.88	3.2
Electric engine, size (cc)		
	15	

The customs duties payable by individuals importing passenger vehicles differ from those payable by legal entities. Parameters that are taken into account when calculating the customs duty are the vehicle's value, engine size, engine type, the age of the vehicle. The following rates are applied:

Vehicle value (€)	Tariff, ad valorem (%)	Tariff (€/cc)
≤ 8,500	54	2.50
8,501 - 16,700	48	3.50
16,701 - 42,300	48	5.50
42,301 - 84,500	48	7.50
84,501 - 169,000	48	15.00
> 169,000	48	20.00

2 EXCISE TAXES

2.1 BACKGROUND

- Excise tax is an indirect tax of federal level, imposed on consumer products.
- Excise tax is paid one time by the manufacturer.
- Excise tax is included in the final price of the product.
- Excise tax protects low tech local brands.
- Excise tax on passenger cars is based on hp, ps and kW brackets.

2.2 CURRENT STATUS AND FUTURE INCREASE PLAN

On 16 November 2017, the Russian Parliament approved an extra excise tax increase for vehicles with an engine power over 200hp since 1 January 2018.

The new taxation system will be eligible till 2020.

The excise tax calculation formula is the following: excise tax rate x engine power

Excise tax rates in 2016-2020

Engine power (hp)	Excise tax rate (RUB/hp)							
	2016	2017	2018	%change 18/17	2019	%change 18/19	2020	%change 20/19
≤ 90 (≤ 67.5kW)	0.00	0.00	0.00	-	0.00	-	0.00	-
90 - 150 (67.5kW – 112.5kW)	41.00	43.00	45.00	+5	47.00	+4	49.00	+4
151 - 200 (112.5kW - 147kW)	402.00	420.00	437.00	+4	454.00	+4	472.00	+4
201 - 300 (147kW - 220kW)			714.00	+70	743.00	+4	773.00	+4
301 - 400 (220kW - 294kW)			1,218.00	+190	1,267.00	+4	1,317.00	+4
401 - 500 (294kW - 367kW)			1,260.00	+200	1,310.00	+4	1,363.00	+4
≥ 501 (≥ 367kW)			1,302.00	+210	1,354.00	+4	1,408.00	+4

3 VAT

Sales and imports of vehicles are subject to VAT. As of 1 January 2019, the basic value added tax (VAT) rate has increased from 18% to 20%.

The collection of VAT is invoice-based. Every vendor (except small businesses, under a special tax regime) that provides 'taxable' goods charges VAT on its output and issues to the buyer a special invoice that indicates the amount of VAT charged. Buyers who are subject to VAT on their own sales (output tax) can deduct the input tax from their own VAT liability. The difference between the output tax and input tax is paid to the government (or a refund is claimed in cases of negative liability).

Since 2008, a special rule for trade-in of vehicles has been available. VAT is levied on the difference between the sale price and the purchase price (if the transaction is at arm's length).

VAT is charged on imported vehicles based on the customs value plus customs duty and excise tax. The import VAT is payable to the customs authorities under the customs clearing procedure and is deductible.

4 TRANSPORT AND LUXURY TAX

4.1 BACKGROUND

- Transport tax is a direct tax of regional level.
- It is paid each year by car owners, both people and companies.
- Tax proceeds are used for road maintenance.
- Tax amount differs in Russian regions (reason to make it a regional level tax: real disposable income and registered vehicles differs in Russian regions).
- Transport tax is based on the hp, ps and kW brackets.

4.2 CURRENT STATUS AND FUTURE INCREASE PLAN

The transport tax calculation formula is: tax rate x engine power x ownership period (months of ownership/12) x ratio (age, price, ecological class)

The tax rate is calculated depending on engine power, hp and it differs by regions; the orientation rate is given on the federal level and it cannot be 10 times higher or lower than the orientation rate.

The ratio depends on:

- the vehicle's age: number of years after vehicle production for expensive cars, or for all cars despite its price – might be taken into account in regional legislation;
- the vehicle's price: higher ratio for expensive passenger cars: $\geq 3\text{m RUB}$, the list of expensive cars is confirmed by the Ministry of Industry and Trade (MIT) every year in March;
- the ecological class might be taken into account in the regional legislation.

Example: Transport tax in Moscow in 2018 - 2019

Engine power (kW)	Engine power (ps)	Tax rate (RUB/ps)
≤ 73.55	≤ 100	12.00
> 73.55 - 91.94	> 100 - 125	25.00
> 91.94 - 110.33	> 125 - 150	35.00
> 110.33 - 128.7	> 150 - 175	45.00
> 128.7 - 147.1	> 175 - 200	50.00
> 147.1 - 165.5	> 200 - 225	65.00
> 165.5 - 183.9	> 225 - 250	75.00
> 183.9	> 250	150.00

Example: Transport tax in Novosibirsk region in 2018 – 2019 (depends on vehicle's age: less 5y/5-10y/10+ y)

Engine power (kW)	Engine power (ps)	Tax rate (RUB/ps)
≤ 73.55	≤ 100	6.00
> 73.55 - 91.94	> 100 - 125	10.00
> 91.94 - 110.33	> 125 - 150	
> 110.33 - 128.7	> 150 - 175	30.00/22.50/15.00
> 128.7 - 147.1	> 175 - 200	
> 147.1 - 165.5	> 200 - 225	60.00/45.00/30.00
> 165.5 - 183.9	> 225 - 250	
> 183.9	> 250	150.00/112.50/75.00

Since 2014, a special surcharge has been imposed on luxury vehicles. The surcharge is applicable to passenger vehicles with a value of more than RUB 3 million. The surcharge depends on a vehicle's average value. The average value is determined by the Ministry of Industry and Trade based on data obtained from car manufacturers and official importers. If information from manufacturers and official importers is not available for any reason, it can be obtained from other sources (eg catalogues). As a rule, recommended retail prices for new basic models of corresponding vehicles are considered for the purpose of determining the value of vehicles subject to the luxury surcharge. The surcharge is applicable until a vehicle reaches a certain age. This age differs for different price categories of luxury vehicles.

Ratio for transport tax calculation in 2018 - 2019 for expensive cars

The ratio for cars 0-3 years old, price category 3-5 m RUB, has decreased to 1.1.

Car price (million RUB)	<1 year		1-2 years		2-3 years	<5 years	<10 years	<20 years
	2018-2019	vs 2017	2018-2019	vs 2017				
3 - 5	1.1	1.5	1.1	1.3	1.1	–	–	–
5 - 10	2	2	2	2	2	2	–	–
10 - 15	3	3	3	3	3	3	3	–
> 15	3	3	3	3	3	3	3	3

The MIT document will be updated by March 2019:

http://minpromtorg.gov.ru/docs/#!perechen_legkovyh_avtomobiley_sredney_stoimostyu_ot_3_millionov_rubley_dlya_nalogovogo_perioda_2018_goda2

There is an option to introduce ecological tax instead of transport tax, which is implemented in some European countries. Ecological tax is counted on transport category by dangerous level (Euro 1, Euro 2, etc) or linked to CO2 emissions. If so, old car owners would have to pay more than newer ones. This will stimulate the purchase of newer and more ecologically-friendly cars (tax exemption for cars with Euro 4, Euro 5 and Euro 6).

5 DISPOSAL FEE

On 1 September 2012, the Russian Government introduced a disposal (scrappage) fee on vehicles imported into Russia by adopting Resolution No 870, dated 30 August 2012. Local manufacturers and importers of vehicles from other countries of the Customs Union were exempted from that fee if particular conditions were met. After numerous discussions with the WTO and the EU, the approach was changed and a new resolution, Resolution No 1291, dated 26 December 2013, was adopted. According to the new resolution, from 8 January 2014 the disposal fee is payable by all importers and local manufacturers without any exemptions.

The disposal fee is paid to the state budget and should be used to stimulate the creation and development of an end-of-life vehicles (ELV) system in Russia (state support for dismantlers and recyclers). Payers of the fee are not responsible for the subsequent recycling of vehicles. The rates of the disposal fee for passenger vehicles differ depending on the vehicle's engine displacement. The rates for used vehicles are significantly higher, in order to discourage imports of such vehicles.

Engine (cc)	Coefficient new vehicles	Coefficient new vehicles (expected to be proposed in April 2019, not introduced yet)	Coefficient used vehicles (older than three years)	Coefficient used vehicles (older than three years) (expected to be proposed in April 2019, not introduced yet)
Electric engine	1.42	1.630	5.30	6.10
< 1,000	1.65	2.145	5.30	6.10
1,000 - 2,000	4.20	5.460	8.26	9.50
2,000 - 3,000	6.30	8.190	16.12	18.54
3,000 - 3,500	5.73	7.449	28.50	32.78
> 3,500	9.08	11.804	35.01	40.26

The above coefficients are applicable to the base tariff of RUB 20,000 for passenger vehicles.

The coefficients for calculation of the disposal fee for passenger vehicles imported by individuals for personal purposes are significantly lower than those for legal entities: 0.17 for new vehicles and 0.26 for used vehicles. These rates do not depend on the vehicle's engine displacement.

6 ASSEMBLY LEGISLATION

On 29 March 2005, the Russian Government adopted Resolution No 166 introducing the notion of 'industrial assembly' and setting out conditions under which local automobile manufacturers could qualify for reduced import duties on imports of components for local assembly of certain vehicles, including passenger vehicles. At that time, the adoption of the resolution was an essential part of the government's strategy to rejuvenate the automotive industry through increased investments in local production.

Under the industrial assembly regime, local production included body welding, painting and assembling, the installation of passenger/cabin compartment equipment, the installation of the power unit, steering, suspension, exhaust system, electrical equipment and exterior components, and final control testing. In addition, the investor was required to have entered into a special agreement with the Russian Ministry of Economic Development.

Local manufacturers that participated in the industrial assembly regime were exempted from import duty for a large number of major components needed for the assembly of vehicles. For most other components, the rate of import duty was reduced to 3-5%.

At the beginning of February 2011, the Russian Government adopted new conditions for local manufacturers, introducing more rigid rules. Under the new conditions, foreign manufacturers can import parts and components under special conditions (zero or minimal import duties) until the end of 2020. The main requirements are as follows:

- Production of 300,000 vehicles a year in completely new production facilities or 350,000 vehicles a year in existing facilities, which must be upgraded.
- Not less than 30% of vehicles produced must have locally produced engines or gear boxes.
- The level of localisation must reach 60% during the first six years.
- SKD¹ can be used in addition for 5% of vehicles produced during the first three years of an agreement.
- Manufacturers must create research and development centres.

In 2016, the Russian Government initiated the formulation of a strategy on the development of the automotive industry for the period until 2025 that would set long-term state priorities for the industry in terms of revisions to the investment regime for manufacturers, as well as developing exports of vehicles and supplies, and increasing local production of auto components.

In May 2018, the development strategy of the automotive industry of the Russian Federation for the period up to 2025 has been approved.

In 2018 the rates of import duties for components were raised up to the basic rates of the Integrated Customs Tariff of the Eurasian Economic Union (EAEU). It was known at that moment that until 31 December 2020, the Industrial Assembly Agreements may be terminated upon the initiative of the company, and on 31 December 2020, all of the Industrial Assembly Agreements will terminate.

¹Semi-knocked-down or incompletely disassembled kit containing parts needed to assemble a vehicle

7 INVESTMENT INCENTIVES

Various tax incentives are provided under federal and regional programmes.

Special economic zones have been created in some regions of Russia for industrial manufacturing (Lipetsk, Togliatti, Samara Region, Pskov, Elabuga, Republic of Tatarstan, Kaluga, Sverdlovsk Region) and for research and development (Zelenograd, Moscow, Tomsk, St Petersburg, Dubna, Moscow Region, Tatarstan). Furthermore, a special economic zone has been established in Kaliningrad on the basis of a special federal law.

To attract domestic and international businesses, many regions make tax incentives available in specific areas according to the so-called cluster principle. The incentives provided by the regional legislation are similar to the tax regime in the special economic zones.

Although the tax regulations may differ in their details from region to region, the main attractions are a reduced profit tax rate and a reduced or zero rate for tax on property and/or land. For example, car manufacturers located in Moscow are entitled a lower rate of corporate profit tax (13.5%), payable to the budget of Moscow, and to a zero rate of corporate property tax.

In addition, a favourable depreciation regime is available to residents of the special economic zones. Federal law also provides for protection from changes in federal tax legislation.

Moreover, residents of special economic zones enjoy customs incentives. Specifically, in the territory of a special economic zone a free customs zone procedure applies, ie foreign goods may be imported to the special economic zone and used there without payment of customs duties and taxes, and without any non-tariff limitations.

Furthermore, in October 2015 a new investment opportunity arose in Russia: the free port of Vladivostok. This special cluster is situated in the Primorsky region and is largely aimed at boosting the local economy. Residents of the free port are entitled to tax incentives such as a reduced profit tax rate and reduced social security contributions rates. As in the special economic zones discussed above, a free customs zone operates in the territory of the free port.

OEMs' investments are located mainly in industrial clusters (eg Kaluga, St Petersburg):



In June 2015, the Special Investment Contract (SpIC) was introduced into Russian law. It constitutes a measure of governmental support aimed at attracting investment to establish and modernise industrial manufacturing in Russia at federal and regional levels. Under the SpIC, the government provides an investor with various industrial benefits and preferences and ensures a stable business climate for the implementation of an investment project. The advantages of the SpIC for an investor include favourable conditions for product manufacturing, customs and tax preferences, guarantees against adverse changes in legislation, and public procurement benefits. The Ministry of Industry and Trade enters into a contract on behalf of Russia.

In October 2018, The Russian Government gave instructions to develop a draft law to provide access to industrial subsidies to all OEMs 'on equal terms'. It has been planned that SpIC agreements (SPIC 2.0) will replace the industrial assembly agreements after 2020, when all industrial assembly regimes will be finished.

The main requirements are as follows:

- Be included on the certain list of industries listed in the Government Decree #7192 (GD #719 was expected to be in place starting from 1 January 2019; not introduced yet).
- The minimum amount of investments should be no less than RUB 1billion.
- 100% localisation level: A system based on points for localisation will be introduced. 100 points are mandatory. 70% of the OEM output must be localised components for 100 points; 60% of localisation belong to engines and transmission production.
- Establish alliances.
- Creation of own Research & Development Centres in Russia.
- It is recommended to use Russian metal in production to get the status of “Russian producer”.

In 2018 the Government was reaching for a consolidated decision on the new edition of Government Decree (GD) #719, new format of SPIC 2.0 and state subsidies to the automotive industry.

In January 2019 the Russian Government decided to change parameters of industrial export state support. It was decided to replace loans with a bank subsidy. The Government also proposed to conclude each special investment contract (SPIC 2.0) with only one investor. Previously it was possible to conclude a SPIC with several investors. Details to be determined in Q1-Q2 2019.

Various incentives have been provided to stimulate the electric vehicle (EV) market in Russia and in the Eurasian Economic Union (EAEU).

In November 2018 the Eurasian Intergovernmental Council agreed the plan to promote the use and production of transport vehicles with electric engines in the EAEU member states.



CHAPTER

39

ACEA TAX GUIDE 2019

Turkey

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1 TAXES ON ACQUISITION

1.1 VAT

The purchase of motor vehicles is subject to VAT at the rate of 18%.

1.2 CONSUMPTION TAX

The purchase of a motor vehicle is also subject to Special Consumption Tax (SCT), the rates of which are now dependent on the engine capacity and pre-tax sales price. The total amount of tax for a passenger car with an engine capacity of maximum 1,600cc and pre-tax price of maximum TRY 70,000 is calculated as follows:

Pre-tax price	TRY 100
SCT (%)	45 (per car with an engine capacity of maximum 1,600cc, pre-tax price maximum TRY 70,000)
Price after SCT	$(100 \times 1.45) = \text{TRY } 145$
VAT (%)	18
Total price	$(145 \times 1.18) = \text{TRY } 171.1$
Total tax (%)	71.1

CN code	Type of vehicle	Temporary tax incentive		
		01.01.2019-30.06.2019		
		SCT (%)	VAT (%)	TOTAL TAX (%)
87.02	Motor vehicles designed for the transport of passengers with more than 10 seats including driver			
	Minibus	9	1	10.09
	Midibus	4	1	5.04
	Bus	1	1	2.01
87.03	Passenger cars and other motor vehicles principally designed for the transport of passengers (excluding those listed under CN code 87.02, but including station wagons and racing cars): <ul style="list-style-type: none"> Only passenger cars, station wagons, racing cars, off-road vehicles, etc (including armoured vehicles to carry money), motor caravans, motor vehicles operated with electric power, gas, solar energy, etc. Excluding ambulances, vehicles designed to carry convicts, funeral cars, motor vehicles designed for special purposes such as leading fire trucks, vehicles driven by compression-ignited internal combustion engines equipped with pistons and designed to travel particularly on snow (diesel or semi-diesel) or motor vehicles driven by spark-ignited internal combustion engines equipped with pistons, and others (golf carts and other similar vehicles). Motor vehicles (excluding those having all their wheels driven or may be driven by the engine, passenger cars, station wagons, racing cars and off-road vehicles) used in hauling goods, and with a maximum weight of 3.5t and a passenger carrying capacity¹ less than 50% of maximum load 	-	18	-

¹ Passenger carrying capacity is calculated by multiplying the total number of passengers including the driver by 70kg. In this calculation, even if there are no regular seats in the vehicle, any fixed facilities provided for mounting seats shall be considered as seats.

capacity (total weight of load including the driver and passengers that a vehicle can carry safely)					
Maximum loading capacity ≤ 850kg	Piston displacement < 2,000cm ³	5	18	23.9	
Maximum loading capacity > 850kg	Piston displacement < 2,800cm ³	5	18	23.9	
Powered by electric motor only		5	18	23.9	
With nine seats including driver					
Piston displacement ≤ 3,200cm ³		5	18	23.9	
Powered by electric motor only		5	18	23.9	
Others					
Engine capacity	≤ 1,600cm ³	Pre-tax price: ≤ TRY 70,000	30	18	53.4
		70,000 > TRY ≤ 120,000	35		59.3
		> TRY 120,000	60		88.8
	1,600 > cm ³ ≤ 2,000	Pre-tax price: ≤ TRY 170,000	100	18	136.0
		Others Additional electric motor > 50kW, ≤ 1,800cm ³ and pre-tax price: ≤ TRY 85,000	110		147.8
		85,000 > TRY ≤ 135,000 Others	30 35 60		53.4 59.3 88.8
> 2,000cm ³	Additional electric motor > 100kW, 2,000 < cm ³ ≤ 2,500 and pre-tax price: ≤ TRY 170,000	160	18	206.8	
	Additional electric motor > 100kW and > 2,500cm ³	100		136.0	
	Others	110		147.8	
Powered by electric motor only					
Motor power	≤ 85kW	3	18	21.5	
	85 < kW ≤ 120	7		26.3	
	> 120kW	15		35.7	
87.04	Motor vehicles designed for the transport of goods (only those subject to recording and registration) Of those with a maximum loaded weight under 4,700kg and with seating other than the driver's seat, or with side windows other than those besides the driver's seat (excluding those of vehicles without a covered body whose piston displacement is > 3,200cm ³)				
Engine capacity	≤ 3,000cm ³	10	1	11.1	
	3,000 < cm ³ ≤ 4,000	52		53.5	
	> 4,000cm ³	75		76.8	
Powered by electric motor only					
Motor power	≤ 85kW	10	1	11.1	
	85 < kW ≤ 120	52		53.5	
	> 120kW	75		76.8	
With a covered body and with a maximum loading capacity under 620kg					
Electric motor only		10	1	11.1	
Others		10	1	11.1	
Others					
Electric motor only		4	1	5.0	
Others		4	1	5.0	

CN code	Type of vehicle	01.07.2019-31.12.2019				
		SCT (%)	VAT (%)	TOTAL TAX (%)		
87.02	Motor vehicles designed for the transport of passengers with more than 10 seats including driver					
	Minibus	9	18	28.62		
	Midibus	4	18	22.72		
	Bus	1	18	19.18		
87.03	Passenger cars and other motor vehicles principally designed for the transport of passengers (excluding those listed under CN code 87.02, but including station wagons and racing cars):					
	<ul style="list-style-type: none"> Only passenger cars, station wagons, racing cars, off-road vehicles, etc (including armoured vehicles to carry money), motor caravans, motor vehicles operated with electric power, gas, solar energy, etc. Excluding ambulances, vehicles designed to carry convicts, funeral cars, motor vehicles designed for special purposes such as leading fire trucks, vehicles driven by compression-ignited internal combustion engines equipped with pistons and designed to travel particularly on snow (diesel or semi-diesel) or motor vehicles driven by spark-ignited internal combustion engines equipped with pistons, and others (golf carts and other similar vehicles). Motor vehicles (excluding those having all their wheels driven or may be driven by the engine, passenger cars, station wagons, racing cars and off-road vehicles) used in hauling goods, and with a maximum weight of 3.5t and a passenger carrying capacity² less than 50% of maximum load capacity (total weight of load including the driver and passengers that a vehicle can carry safely) 					
	Maximum loading capacity ≤ 850kg	Piston displacement < 2,000cm ³	15	18	35.7	
	Maximum loading capacity > 850kg	Piston displacement < 2,800cm ³	15	18	35.7	
	Powered by electric motor only		10	18	29.8	
	With nine seats including driver					
	Piston displacement ≤ 3,200cm ³		15	18	35.7	
	Powered by electric motor only		10	18	29.8	
	Others					
	Engine capacity	≤ 1,600cm ³	Pre-tax price: ≤ TRY 70,000	45	18	71.1
			70,000 > TRY ≤ 120,000	50		77
			> TRY 120,000	60		88.8
		1,600 > cm ³ ≤ 2,000	Pre-tax price: ≤ TRY 170,000	100	18	136.0
			Others	110		147.8
Additional electric motor > 50kW, ≤ 1,800cm ³ and pre-tax price: ≤ TRY 85,000			45	71.1		
85,000 > TRY ≤ 135,000	50		77			
> 2,000cm ³	Others	60	88.8			
	Additional electric motor > 100kW,		18			

² Passenger carrying capacity is calculated by multiplying the total number of passengers including the driver by 70kg. In this calculation, even if there are no regular seats in the vehicle, any fixed facilities provided for mounting seats shall be considered as seats

		2,000 < cm ³ ≤ 2,500 and pre-tax price: ≤ TRY 170,000	160		206.8
		Additional electric motor > 100kW and > 2,500cm ³	100		136.0
		Others	110		147.8
Powered by electric motor only					
Motor power		≤ 85kW	3	18	21.5
		85 < kW ≤ 120	7		26.3
		> 120kW	15		35.7
87.04	Motor vehicles designed for the transport of goods (only those subject to recording and registration) Of those with a maximum loaded weight under 4,700kg and with seating other than the driver's seat, or with side windows other than those besides the driver's seat (excluding those of vehicles without a covered body whose piston displacement is > 3,200cm ³)				
	Engine capacity	≤ 3,000cm ³	10	18	29.8
		3,000 < cm ³ ≤ 4,000	52		79.4
		> 4,000cm ³	75		106.5
Powered by electric motor only					
	Motor power	≤ 85kW	10	18	29.8
		85 < kW ≤ 120	52		79.4
		> 120kW	75		106.5
With a covered body and with a maximum loading capacity under 620kg					
	Electric motor only		10	18	29.8
	Others		10	18	29.8
Others					
	Electric motor only		4	18	22.7
	Others		4	18	22.7

2 TAXES ON OWNERSHIP

2.1 MOTOR VEHICLE TAX

The motor vehicle tax for passenger cars is based on the vehicle's engine capacity, pre-tax sales price and its age. The motor vehicle tax for passenger cars which are powered by an electric motor only is 25% of the motor vehicle tax corresponding to the pre-tax price and age. The annual values for 2019 in Turkish lira are as follows:

Passengers cars registered after 1 January 2018 (included)

Engine capacity (cc)	Pre-tax price (TRY)	Age of vehicle (years)				
		1-3	4-6	7-11	12-15	≥ 16
Passenger cars		TRY				
≤ 1,300	≤ 46,300	861	600	336	254	90
	46,300 < TRY ≤ 81,100	946	660	369	280	99
	> 81,100	1,033	720	403	305	108
1,301 – 1,600	≤ 46,300	1,499	1,124	652	461	177
	46,300 < TRY ≤ 81,100	1,649	1,236	717	506	194
	> 81,100	1,799	1,349	782	552	212
1,601 – 1,800	≤ 115,900	2,911	2,276	1,339	817	317

	> 115,900	3,176	2,482	1,462	892	346
1,801 – 2,000	≤ 115,900	4,586	3,532	2,076	1,236	487
	> 115,900	5,003	3,854	2,265	1,349	531
2,001 – 2,500	≤ 144,800	6,879	4,994	3,120	1,864	738
	> 144,800	7,505	5,448	3,403	2,034	805
2,501 – 3,000	≤ 289,700	9,591	8,344	5,213	2,804	1,029
	> 289,700	10,464	9,102	5,687	3,059	1,123
3,001 – 3,500	≤ 289,700	14,606	13,143	7,917	3,952	1,449
	> 289,700	15,935	14,337	8,636	4,311	1,582
3,501 – 4,000	≤ 463,600	22,965	19,831	11,679	5,213	2,076
	> 463,600	25,054	21,633	12,742	5,687	2,265
> 4,000	≤ 550,500	37,587	28,186	16,693	7,503	2,911
	> 550,500	41,004	30,749	18,211	8,184	3,176

Note: the exchange rate is €1 = TRY 6.2 (as at 15 March 2019)

Engine capacity (kW)	Pre-tax price (TRY)	Pre-tax price (TRY)
Electric passenger cars		
≤ 70	≤ 46,300	25% of the motor vehicle tax corresponding to the pre-tax price, age and kW
	46,300 < TRY ≤ 81,100	
	> 81,100	
70 < kW ≤ 85	≤ 46,300	
	46,300 < TRY ≤ 81,100	
	> 81,100	
85 < kW ≤ 105	≤ 115,900	
	> 115,900	
105 < kW ≤ 120	≤ 115,900	
	> 115,900	
120 < kW ≤ 150	≤ 144,800	
	> 144,800	
150 < kW ≤ 180	≤ 289,700	
	> 289,700	
180 < kW ≤ 210	≤ 289,700	
	> 289,700	
210 < kW ≤ 240	≤ 463,600	
	> 463,600	
> 240	≤ 550,500	
	> 550,500	

Passengers cars registered until 31 December 2017 (included)

Engine capacity (cc)	Age of vehicle (years)				
	1-3	4-6	7-11	12-15	≥ 16
Passenger cars	TRY				
< 1,300	861	600	336	254	90
1,301 – 1,600	1,499	1,124	652	461	177
1,601 – 1,800	2,647	2,068	1,218	742	288
1,801 – 2,000	4,170	3,211	1,888	1,124	443
2,001 – 2,500	6,253	4,540	2,837	1,695	671
2,501 – 3,000	8,720	7,585	4,739	2,549	936
3,001 – 3,500	13,279	11,948	7,197	3,592	1,318
3,501 – 4,000	20,878	18,028	10,617	4,739	1,888
> 4,000	34,170	25,624	15,175	6,820	2,647

Note: the exchange rate is €1 = TRY 6.2 (as at 15 March 2019)

Electric motor power (kW)	Yearly (TRY)
Passenger cars	
≤ 70	25% of the motor vehicle tax corresponding to the age and kW
70 < kW ≤ 85	
85 < kW ≤ 105	
105 < kW ≤ 120	
120 < kW ≤ 150	
150 < kW ≤ 180	
180 < kW ≤ 210	
210 < kW ≤ 240	
> 240	

The motor vehicle tax for motorcycles is based on the vehicle's engine capacity and its age. The annual rates for 2019 in Turkish lira are as follows:

Engine capacity (cc)	Age of vehicle (in years)				
	1-3	4-6	7-11	12-15	≥ 16
Motorcycles	TRY				
100 – 250	161	121	89	56	22
251 – 650	333	252	161	89	56
651 – 1200	856	509	252	161	89
> 1200	2,075	1,372	856	680	333

Note: the exchange rate is €1 = TRY 6.2 (as at 15 March 2019)

Electric motor power (kW)	Yearly (TRY)
Motorcycles	
6 < kW ≤ 15	25% of the motor vehicle tax corresponding to the age and kW
15 < kW ≤ 40	
40 < kW ≤ 60	
> 60	

The annual rates for minibuses, vans, motor caravans, buses, trucks, pick-ups and road tractors for 2019 in Turkish lira are as follows:

	Age of vehicle (in years)		
	1-6	7-15	≥ 16
Motor vehicle type	TRY		
Minibus	1,029	680	333
Van or motor caravan (cc)			
≤ 1,900	1,372	856	509
> 1,900	2,075	1,372	856
Bus (seating capacity)			
up to 25	2,597	1,551	680
26-35	3,114	2,597	1,029
36-45	3,466	2,940	1,372
≥ 46	4,157	3,466	2,075

Pick-up, truck or road tractor (GVW)			
≤ 1,500	923	613	301
1,501 - 3,500	1,867	1,083	613
3,501 - 5,000	2,805	2,334	923
5,001 - 10,000	3,114	2,645	1,241
10,001 - 20,000	3,742	3,114	1,867
≥ 20,001	4,681	3,742	2,175

Source: Official Journal

Motor Vehicle Type	Yearly (TRY)
Electric Engine	
Minibus	25% of the motor vehicle tax corresponding to the age
Van, Motorcaravan (kW)	
≤ 115	25% of the motor vehicle tax corresponding to the age and kW
> 115	
Bus (sitting capacity)	
up to 25	25% of the motor vehicle tax corresponding to the age and sitting capacity
26 - 35	
36 - 45	
46	
Pick-up, truck and road tractor (GVW)	
< 1,500	25% of the motor vehicle tax corresponding to the age and Gross Vehicle Weight
1,501 - 3,500	
3,501 - 5,000	
5,001 - 10,000	
10,001 - 20,000	
> 20,000	

3 TAXES ON MOTORING

3.1 FUEL TAXES

Fuel price is determined by the free market, depending on global crude oil prices, and is subject to VAT and SCT. As of 2018, SCT has a fixed value and the VAT rate is 18%.

As of November 2017, on the basis of fuel prices, the total amount of tax as a percentage of pre-tax value is approximately 60% both for petrol and diesel³.

³ Source: Regulatory Authority for Energy Markets



CHAPTER

40

ACEA TAX GUIDE 2019

USA

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1 OVERVIEW OF VEHICLE TAX PROVISIONS IN THE UNITED STATES

In the United States, most vehicle taxes and fees are imposed at the state rather than at the federal level. However, a notable exception is a measure in the federal tax code called the 'gas guzzler tax'. More recently, the tax code has been utilised to promote the purchase of electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs) by providing tax credits to the purchaser.

Most US states impose state sales taxes on most purchases, including vehicles. Sales taxes are added to the price of goods or services that are purchased in the United States. A sales tax is a tax on consumption, which is displayed as a percentage of the sale price. Sales taxes are assessed by every state except Alaska, Delaware, Montana, New Hampshire and Oregon. Hawaii has a similar tax, although it is charged to businesses instead of consumers. In some cases, for example New York State and California, sales taxes are also assessed at the county or municipal level. California has the highest state sales tax, at 7.5%, which can result in a total tax of up to 10% once local sales tax is included.

All US states impose vehicle registration fees. These vehicle registration fees are imposed on all vehicles regardless of vehicle age and are generally collected annually. This chapter briefly describes the federal gas guzzler tax and electric vehicle tax credits, and then for illustrative purposes describes taxes and fees imposed by three states: California, North Carolina, and New York.

1.1 FEDERAL TAXES

Gas guzzler tax

The Energy Tax Act of 1978 established a gas guzzler tax on the sale of new vehicles whose fuel economy fails to meet certain statutory levels. The gas guzzler tax applies only to cars (not lorries) and is collected by the federal Internal Revenue Service (IRS). The purpose of the gas guzzler tax is to discourage the production and purchase of fuel-inefficient vehicles. The fuel economy figures used to determine the gas guzzler tax depend on values published by the Environmental Protection Agency, which estimates vehicle fuel economy in miles per gallon based on a combined estimate of highway and city driving. The amount of any applicable gas guzzler tax paid by the manufacturer will be disclosed on the automobile's fuel economy label, shown as a window sticker on new cars.

Fuel economy rating (miles per gallon)	Tax (\$)
≥ 22.5	No tax
≥ 21.5-22.5	1,000
≥ 20.5-21.5	1,300
≥ 19.5-20.5	1,700
≥ 18.5-19.5	2,100
≥ 17.5-18.5	2,600
≥ 16.5-17.5	3,000
≥ 15.5-16.5	3,700
≥ 14.5-15.5	4,500
≥ 13.5-14.5	5,400
≥ 12.5-13.5	6,400
< 12.5	7,700

1.2 FEDERAL TAX CREDITS

Electric vehicle and plug-in hybrid electric vehicle tax credits

EVs and PHEVs purchased in or after 2010 may be eligible for a federal income tax credit. The minimum credit amount is \$2,500, and the credit may be up to \$7,500, based on each vehicle's traction battery capacity and the gross vehicle weight (GVW) rating.

The credit begins to phase out for vehicles at the beginning of the second calendar quarter after the manufacturer produces 200,000 eligible vehicles (ie plug-in hybrids and EVs) as counted from 1 January 2010. The IRS will announce when a manufacturer exceeds this production figure and will announce the subsequent phase out schedule. As of January 2019, tax credits have begun to phase out for Tesla and General Motors will begin to phase out in April of this year. Credits for those companies will be completely eliminated.

1.3 EXAMPLES OF VEHICLE TAX POLICIES IN US STATES

1.3.1 California

Vehicle licence fees

The vehicle licence fee (VLF) was established by the legislature in 1935 in lieu of a property tax on vehicles. The formula for VLF assessment established by the legislature is based upon the purchase price of the vehicle or the value of the vehicle when acquired. The VLF decreases with each renewal for the first 11 years. The VLF is equal to 1.15% of the market value of the vehicle.

Vehicle registration, sales and use taxes

New car purchases are subject to the same state sales taxes widely applicable to most consumer merchandise, at a base rate of 7.5%, and can add up to 10% once local taxes are included. Tax and fees vary by county and city within California. These taxes apply to new as well as used vehicles. As an example, consider a new car being purchased by a resident of Los Angeles from a dealer at a total purchase price of \$20,000. The total tax and 'tag' (registration) fees would be as follows:

Current registration	\$57.00
Current California Highway Patrol	\$26.00
Current VLF	\$131.00
Current county service authority for freeway emergencies fee	\$1.00
Current fingerprint ID fee	\$1.00
Current smog high polluter repair fee	\$6.00
Original smog abatement	\$6.00
Alternative fuel/tech smog fee	\$8.00
Current air quality management district	\$6.00
Current South Coast Air Basin	\$1.00
Alternative fuel/tech registration fee	\$3.00
Current vehicle theft/DUI (driving under the influence)	\$2.00
Current transportation improvement fee	\$50.00
Use/sales tax	\$1,900.00

Reflectorized licence plate fee	\$1.00
Total registration fees	\$299.00
Total use/sales tax	\$1,900.00
Grand total registration fees	\$2,199.00

Vehicle purchases are taxed based on the city and county in which the purchaser registers the vehicle, and not on the county in which the vehicle is purchased. There is therefore no advantage in purchasing a car in a cheaper county to save on sales tax.

1.3.2 North Carolina

Motor vehicle property tax

The North Carolina General Assembly recently passed legislation to implement the Tag and Tax Together programme – a more streamlined method for vehicle owners to pay their registration and vehicle taxes. Beginning in 2013, annual registration fees and vehicle property taxes will be paid to the Division of Motor Vehicles (DMV). In turn, the DMV will distribute the taxes to the appropriate counties. Prior to this change, motor vehicle taxes were collected by the county. Counties still set the tax rates, which vary from \$0.27 to \$1.03 (per \$100 valuation).

Sales tax/highway use tax

North Carolina collects a highway use tax (HUT) on vehicles rather than a state sales tax. The tax is assessed each time a title is transferred. The tax assessment is 3% on passenger vehicles. The maximum tax for commercial vehicles (vehicles with a weight greater than 26,000lbs) is \$2,000. All other vehicles are charged 3% with no ceiling.

Money that is collected for the highway use tax goes towards the North Carolina Highway Trust Fund. That money is then used to improve the roads of North Carolina. Additionally, another portion of the money collected for the highway use tax goes towards the State's General Fund.

Vehicle registration fees

The fees charged to title and register a vehicle in North Carolina are provided in the following table:

Title and register	Fee (\$)
Certificate of title	52.00
Instant title	98.00
Licence plate registration fee for private passenger vehicles	36.00
Licence plate registration fee for private truck under 4,000lbs	36.00
All electric vehicles are subject to a \$130 fee in addition to their registration fees	130.00
Regional transportation authority registration tax for vehicles registered in Wake, Durham and Orange counties	15.00
Piedmont authority for regional transportation tax for vehicles registered in Randolph county	1.00
Transfer of plate	20.00
Highway use tax: based on vehicle's purchase price or value	3%

1.3.3 New York

State and locality sales tax

New York State has a base sales tax rate on tangible personal property (including new and used vehicles) of 4%, with an additional tax rate based on locality (city or county). The locality tax rate in New York varies from an additional 3% to an additional 4.87%.

Vehicle registration fees

Vehicle registration fees are determined based on vehicle weight, according to the following table. The dollar amount listed to the right of the vehicle weight is the registration fee for two years.

Weight (lbs)	Fee (\$)		
0-1,650	26.00	4,251-4,350	76.00
1,651-1,750	27.50	4,351-4,450	78.50
1,751-1,850	29.00	4,451-4,550	81.00
1,851-1,950	31.00	4,551-4,650	83.50
1,951-2,050	32.50	4,651-4,750	85.50
2,051-2,150	34.00	4,751-4,850	88.00
2,151-2,250	35.50	4,851-4,950	90.50
2,251-2,350	37.50	4,951-5,050	93.00
2,351-2,450	39.00	5,051-5,150	95.50
2,451-2,550	40.50	5,151-5,250	98.00
2,551-2,650	42.00	5,251-5,350	100.50
2,651-2,750	43.50	5,351-5,450	102.50
2,751-2,850	45.50	5,451-5,550	105.00
2,851-2,950	47.00	5,551-5,650	107.50
2,951-3,050	48.50	5,651-5,750	110.00
3,051-3,150	50.00	5,751-5,850	112.50
3,151-3,250	52.00	5,851-5,950	115.00
3,251-3,350	53.50	5,951-6,050	117.00
3,351-3,450	55.00	6,051-6,150	119.50
3,451-3,550	56.50	6,151-6,250	122.00
3,551-3,650	59.00	6,251-6,350	124.50
3,651-3,750	61.50	6,351-6,450	127.00
3,751-3,850	64.00	6,451-6,550	129.50
3,851-3,950	66.50	6,551-6,650	131.50
3,951-4,050	69.00	6,651-6,750	134.00
4,051-4,150	71.00	6,751-6,850	136.50
4,151-4,250	73.50	6,851-6,950	139.00
		6,951 or more	140.00

The first time a vehicle is registered, additional original registration fees apply, amounting to \$25.00 for vehicle plates, \$50.00 for a title certificate, and the sales tax. The amount of the sales tax depends on the purchase price and locality. There is also a minimum two-year fee of \$32.50 for a vehicle that has six or more cylinders, or for an electric vehicle.

New York City tax rates

In the case of tangible personal property, including motor vehicles, the New York City sales tax rate is 4.5% (in addition to the New York State sales and use tax of 4% and the Metropolitan Commuter Transportation District surcharge of 0.37%), giving a total sales and use tax rate of 8.9%.

The city charges a 10.3% tax and an additional 8% surtax on parking, garaging or storing motor vehicles in Manhattan. If you are a resident of Manhattan and own a motor vehicle registered in Manhattan, you may be eligible for a Manhattan resident parking tax exemption from the 8% surtax. For those who qualify, the tax rate is 10.3% instead of 18.3%.

Vehicle use taxes and supplemental fees for passenger vehicles

Residents of New York City and several counties in New York State must pay a vehicle use tax when they register a passenger vehicle or renew a passenger vehicle registration. The New York State Department of Motor Vehicles collects the taxes for the city and the counties. The table below indicates which counties are affected by a vehicle use tax. As noted in the table, residents of the 12 counties in the Metropolitan Commuter Transportation District (MCTD) also pay a supplemental fee for each year the registration is in effect.

New York City – all counties	
Counties	Amount of vehicle use tax/supplemental fee
Bronx, Kings (Brooklyn), New York (Manhattan), Queens, Richmond (Staten Island)	All passenger vehicles: \$30 for two years (\$15 per year)
	Supplemental MCTD fee: \$50 for two years (\$25 per year)

County	Weight (lbs)	Use tax
Albany	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Allegany	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Broome	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Cattaraugus	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Chautauqua	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Chemung	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Clinton	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Cortland	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Dutchess	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
	Supplemental MCTD fee	\$50 for two years (\$25/year)
Erie	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Franklin	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Genesee	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Livingston	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Madison	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Monroe	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Montgomery	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Nassau	All weights	\$30 for two years (\$15/year)
	Supplemental MCTD fee	\$50 for two years (\$25/year)
Niagara	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Oneida	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Onondaga	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Orange	Supplemental MCTD fee	\$50 for two years (\$25/year)
Orleans	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)

County	Weight (lbs)	Use tax
Oswego	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Putnam	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
	Supplemental MCTD fee	\$50 for two years (\$25/year)
Rensselaer	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Rockland	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
	Supplemental MCTD fee	\$50 for two years (\$25/year)
Schenectady	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Schuyler	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Steuben	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Suffolk	≤ 3,500	\$30 for two years (\$15/year)
	≥ 3,501	\$60 for two years (\$30/year)
	Supplemental MCTD fee	\$50 for two years (\$25/year)
Sullivan	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Tioga	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Tompkins	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Ulster	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Warren	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Washington	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Westchester	≤ 3,500	\$30 for two years (\$15/year)
	≥ 3,501	\$60 for two years (\$30/year)
	Supplemental MCTD fee	\$50 for two years (\$25/year)
Wyoming	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Yates	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)



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