

## Overview of tax incentives <sup>a)</sup> for electric vehicles in the EU, 2014

<b>Austria</b>	Electric vehicles are exempt from the fuel consumption tax and from the monthly vehicle tax. The Austrian automobile club ÖAMTC publishes the incentives granted by local authorities on its website ( <a href="http://www.oeamtc.at/elektrofahrzeuge">www.oeamtc.at/elektrofahrzeuge</a> ).
<b>Belgium</b>	Electric vehicles are exempt from registration tax in Flanders. They pay the lowest rate of tax under the annual circulation tax in all three regions. "Ecology premiums" are available in Flanders for companies investing in the purchase of pure electric, plug-in hybrid and extended range electric vehicles. The deductibility from corporate income of expenses related to the use of company cars is 120% for zero emissions vehicles and 100% for vehicles emitting between 1 and 60g/km of CO <sub>2</sub> . Above 60g/km, the deductibility rate decreases gradually from 90% to 50%.
<b>Bulgaria</b>	None.
<b>Croatia</b>	None.
<b>Cyprus</b>	None.
<b>Czech Republic</b>	Electric, hybrid and other alternative fuel vehicles are exempt from the road tax (this tax applies to cars used for business purposes only).
<b>Denmark</b>	Electric vehicles weighing less than 2,000kg are exempt from the registration tax. This exemption does not apply to hybrid vehicles.
<b>Estonia</b>	None.
<b>Finland</b>	Electric vehicles pay the minimum rate (5%) of the CO <sub>2</sub> based registration tax.
<b>France</b>	Vehicles emitting 20g/km or less of CO <sub>2</sub> benefit from a premium of EUR 6,300 under a bonus-malus scheme. For vehicles emitting between 20 and 60g/km, the premium is EUR 4,000. For such vehicles, the amount of the incentive cannot exceed 20% of the vehicle purchase price including VAT, increased with the cost of the battery if this is rented. For vehicles emitting less than 20g/km, this is 27% of the purchase price. Hybrid vehicles emitting 110g/km or less of CO <sub>2</sub> benefit from a premium of EUR 3,300. Electric vehicles are exempt from the company car tax. Hybrid vehicles emitting less than 110g/km are exempt during the first two years after registration.
<b>Germany</b>	Electric vehicles are exempt from the annual circulation tax for a period of ten years from the date of their first registration.
<b>Greece</b>	Electric and hybrid vehicles are exempt from the registration tax, the luxury tax and the luxury living tax. Electric passenger cars and hybrid passenger cars with an engine up to 1,929cc are exempt from the circulation tax. Hybrid cars with a higher engine capacity pay 50% of the normal circulation tax rate.
<b>Hungary</b>	Electric vehicles are exempt from the registration tax and the annual circulation tax.
<b>Ireland</b>	Electric vehicles benefit from VRT (registration tax) relief up to a maximum of EUR 5,000. For plug-in hybrids, the maximum relief is EUR 2,500. For conventional hybrid vehicles and other flexible fuel vehicles, the maximum relief is EUR 1,500.
<b>Italy</b>	Electric vehicles are exempt from the annual circulation tax (ownership tax) for a period of five years from the date of their first registration. After this 5-year period, they benefit from a 75% reduction of the tax rate applied to equivalent petrol vehicles in many regions.
<b>Latvia</b>	Electric vehicles are exempt from the registration tax.
<b>Lithuania</b>	None
<b>Luxembourg</b>	Purchasers of electric or plug-in hybrid vehicles emitting 60g/km or less of CO <sub>2</sub> receive a premium of EUR 5,000. The purchaser must have concluded an agreement to buy electricity from renewable energy sources in order to obtain the premium.
<b>Malta</b>	None.

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<b>Netherlands</b>	Electric vehicles are exempt from the registration tax BPM. Other vehicles including hybrid vehicles are also exempt from the registration tax if they emit maximum 85g/km (diesel) or 8 g/km (petrol) of CO2 respectively. Vehicles emitting maximum 50g/km of CO2 are exempt from the annual circulation tax.
<b>Poland</b>	None.
<b>Portugal</b>	Electric vehicles are exempt from the registration tax ISV and from the annual circulation tax. Hybrid vehicles benefit from a 50% reduction of the registration tax.
<b>Romania</b>	Electric and hybrid vehicles are exempt from the registration tax.
<b>Slovak Republic</b>	None.
<b>Slovenia</b>	None.
<b>Spain</b>	None.
<b>Sweden</b>	<p><b>5-year exemption from paying annual circulation tax:</b> Electric vehicles with an energy consumption of 37kWh per 100km or less are exempt from the annual circulation tax for a period of 5 years from the first registration. The same 5 year exemption applies to electric hybrid and plug-in hybrid vehicles that fulfill the new green car definition applied for new registrations from 1 Jan 2013. The definition is dependent on the CO2 emission in relation to the curb weight of the car. The formula for petrol, diesel, electric hybrid cars and plug-in cars is as follows: Maximum CO2-emission allowed = <math>95\text{g/km CO}_2\text{-emission} + 0.0457 \times (\text{the curb weight of the car} - 1,372\text{kg curb weight})</math>. Example: a plug-in hybrid car has a CO2-emission of 50g/km and a curb weight of 1,500kg: <math>95 + 0.0457 \times (1,500 - 1,372) = 100.8</math>. The actual CO2-value 50g/km is less than the calculated value 100.8 which means that the car is classified as a green car with a 5 year exemption from paying annual circulation tax. Moreover, for both electric cars and plug-in hybrids the electrical energy consumption per 100km must not exceed 37kwh to be regarded as a green car.</p> <p><b>Reduction of company car taxation:</b> For electric and plug-in hybrid vehicles, the taxable value of the car for the purposes of calculating the benefit in kind of a company car under personal income tax is reduced by 40% compared with the corresponding or comparable petrol or diesel car. The maximum reduction of the taxable value is SEK 16,000 per year.</p> <p><b>Super green car premium new cars:</b> A so called "Super green car premium" of SEK 40,000 is available for the purchase of new cars with CO2 emissions of maximum 50g/km. The premium is applied both for the purchase by private persons and companies. For companies purchasing a super green car, the premium is calculated as 35% of the price difference between the super green car and a corresponding petrol/diesel car, with a maximum of SEK 40,000. The premium will be paid for a total of maximum 5,000 cars.</p>
<b>United Kingdom</b>	Purchasers of electric vehicles and plug-in hybrid vehicles with CO2 emissions below 75g/km receive a premium of GBP 5,000 (maximum) or 25% of the value of a new car or GBP 8,000 (maximum) or 20% of the value of a new LCV meeting eligibility criteria (for example, minimum range 70 miles for electric vehicles, 10 miles electric range for plug-in hybrid vehicles). Electric vehicles are exempt from the annual circulation tax. This tax is based on CO2 emissions and all vehicles with emissions below 100g/km are exempt from it. Electric cars are exempt from company car tax until April 2015 and electric vans are exempt from the van benefit charge until that date too. Electric vehicles and other vehicles emitting less than 95g/km of CO2 can claim a 100% first-year allowance for depreciation.

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

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

More details regarding motor vehicle taxation in the European Union and other major markets can be found in the ACEA Tax Guide.

Source: European Automobile Manufacturers' Association (ACEA), 2014, Overview of purchase and tax incentives for electric vehicles in the EU.