
2017

ACEA Tax Guide



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Foreword

The 2017 edition of the European Automobile Manufacturers' Association's annual Tax Guide provides an overview of specific taxes that are levied on motor vehicles in European countries, as well as in other key markets around the world.

This comprehensive guide counts more than 300 pages, making it an indispensable tool for anyone interested in the European automotive industry and relevant policies. The 2017 Tax Guide contains all the latest information about taxes on vehicle acquisition (VAT, sales tax, registration tax), taxes on vehicle ownership (annual circulation tax, road tax) and taxes on motoring (fuel tax).

Traditionally, the ACEA Tax Guide covers the 28 member states of the European Union as well as the EFTA countries (Iceland, Norway and Switzerland). Given the growing importance of other global markets, the scope of this Tax Guide has been extended to include countries such as Brazil, China, India, Japan, Russia, South Korea, Turkey and the United States.

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



A handwritten signature in black ink, appearing to read 'Erik Jonnaert', written in a cursive style.

Erik Jonnaert
ACEA Secretary General

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ACEA TAX GUIDE 2017

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CHAPTER

01

ACEA TAX GUIDE 2017

EU summary tables

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1 MOTOR VEHICLE TAXATION: EU SUMMARY

1.1 TAXES ON ACQUISITION

Country	VAT	Registration Tax
Austria	20%	Based on CO2 emissions (max 32% + bonus/malus)
Belgium	21%	Based on cylinder capacity and age (Brussels-Capital) Fuel, age, Euro standards and CO2 emissions (Flanders) CO2 emissions (Wallonia)
Bulgaria	20%	Based on purchase price + BGN 25 (plate) + BGN 160 (eco tax)
Croatia	25%	Based on selling price and CO2 emissions
Cyprus	19%	Based on CO2 emissions and cylinder capacity
Czech Republic	21%	Based on vehicle type and Euro standards
Denmark	25%	Based on traffic safety equipment and evaluation (105% up to DKK 106,600 + 150% on the remainder)
Estonia	20%	€62 (registration label) + €130 (registration card)
Finland	24%	Based on price and CO2 emissions (min 3.8%, max 50%)
France	20%	Bonus/malus system based on CO2 emissions
Germany	19%	Based on purchase price + €26.30 (registration fees)
Greece	24%	Based on net retail price and CO2 emissions
Hungary	27%	Based on age and cylinder capacity
Ireland	23%	Based on CO2 emissions, from 14 to 36%
Italy	22%	Based on kilowatt, weight and seats
Latvia	21%	Based on weight and fuel type
Lithuania	21%	Based on vehicle type
Luxembourg	17%	Based on purchase price + registration fees (€24 or €50)
Malta	18%	Based on CO2 emissions, length and vehicle value
Netherlands	21%	Based on CO2 emissions and fuel efficiency
Poland	23%	Based on cylinder capacity (3.1-18.6%)
Portugal	23%	Based on cylinder capacity and CO2 emissions
Romania	19%	Based on purchase price + €9 (registration fees)
Slovakia	20%	Based on engine power (kW) and age
Slovenia	22%	Based on CO2 emissions and purchase price
Spain	21%	Based on CO2 emissions, from 4.75% (121-159g/km) to 14.75% (200g/km or more)
Sweden	25%	Based on purchase price and vehicle type
United Kingdom	20%	Based on invoice value or resale price

1.2 TAXES ON OWNERSHIP

Country	Passenger cars	Commercial vehicles
Austria	Engine power (kW)	Gross vehicle weight
Belgium	Cylinder capacity, CO2 emissions and fuel type	Weight and axles
Bulgaria	Engine power (kW)	Weight and axles
Croatia	Engine power (kW) and age	Engine power (kW) and age
Cyprus	CO2 emissions	CO2 emissions
Czech Republic	Engine size	Weight and axles
Denmark	Fuel consumption and weight	Fuel consumption and weight
Estonia	None	Weight and axles suspension
Finland	CO2 emissions, weight x days	Weight x days
France	CO2 emissions and fuel type	Weight, axles, use of trailer
Germany	CO2 emissions and cylinder capacity	Weight, exhaust emission group and noise
Greece	Engine capacity or CO2 emissions (for new cars)	Gross vehicle weight
Hungary	Age	Euro standards
Ireland	CO2 emissions	Deadweight
Italy	Engine power, Euro standards	Weight, axles, suspension
Latvia	Gross weight, cylinder capacity, engine power (kW)	Gross weight and axles
Lithuania	None	Weight, axles, suspension
Luxembourg	CO2 emissions or cylinder capacity	Weight, axles, suspension
Malta	CO2 emissions and age	CO2 emissions and age
Netherlands	Deadweight, province, fuel, CO2 emissions	Deadweight and axles
Poland	None	Weight and axles
Portugal	Cylinder capacity and CO2 emissions	Weight, axles, suspension
Romania	Cylinder capacity	Gross weight and axles
Slovakia	Cylinder capacity	Gross weight and axles
Slovenia	Cylinder capacity	Gross weight
Spain	Engine rating (hp)	Payload
Sweden	Weight, fuel type or CO2 emissions	Weight, axles, fuel and exhaust emissions
United Kingdom	Engine size and CO2 emission (for new cars)	Dead weight, axles and environmental characteristics

1.3 TAXES ON MOTORING

Excise duties on fuels in €/1,000 litres		
Country	Unleaded Petrol	Diesel
Austria	482	397
Belgium	623	513
Bulgaria	363	330
Croatia	519	412
Cyprus	479	450
Czech Republic	475	405
Denmark	564	363
Estonia	465	448
Finland	703	530
France	651	531
Germany	655	470
Greece	700	410
Hungary	388	357
Ireland	588	479
Italy	728	617
Latvia	436	341
Lithuania	434	330
Luxembourg	462	335
Malta	549	472
Netherlands	772	486
Poland	395	345
Portugal	671	446
Romania	368	337
Slovakia	515	368
Slovenia	508	426
Spain	461	367
Sweden	461	367
United Kingdom	680	680
EU minimum rates	359	330

Status: 1 January 2017

Source: European Commission

1.4 FISCAL INCOME FROM MOTOR VEHICLES IN THE EU¹

	AT (€ bn) 2014	BE (€ bn) 2015	DK (DKK bn) 2014	DE (€ bn) 2012	ES (€ bn) 2015	FI (€ bn) 2015	FR (€ bn) 2014	GR (€ bn) 2015	IE (€ bn) 2015	IT (€ bn) 2015	NL (€ bn) 2015	PT (€ bn) 2016	SE (SEK bn) 2014	UK (€ bn) 2016 ²
Purchase or transfer														
1. VAT on vehicle sales servicing/repair, parts, tyres	2.678	6.231	NA	26.319	-	1.498	13.744	NA	0.601	16.100	1.517	3.446	24.500	12.500
2. Fuels & lubricants	5.338	6.928	16.607	39.304	18.716	4.068	37.103	3.663	3.028	36.840	7.866	3.259	48.200	27.900
3. Sales & registration taxes	0.520	0.410	15.865	-	3.790	0.884	2.071	0.117	0.684	1.520	1.462	0.672	-	-
Annual ownership taxes	2.100	1.600	10.592	8.991	2.637	0.930	0.997	1.123	1.124	5.950	3.973	0.554	14.300	5.800
Driving license fees	-	0.014	-	0.010	0.064	-	-	-	-	-	0.248	-	-	-
Insurance taxes	0.324	0.955	1.579	3.786	-	0.387	4.590	-	-	4.000	0.948	-	2.800	-
Tolls	1.688	-	0.381	-	-	-	11.027	-	-	1.950	-	0.320	1.800	-
Customs duties	-	-	-	0.535	-	-	-	-	-	-	-	0.050	-	-
Other taxes	0.312	0.662	-	1.010	0.657	-	1.579	0.135	-	5.500	2.394	0.200	4.500	1.500
TOTAL (national currencies)	12.960	16.800	45.024	79.955	25.864	7.767	71.111	5.038	5.437	71.860	18.408	8.501	96.100	47.700
TOTAL (€)	13.0	16.8	6.1	80.0	25.9	7.8	71.1	5.0	5.4	71.9	18.4	8.5	10.0	55.9
GRAND TOTAL = €395.7bn														

¹ Latest available data; only countries for which sourced data is available are listed² 2012 estimates for income from VAT and other taxes



CHAPTER

02

ACEA TAX GUIDE 2017

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.

A person registered for VAT is allowed to deduct the VAT (through input VAT) on the purchase of commercial vehicles for professional use. With the exception of certain exemptions, such as cars for driving schools and taxis, deductions are not allowed for passenger cars and combination cars (*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 (*Normverbrauchsgabe – 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, and vehicles for disabled persons.

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 combination cars

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

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 approval in accordance with the Austrian Kraftfahrzeuggesetz 1967 or on EU type approval.

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 reduced for diesel and gasoline cars to €400. On 1 January 2016, the deduction was again reduced for both types of cars (diesel and gasoline) to €300.

A NoVA deduction of €600 for environmentally friendly vehicles (hybrid, E85, LNG, 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 (exceptions: 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*) of 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 the case of the sale of a vehicle owned for at least 7 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 as long as they are used for business purposes. Depreciation of a vehicle is generally calculated over 8 years (passenger cars) or 3-10 years (all other vehicles) on the basis of the purchase price (including pollution tax and VAT, as long as it is not deductible). If the value of a car is such that it is considered a luxury product (purchase price exceeding €40,000), only the percentage up to this amount of the purchase price (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 reasons 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, combination cars	191.10	191.10
Lorries, coaches	191.10	191.10
Heavy machinery	180.60	180.60
Special vehicles, trailers	180.60	180.60
Motorcycles	182.10	182.10
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.

In the case of passenger cars and combination vehicles 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 (effective from 1 March 2014)

The monthly rates of vehicle tax can be calculated using the following formula (valid from 1 March 2014):

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, combination cars and vehicles < 3.5t ² ³	<i>For all vehicle engines</i> $0.62 \times (kW - 24) \times f$ <i>(for the first 66kW)</i> $0.66 \times (kW - 24) \times f$ <i>(for the next 20kW)</i> $0.75 \times (kW - 24) \times f$ <i>(for each exceeding kW)</i>	kW = kilowatts f = number of months (for yearly payment in advance)	6.20	72.00 (does not apply to passenger and combination cars)
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	1.55/t		15.00	66.00
12-18t	1.70/t			
> 18t	1.90/t			

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.

For motorcycles, passenger and combination cars, 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 relate to vehicles used in official services (local authorities, ambulance services, the fire brigade, etc); buses, coaches; taxis; vehicles for the disabled; electric cars; works trucks, digging machines, etc; motorcycles with a cylinder capacity below 100cm³; exemptions due to bilateral contracts (eg holiday traffic); and vehicles with a gross weight of over 3.5t used for combined transport to and from inland railway stations only.

According to EU law, there are further exemptions for vehicles with a gross weight of over 12t in another EU Member State; 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)	743.69	488.17	734.97	893.31
<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)	1,153.33	749.17	1,228.33	1,386.67
VAT (%)	20.00	20.00	20.00	20.00
Price at the pump (€/1000l)	1,384.00	899.00	1,474.00	1,664.00

Figures as at 13 December 2016

In general, fuel tax rates depend on the fuel type, the amount of sulphur and the amount of biogenic material in the fuel as follows:

Type of fuel	Rate of MÖSt ⁵ in €/1000l (from 1 January 2011)
Unleaded/Eurosuper (Super95)/SuperPlus (Super100) with an amount of sulphur ≤ 10mg/kg (≤ 0.013g Pb/l)	515
Unleaded/Eurosuper (Super95)/SuperPlus (Super100) with an amount of sulphur > 10mg/kg (≤ 0,013g Pb/l)	515
Unleaded/Eurosuper (Super95)/SuperPlus (Super100) with an amount of sulphur ≤ 10mg/kg (≤ 0.013g Pb/l) with biogenic amount min 46l/1000l	482
Diesel with an amount of sulphur ≤ 10mg/kg	425
Diesel with an amount of sulphur > 10mg/kg	425
Diesel with an amount of sulphur ≤10mg/kg with biogenic amount min 66l/1000l	397

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

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.

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 (€)	34.40	13.00	5.10
Cost for cars and other vehicles up to 3.5t (gross weight)⁶ (€)	86.40	25.90	8.90

Figures as at 1 December 2016

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, Tauern tunnel, Bosruck/Gleinalm, Karawankentunnel, Arlberg tunnel) 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 particular 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, Tauern tunnel, Arlberg tunnel).

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).

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.

Since 1 January 2017 noise pollution will also be taken into account along with air pollution (EURO emission classes).

Buses, vehicles and vehicle combinations with a gross weight > 3.5t (valid from 1 January 2017)						
Road pricing per km in € (excl 20% VAT)						
Emission group category	Category 2 (two axles)		Category 3 (three axles)		Category 4+ (four or more axles)	
	Day	Night*	Day	Night*	Day	Night*
A: EURO-emission class EURO VI	0.178	0.1784	0.24983	0.25075	0.37436	0.37552
B: EURO-emission class EURO V and EEV	0.1966	0.197	0.27587	0.27679	0.40657	0.40773
C: EURO-emission class EURO IV and V	0.2029	0.2033	0.28469	0.28561	0.41665	0.41781
D: EURO-emission class EURO 0 to III	0.2229	0.2233	0.31269	0.31361	0.44865	0.44981

Figures as at 1 January 2017

* The night rates apply between 10 pm and 5 am

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

For certain Austrian road sections (eg Brenner, Tauerntunnel, Arlbergtunnel) that have had a distance-related toll system for some time, the toll will now be charged electronically through the GO-Box.

4 PRIVATE USE OF A COMPANY CAR

Regulation (valid from 1 January 2016)

Since 1 January 2016, the amount of the total benefit in kind has also taken into account the CO₂ emissions of the car in the year of purchase.

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

If the CO₂ emissions of the car 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 €0.69/km (€0.72/km and €0.96/km if a driver is added) for 1.5% (low CO₂ emission) and 2% rated cars, respectively, leads to a result lower than 50%, the lower result may be considered a benefit in kind (if true records on private use are kept).

The private use of zero-CO₂-emission cars (eg electric cars) does not result in any benefit in kind. 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) have to be carried out annually. The cost in euros of the inspection (including 20% VAT) is as follows:

Passenger cars	56.00
Taxis, rental cars, lorries < 3.5t (gross weight)	56.00
Lorries with three axles	135.96
Lorries with four axles	166.80
Buses, coaches	138.00
Trailers < 0.750t (gross weight), motorcycles	26.40
Trailers > 0.750t (gross weight) with two axles or more	63.60
Trailer > 0.750t (gross weight) with three axles or more	63.60

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

Buses and coaches for public transport have to be checked every two months.



CHAPTER

03

ACEA TAX GUIDE 2017

Belgium

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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:

$$\text{hp} = (4 \times \text{cc}) + K$$

Cylinder capacity (l)	Coefficient <i>K</i>	Cylinder capacity (l)	Coefficient <i>K</i>
not exceeding 0.9	1.5	from 2.4 to 2.6	3.25
from 1.0 to 1.2	1.75	from 2.7 to 3.3	3.50
from 1.3 to 1.5	2	from 3.4 to 3.9	3.75
from 1.6 to 1.7	2.25	from 4.0 to 4.9	4
from 1.8 to 1.9	2.5	from 5.0 to 5.9	4.5
from 2.0 to 2.1	2.75	more than 6	5
from 2.2 to 2.3	3		

Resulting table (fiscal hp):

Cylinder capacity (cc)	Fiscal hp	Cylinder capacity (cc)	Fiscal hp
Up to 750	4	from 3,951 to 4,150	20
from 751 to 950	5	from 4,151 to 4,350	21
from 951 to 1,150	6	from 4,351 to 4,650	22
from 1,151 to 1,350	7	from 4,651 to 4,850	23
from 1,351 to 1,550	8	from 4,851 to 5,050	24
from 1,551 to 1,750	9	from 5,051 to 5,250	25
from 1,751 to 1,950	10	from 5,251 to 5,550	26
from 1,951 to 2,150	11	from 5,551 to 5,750	27
from 2,151 to 2,350	12	from 5,751 to 5,950	28
from 2,351 to 2,550	13	from 5,951 to 6,150	29
from 2,551 to 2,750	14	from 6,151 to 6,350	30
from 2,751 to 3,050	15	from 6,351 to 6,650	31
from 3,051 to 3,250	16	from 6,651 to 6,850	32
from 3,251 to 3,450	17	from 6,851 to 7,150	33
from 3,451 to 3,650	18	from 7,151 to 7,350	34
from 3,651 to 3,950	19	from 7,351 to 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 Mobility and Transport Public Service is €30. The price for a personalised registration plate is €2,000.

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 have had to decide to grant incentives for low-emission cars. However, some federal incentives exceptionally still remain effective in 2016 (as they did in 2015):

- Personal Income Tax (PIT) reduction of 15% (to a maximum of €3,010) 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 €4,940) 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 kilowatts) 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 (2,550- 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 for:	< 1 y	61.50	123.00	123.00	495.79	867.00	867.00	867.00	1,239.00	2,487.00	4,957.00
	< 2 y	61.50	110.70	110.70	445.50	780.30	780.30	780.30	1,115.10	2,230.20	4,461.30
	< 3 y	61.50	98.40	98.40	396.00	693.60	693.60	693.60	991.20	1,982.40	3,965.60
	< 4 y	61.50	86.10	86.10	346.50	606.90	606.90	606.90	867.30	1,734.60	3,469.90
	< 5 y	61.50	73.80	73.80	297.00	520.20	520.20	520.20	743.40	1,486.80	2,974.20
	< 6 y	61.50	61.50	61.50	272.25	476.85	476.85	476.85	681.45	1,362.90	2,726.35
	< 7 y	61.50	61.50	61.50	247.50	433.50	433.50	433.50	619.50	1,239.00	2,478.50
	< 8 y	61.50	61.50	61.50	222.75	390.15	390.15	390.15	557.55	1,115.10	2,230.65
	< 9 y	61.50	61.50	61.50	198.00	346.80	346.80	346.80	495.60	991.20	1,982.80
	< 10 y	61.50	61.50	61.50	173.25	303.45	303.45	303.45	433.65	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	1,487.10
	< 12 y	61.50	61.50	61.50	123.75	216.75	216.75	216.75	309.75	619.50	1,239.25
	< 13 y	61.50	61.50	61.50	99.00	173.40	173.40	173.40	247.80	495.60	991.40
	< 14 y	61.50	61.50	61.50	74.25	130.05	130.05	130.05	185.85	371.70	743.55
	< 15 y	61.50	61.50	61.50	61.50	86.70	86.70	86.70	123.90	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	

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 (a minimum tariff applies to electric vehicles in the Flemish Region and the Brussels-Capital 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. a metro/tram/bus subscription for one year and a 'Cambio Start' (carsharing system) subscription for one year;
- or
- b. 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:

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

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

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, €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.

From 1 January 2017, the formula is as follows:

$$TES = \frac{[(CO_2 \times f + x)^6 \times 4,500 + d] \times LC}{246}$$

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 €42.91 and €10,728.65 from 1 July 2016 to 30 June 2017);
- 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)
- 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:

	Euronorm	Amount for c from 1 July 2016 to 30 June 2017 (€)		Euronorm	Amount for c from 1 July 2016 to 30 June 2017 (€)
	Diesel	Euro 0		2,926.14	Petrol, LPG and natural gas
Euro 1		858.48	Euro 1	520.48	
Euro 2		636.27	Euro 2	155.64	
Euro 3		504.21	Euro 3	97.63	
Euro 3 with DPF		477.34	-	-	
Euro 4		477.34	Euro 4	23.43	
Euro 4 with DPF		469.46	-	-	
Euro 5		469.46	Euro 5	21.06	
Euro 6		469.46	Euro 6	21.06	

Note: DPF, diesel particulate filter

Exempted:

- Exclusively electrically powered passenger cars
- Plug-in hybrid cars emitting no more than 50g/km CO₂ (until 31 December 2020)
- Compressed natural gas (CNG) passenger cars (until 31 December 2020)

Incentives for electric and hydrogen-powered cars: '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.
- It is only for private persons (not legal entities or cities/other public entities); the bonus premium applies only once.

The amount of the bonus 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 15,000km/year during 36 months is standardly used).

The bonus has to be requested within 3 months of the date of registration of the vehicle. The date of request determines the year for which the bonus is granted.

The amount of the bonus is defined as follows:

List value (catalogue value = C)	2016 (€)	2017 (€)	2018 (€)	2019 (€)
$C < €31,000$	5,000	4,000	3,000	2,000
$€31,000 \leq C < €41,000$	4,500	3,500	2,500	1,500
$€41,000 \leq C < €61,000$	3,000	2,500	2,000	1,500
$C \geq €61,000$	2,500	2,000	1,500	1,000

Incentives for 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 January 2017).

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 1 January 2017) 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	A	9	65	25	12.5
Transformation from ICE to hydrogen engine	A	9	100	25	12.5
New CNG light duty vehicles	A	9	20	25	12.5
New CNG trucks	A	9	30	25	12.5
New LNG trucks	A	9	40	25	12.5
Transformation from ICE to CNG/LNG engine for trucks	A	9	100	25	12.5
Retrofit DPF for trucks Euro 1, 2 and 3	A	9	100	25	12.5
Tank infrastructure for LNG	A	9	80	25	12.5
Tank infrastructure for LNG & CNG	A	9	80	25	12.5
Tank infrastructure for hydrogen	A	9	90	25	12.5

Note: ICE, internal combustion engine

Example: ecology premium for:

- €50,000 fuel-cell vehicle purchased by an SME: $65\% \times €50,000 \times (25\% \text{ for SME}) = €8,125$

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.

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).
- 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.

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

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).
- LPG cars: malus starts from 156g (the 10g or 20g advantage for large families is granted in addition to this: eg LPG + 3 children => malus starts from 166g; LPG + 4 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 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 2017, the amounts have to be indexed by 1.2448 and will in any case never be lower than €26.01 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 = 151g/km: $(((151 \times 9) - 768) \div 12) \times 1.2448$
⇒ monthly contribution amount in 2017: €61.31
- Diesel: CO₂ = 166g/km: $(((166 \times 9) - 600) \div 12) \times 1.2448$
⇒ monthly contribution amount in 2017: €92.74

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 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 varies according to fluctuations in the retail price index. The adjustment is made on 1 July of each year, with reference to the variation of the 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 2016 to 30 June 2017:

CC		Fiscal hp	ACT in Flemish Region (€)	ACT in Walloon & Brussels Regions (€)
from	to			
0	750	4	79.07	79.07
751	950	5	98.87	98.87
951	1,150	6	143.09	143.09
1,151	1,350	7	186.91	186.91
1,351	1,550	8	231.13	231.13
1,551	1,750	9	275.22	275.35
1,751	1,950	10	318.91	319.04
1,951	2,150	11	413.95	413.95
2,151	2,350	12	508.86	508.99
2,351	2,550	13	603.64	603.77
2,551	2,750	14	698.68	698.68
2,751	3,050	15	793.58	793.72
3,051	3,250	16	1,039.37	1,039.50
3,251	3,450	17	1,285.55	1,285.55
3,451	3,650	18	1,531.60	1,531.60
3,651	3,950	19	1,776.98	1,777.12
3,951	4,150	20	2,023.03	2,023.16
4,151	4,350	21	2,087.58	2,295.52
4,351	4,650	22	2,243.87	2,451.67
4,651	4,850	23	2,354.22	2,561.89
for each additional unit of fiscal HP above 23			110.22	110.35

An additional ACT is levied on LPG vehicles to compensate for the abolition of excises (€0.06/l) 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 amounts are not indexed and nor are they subject to municipal taxes.

Since 1 January 2016, the Flemish Region has applied 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, fuel type and Euronorm of the vehicle.

a) Based on CO₂ emissions (NEDC test cycle), 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 amount is fixed at €40.88; LPG-powered cars will receive a rebate of €100.

Exempted from ACT (only in the Flemish Region) are:

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

3.2.2 Ownership taxes for commercial vehicles

Buses and coaches (M2, M3)

ACT is indexed. Since 1 July 2015, the flat rate has been set at €77.65.

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.

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

ACT, based on the maximum permissible weight (MPW), is fixed at €19.32 for every 500kg, with a minimum of €31.91 (excluding 10% municipal tax) or €35.10 (including 10% municipal tax).

MPW (kg)		Exclusive of 10% municipal tax (€)	Inclusive of 10% municipal tax (€)
from	to		
0	500	31.91	35.10
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

The Flemish Government has decided to introduce, as of 1 July 2017, an environmental correction on the LCV 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 LCVs (new or second-hand). LCVs already registered remain out of scope. LCVs powered by CNG/LNG and plug-in hybrids (the latter not exceeding 50g/km of CO₂ emissions) will be exempted from any ACT until 31 December 2020. Pure electric LCVs will be exempted with no time limit. Note: these decisions from Flemish Government still have to be voted on in the Flemish parliament.

LCVs with MPW ≤ 2.5t

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

LCVs with 2.5t < MPW ≤ 3.5t

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 €40; exempted 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 LCV (until 31 December 2020).

Trailers up to 3,500kg MPW

MPW (kg)		Exclusive of 10% municipal tax (€)	Inclusive of 10% municipal tax (€)
from	to		
0	500	33.60	36.96
501	3,500	69.84	76.82

Heavy Commercial Vehicles (HCVs) 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 but not exceeding 12t and which are submitted to the kilometre-charging scheme (those not submitted: see section 4.3) no longer pay 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 taking into account the MPW, the number of axles and the kind of the suspension (pneumatic or other).

In the case of a solo vehicle, the MPW to be taken into account 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	0
12,000	12,999	0	31
13,000	13,999	31	86
14,000	14,999	86	121
≥ 15,000		121	274
3 axles			
3,501	11,999	0	0
12,000	16,999	31	54
17,000	18,999	54	111
19,000	20,999	111	144
21,000	22,999	144	222
23,000	24,999	222	345
≥ 25,000		222	345
4 axles			
3,501	11,999	0	0
12,000	24,999	144	146
25,000	26,999	146	228
27,000	28,999	228	362
29,000	30,999	362	537
≥ 31,000		362	537
COMBINATION VEHICLE			
1 + 1 or 2 + 1 axles			
3,501	15,999	0	0
16,000	17,999	0	14
18,000	19,999	14	32
20,000	21,999	32	75
22,000	22,999	75	97
23,000	24,999	97	175
≥ 25,000		175	307

2 + 2 axles			
3,501	11,999	0	0
12,000	24,999	30	70
25,000	25,999	70	115
26,000	27,999	115	169
28,000	28,999	169	204
29,000	30,999	204	335
31,000	32,999	335	465
33,000	35,999	465	706
≥ 36,000		465	706
2 + 3 axles			
3,501	11,999	0	0
12,000	37,999	370	515
≥ 38,000		515	700
3 + 1 or 3 + 2 axles			
3,501	11,999	0	0
12,000	37,999	327	454
38,000	39,999	454	628
≥ 40,000		628	929
3 + 3 axles			
3,501	11,999	0	0
12,000	37,999	186	225
38,000	39,999	225	336
≥ 40,000		336	535

Heavy Commercial Vehicles (HCV) exceeding 3.5t (N2, N3) but not exceeding 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-fighting, police and civil defence vehicles, and other vehicles for essential public works;
- ambulances;
- 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 <http://www.viapass.be>
- 'old timers' (vintage vehicles) with an 'O' type license plate, training and test vehicles with a 'ZZ' type test plate.

For the vehicles exceeding 3.5t but not exceeding 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	11,999	74.96
5,000	5,999		89.94
6,000	6,999		104.93
	7		131.19
7,000	7,999		119.23
8,000	8,999		134.68
9,000	9,999		149.68
10,000	10,999		164.68
11,000	12,000		179.67
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			
from	to		
3,501	3,999	59.97	74.96
4,000	4,999	11,999	74.96
5,000	5,999		89.94
6,000	6,999		104.93
	7		131.19
7,000	7,999		119.23
8,000	8,999		134.68
9,000	9,999		149.68
10,000	10,999		164.68
11,000	12,000		179.67
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

Important information on available fuels in Belgium

As of 1 January 2017, Eurosuper unleaded 95 E10 is available in Belgium and replaces Eurosuper unleaded 95, which may no longer be sold.

Unleaded 95 E10 is unleaded 95 mixed with maximum 10% of bio-ethanol. For petrol vehicles that are (possibly) not compatible with 95 E10, the use of unleaded 98 is recommended.

Customers can check the compatibility of their vehicle in the vehicle's manual at their local dealership or by using a webtool developed by FEBIAC: e10.febiac.be/public/e10.aspx?lang=FR

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 €0.6232/l for unleaded Eurosuper (95 RON (research octane number) and 98 RON). For diesel fuel, the duty is €0.5131/l. LPG is no longer subject to excise duties; however, vehicles equipped for LPG are subject to a higher road tax.

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 2017) is summarised as follows:

	Excise duty (€/l)	VAT (%)
Unleaded (95)	0.6232	21
Unleaded (98)	0.6232	21
Diesel fuel	0.5131	21
LPG	–	21

From 1 November 2015 until end-2018, excise duties on diesel will gradually be increased 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 will gradually be decreased 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 will result in an excise duty for both petrol and diesel of €0.540/l.

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).

4.1.4 Maximum price in €/l on 8 February 2017

	Eurosuper Unleaded 95 E10* ¹ (€)	Eurosuper Unleaded 98 (€)	Diesel ² (€)	LPG (€)
Cost of the product	0.4146	0.4777	0.4175	0.2762
Distribution costs	0.1584	0.1584	0.1624	0.1649
Excises + energy tax (1)	0.6232	0.6232	0.5131	0.0000
Other fees	0.0097	0.0097	0.0087	–
Price without VAT	1.2059	1.2690	0.1017	0.4411
VAT: 21% (2)	0.2532	0.2665	0.2314	0.0926
(1) + (2)	0.8764 (60.1%)	0.8897 (57.9%)	0.7445 (55.8%)	0.0926 (17.4%)
Price at the pump	1.459	1.535	1.054	0.534

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 (HCVs)

As a kilometre-charging scheme has applied in Belgium since 1 April 2016 for HCVs with an MPW of more than 3.5t, the Eurovignette scheme has been abolished (based on EC Directive 93/89).

¹ As of 1 January 2017, Eurosuper unleaded 95 E10 is available in Belgium and replaces Eurosuper unleaded 95, which may no longer be sold. Unleaded 95 E10 is unleaded 95 mixed with maximum 10% of bio-ethanol. For petrol vehicles that are (possibly) not compatible with 95 E10, the use of unleaded 98 is recommended.

² Max 10nm sulnhur

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

- the 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 towbar);
- the Euronorm;
- the type of toll road: all roads in Belgium are toll roads. Most of them are charged at a zero tariff. Others have a paying tariff. Toll road maps are to be found here: www.viapass.be/en/downloads/

Tariffs in €/km

	Flanders, Wallonia and Brussels motorways (€)			Brussels inner-city roads (€)		
	3.5-12t	12-32t	> 32t	3.5-12t	12-32t	> 32t
Euro 0	0.146	0.196	0.200	0.188	0.263	0.292
Euro 1	0.146	0.196	0.200	0.188	0.263	0.292
Euro 2	0.146	0.196	0.200	0.188	0.263	0.292
Euro 3	0.126	0.176	0.180	0.163	0.238	0.267
Euro 4	0.095	0.145	0.149	0.132	0.207	0.236
Euro 5	0.074	0.124	0.128	0.109	0.184	0.213
Euro 6	0.074	0.124	0.128	0.099	0.174	0.203

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; and
- tractors solely used for agriculture, forestry, horticulture and aquaculture.

Every HCV driver who wants to use the toll road network must be equipped with an on-board unit (OBU), available at distribution points and services providers. 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: www.viapass.be/en/

4.4 DEDUCTIBILITY SCHEMES FOR CAR-RELATED EXPENSES

4.4.1 Deductibility of car-related expenses of companies 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). Since 1 January 2010, the deductibility rates applicable are set out in the table below:

Diesel		Others	
CO2 (g/km)	Deductibility (%)	CO2 (g/km)	Deductibility (%)
0	120	0	120
1 to 60	100	1 to 60	100
61 to 105	90	61 to 105	90
106 to 115	80	106 to 125	80
116 to 145	75	126 to 155	75
146 to 170	70	156 to 180	70
171 to 195	60	181 to 205	60
< 195	50	< 205	50

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:

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

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

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

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.

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 is 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, 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

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 2017, the BIK may not be less than €1,280 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
From 0 to 12 months	100
From 13 to 24 months	94
From 25 to 36 months	88
From 37 to 48 months	82
From 49 to 60 months	76
61 months or more	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% × [yearly BIK for diesel cars]**
- **Petrol: yearly disallowed expenses = 17% × [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% × [yearly BIK for diesel cars]**
- **Petrol: yearly disallowed expenses = 40% × [yearly BIK for petrol, LPG or natural gas cars]**

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 ³ , 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	

³ Dangerous Goods Vehicles



CHAPTER

04

ACEA TAX GUIDE 2017

Bulgaria

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ACEA

European
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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
Vehicle license	BGN 25

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

Motorcycle	BGN 16
Motor vehicle	BGN 35

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
Motorcycles	≤ 125	36
	126-250	75
	251-350	105
	351-490	150
	491-750	225
	> 750	300

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

Weight (kg)	Tax (BGN)
≤ 400	12
> 400	18

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)
≤ 37	1.02/kW
> 37 and ≤ 55	1.20/kW
> 55 and ≤ 74	1.62/kW
> 74 and ≤ 110	3.30/kW
> 110	3.69/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
> 14 years	1
5-14 years	1.5
< 5 years	2.8

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 excess tonne.

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
A) 2	-	18	24	84
	18	20	84	192
	20	22	192	441
	22	25	570	1,026
	25	26	1,026	1,800
	26	28	1,026	1,800
	28	29	993	1,197
	29	31	1,197	1,965
	31	33	1,965	2,727
	33	38	2,727	4,143
	38	-	3,021	4,107
	B) ≥ 3	36	38	1,920
38		40	2,664	3,684
40		-	3,684	5,451

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:

- ≥ 11 and < 18 – BGN 15
- ≥ 18 and < 37 – 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
A) 2	12	13	90	183
	13	14	183	504
	14	15	504	711
	15	-	711	1,608
B) 3	15	17	183	318
	17	19	318	651
	19	21	651	846
	21	23	846	1,302
	23	-	1,302	2,025
C) 4	23	25	846	858
	25	27	585	1,338
	27	29	1,338	2,124
	29	-	2,124	3,150

Preferential reduction

Motor vehicle < 74kW with controlled catalytic converter-equipped petrol engine < Euro	40%
Motor vehicle < 74kW with Euro 3 or Euro 4 engine	50%
Motor vehicle < 74kW with Euro 5 or Euro 6 engine	60%
Bus or coach, truck, road tractor or semi-trailer with Euro 3 or Euro 4 engine	40%
Bus or coach, truck, road tractor or semi-trailer with Euro 5 or Euro 6 engine	50%
Electric vehicles and electric motorcycles	100%

3 TAXES ON MOTORING

3.1 FUEL TAXES

Unleaded petrol	BGN 1.49/l
Diesel oil	BGN 1.59/l



CHAPTER

05

ACEA TAX GUIDE 2017

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'.

The tax is based on the price of the vehicle (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.

Variables:

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

PC = Selling price

EN = Fee calculated on the basis of the value of CO₂ and basic charge

PP = Special tax

$PP = (ON + EN) + PC$

Example:

Car price HRK 89,984.00 (including value added tax at 25%)

CO₂ emissions = 110g

The vehicle's tax base is calculated as follows:

Basic charge (ON) = petrol CO₂ emissions (g/km) of 90 to 120 = HRK 620

Selling price (PC) = HRK 0-100,000 (Table 1) x 1% = HRK 89,984.00 x 1% = HRK 899.84

IN = CO₂ value of the vehicle – lowest value from that CO₂ group x amount in HRK for 1g/km CO₂ (Table 3) = (110 – 90) x HRK 135 = HRK 2,700

PP = (620 + 2,700) + 899.84 = HRK 4,219.84

Table 1: Sales price

Vehicle price in HRK	%
0.00 - 100,000.00	1
100,000.01 - 150,000.00	2
150,000.01 - 200,000.00	4
200,000.01 - 250,000.00	6
250,000.01 - 300,000.00	7
300,000.01 - 350,000.00	8
350,000.01 - 400,000.00	9
400,000.01 - 500,000.00	15
500,000.01 - 600,000.00	20
600,000.01 and over	25

Table 2: Diesel fuel

CO2 emissions (g/km)	Basic charge in HRK	Final price in HRK
70 - 85	185	55
85 - 120	1,010	175
120 - 140	7,135	1,150
140 - 170	30,135	1,250
170 - 200	67,635	1,350
< 200	108,135	1,450

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 in HRK	Final price in HRK
75 - 90	95	35
90 - 120	620	135
120 - 140	4,670	450
140 - 170	13,670	700
170 - 200	34,670	1,200
< 200	70,670	1,300

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	250	200
56-70	400	350	250
71-100	600	400	400
101-130	900	700	600
> 130	1,500	1,200	1,000



CHAPTER

06

ACEA TAX GUIDE 2017

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
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
> 2650	1.03

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

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	0.5
121-180	3
> 180	8



CHAPTER

07

ACEA TAX GUIDE 2017

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%
Electrical 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 (i.e. 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

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

CZK 800	For cars and commercial vehicles including buses
CZK 300	For motorcycles < 50cc
CZK 500	For motorcycles > 50cc
CZK 500	For trailers < 750kg carrying weight
CZK 500	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.

Since 1 January 2013, the excise duty refund for diesel oil (possibly petrol) used by farmers for agricultural production has been limited to 60% of excise duty applied (2012, 80%; 2014, 0%).

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

Fuel taxes January 2016		
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 9)	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 2008 (pricing before bonuses) are shown in the table below:

Tariff class		CZK/year
Two-wheelers, three-wheelers, four-wheelers	< 50cc	341
	50-350cc	820
	350-500cc	2,083
	> 500cc	2,561
Passenger cars, trucks (< 3,500kg GVW)	< 1,000cc	3,319
	1,000-1,350cc	4,162
	1,350-1,850cc	6,131
	1,850-2,500cc	9,843
	> 2,500cc	13,555
Motorhomes		6,825
Ambulances		7,448
Road tractors (= Articulated vehicles)	< 3,500kg GVW	69,826
	3,500-12,000kg	72,735
	> 12,000kg GVW	74,481
Trucks	3,500-12,000kg GVW	18,419
	> 12,000kg GVW	26,212
Special trucks	< 3,500kg GVW	13,815
	3,500-12,000kg GVW	18,419
	> 12,000kg GVW	26,212
Tractors		1,503
Hand-controlled tractors		520
Buses for public city transport		11,896
Trolleybuses		8,966
Other buses	< 5,000kg GVW	16,245
	> 5,000kg GVW	29,402
Trailers	< 750kg GVW	261
	> 750kg GVW	683
Semi-trailers for trucks	< 50kg GVW	10,687
	> 750kg GVW	12,309

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 2017

Annual (R)	From 1 January 2016 to 31 January 2018	CZK 1,500
One month (M)	The day marked on the coupon and the one-month period immediately following	CZK 440
10 days (D)	The day marked on the coupon and the nine calendar days immediately following	CZK 310

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.

E-Toll rates 2017 (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+
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.myto.cz

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

Examples (costs may vary according to an inspection station used):

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

Vehicle type (ECE categories)	RTI	REM
Passenger cars (M1, N1)	990	590 (petrol)
		990 (diesel)
LPG, CNG	990	-
CVs (N2, N3, M2, M3)	1,250	1,200 (diesel)
Trailers un-/braked < 0.75t GVW (O1)	580	-
Trailers > 0.75t GVW (O2)	630	-
Motorcycles (L)	700	-

Source: Inspection stations

Note: ECE, The United Nations Economic Commission for Europe

5.3 FREQUENCY

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

(Data in brackets are valid for individually imported vehicles)

Vehicle type	Interval since first registration	Subsequent intervals
Small motorcycles < 50cc or maximum speed < 50km/h	6	4
Other motorcycles	4 (2)	2 (2)
Cars, light commercial vehicles, trailers < 3.5t GVW	4 (2)	2 (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)	4 (4)

Source: Inspection stations



CHAPTER

08

ACEA TAX GUIDE 2017

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 basis of the price of the car + registration tax.

1.2 REGISTRATION TAX

The Danish car registration tax is governed by Act No 29 of 10 January 2014 with later additions.

The taxable vehicle value is the dealer's sales price including a profit margin of at least 9% (minimum demand for dealer and importer combined profit) and including VAT.

The taxable vehicle value and the registration tax are reduced or increased based on a number of factors, dependent on the type of vehicle. Fuel consumption is a significant factor in these variations. In the following sub-sections, vehicles are listed by type.

1.2.1 New motorcycles

Reduction in taxable value based on traffic safety equipment:

Motorcycles attract a reduction of DKK 4,165 if they are equipped with ABS brakes.

The following rates apply to motorcycles in 2017:

Taxable value (DKK)	Tax rate
< 9,400	No registration tax.
< 33,600	105% of the amount exceeding DKK 9,400
> 33,600	105% of taxable value between DKK 9,400 and DKK 33,600 + 150% of the taxable value above DKK 33,600

Note: On 22 November 2016, the threshold for the 105%/150% taxation was raised to DKK 33,600 (2017 level). However, between 22 November and 31 December 2016 the threshold was DKK 32,900 (2016 level).

1.2.2 New passenger cars

Reduction in taxable value based on traffic safety equipment and evaluation

Equipment	Reduction in taxable value (DKK)
Airbags (more than two)	1,280 for three to six airbags. More than six airbags in total will give no further reduction
ABS brakes	3,750
ESP	2,500
Seat belt alarms ¹	200 per alarm up to a total of three alarms. More than three alarms will give no further reduction
Minimum five-star result in Euro NCAP test	2,000

¹ Seat belt alarms result in a reduction only in the registration tax, not in the taxable value. For passenger cars with only one airbag, the taxable value increases by DKK 3,725 per missing airbag.

If a passenger car is sold with a radio, the price of the radio can be subtracted from the taxable value. The maximum reduction was reduced to DKK 400 in 2016 and is DKK 0 (eliminated) from 2017.

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 16 1,000 (increase) for each km/l less than 16
Diesel	4,000 (reduction) for each km/l more than 18 1,000 (increase) for each km/l less than 18

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

The following tax rates apply to ordinary private passenger cars (2017):

Taxable value ²	Tax rate
< DKK 106,600	105% of the vehicle's taxable value
> DKK 106,600	105% of the taxable value up to DKK 106,600 + 150% of the taxable value above DKK 106,600

Note: On 22 November 2016, the threshold for the 105%/150% taxation was raised to DKK 106,600 (2017 level). However, between 22 November and 31 December 2016 the threshold was DKK 104,300 (2016 level).

The minimum tax rate is DKK 20,000 for all private passenger cars. DKK 200 per seat belt alarm can be deducted from the minimum tax to a maximum of three alarms (see above).

Eco-friendly and hybrid vehicles³

Hybrid vehicles (including plug-in hybrid vehicles) are not subject to any specific reduction in the taxable value or the registration tax. 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, at 20% in 2016, 40% in 2017, 65% in 2018, 90% in 2019 and 100% in 2020.

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 be gradually phased in, at 20% of the full tax in 2016, 40% in 2017, 65% in 2018, 90% in 2019 and 100% in 2020. 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.

Hydrogen-powered and fuel-cell vehicles are exempt from registration tax until the end of 2018.

² Registration tax rates on all passenger cars are adjusted monthly, based on changes in the relationship between general net price index and the net car price index

³ See also under section 2, 'Taxes on ownership'

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

The (2017) rate is DKK 0 on the first DKK 18,100 and 50% on 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 16
	1,000 (increase) for each km/l less than 16
Diesel	4,000 (reduction) for each km/l more than 18
	1,000 (increase) for each km/l less than 18

There is no minimum tax rate.

Van and lorries do not attract a reduction for Euro NCAP results of five or more stars.

Heavy vans and pickup trucks

For vehicles weighing at least 2,500kg, the rate is DKK 0 on the first DKK 34,100 + 30% on 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.

1.2.4 Lorries

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

1.2.5 New motor caravans and buses

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

Motor caravans 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.
- There is no minimum rate of DKK 20,000 for the registration tax.

1.2.6 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.

1.2.7 Tax exemptions

A number of specific registration tax exemptions exist including:

- hydrogen-powered and fuel-cell cars (until 31 December 2018);

- 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;
- certain 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 etc (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.

1.2.8 Vehicles authorised for partial (proportional) payment of the registration tax

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 cars owned by rental 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.

1.2.9 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 based on an individual evaluation of the value lost on the Danish market.

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 deductible under any circumstances.

1.4 REGISTRATION CHARGES

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

2 TAXES ON OWNERSHIP

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

All taxable passenger cars (maximum 9 persons including the driver) first registered after 1 July 1997 are taxed on the car's fuel consumption in accordance with the Fuel Consumption Tax Law, Act No 40 of 16 January 2014. The manufacturer measures and provides the fuel consumption on the basis of guidelines set down in EC Directive 80/1268/ of 16 December 1980 on the approximation of the laws of the Member States relating to the fuel consumption of motor vehicles. The fuel consumption is based on the EU test cycle (NEDC).

On 1 January 2010, the 'green owner's tax' replaced the 'weight tax' for all light commercial vehicles (LCVs) registered after 18 March 2009.

As of 1 April 2010, all diesel-powered passenger cars must pay an annual fee of DKK 1,000 if not equipped with a particle filter. The same applies to LCVs if registered for the first time on 18 March 2009 or later.

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).

Green owner's tax (2017)

Petrol-driven cars			Diesel-driven cars		
Km/l of petrol		Duty (DKK)	Km/l of diesel		Duty (DKK)
		Semi-annually			Semi-annually ⁴
Minimum 20.0		310	Minimum 32.1		130
Under 20.0	Not under 18.2	600	Under 32.1	Not under 28.1	590
Under 18.2	Not under 16.7	890	Under 28.1	Not under 25.0	1,060
Under 16.7	Not under 15.4	1,190	Under 25.0	Not under 22.5	1,460
Under 15.4	Not under 14.3	1,480	Under 22.5	Not under 20.5	1,860
Under 14.3	Not under 13.3	1,770	Under 20.5	Not under 18.8	2,250
Under 13.3	Not under 12.5	2,060	Under 18.8	Not under 17.3	2,670
Under 12.5	Not under 11.8	2,350	Under 17.3	Not under 16.1	3,060
Under 11.8	Not under 11.1	2,640	Under 16.1	Not under 15.0	3,470
Under 11.1	Not under 10.5	2,930	Under 15.0	Not under 14.1	3,880
Under 10.5	Not under 10.0	3,230	Under 14.1	Not under 13.2	4,290
Under 10.0	Not under 9.1	3,800	Under 13.2	Not under 12.5	4,700
Under 9.1	Not under 8.3	4,400	Under 12.5	Not under 11.9	5,090

⁴ Total including equalisation tax

Under 8.3	Not under 7.7	4,980	Under 11.9	Not under 11.3	5,500
Under 7.7	Not under 7.1	5,560	Under 11.3	Not under 10.2	6,310
Under 7.1	Not under 6.7	6,140	Under 10.2	Not under 9.4	7,120
Under 6.7	Not under 6.3	6,730	Under 9.4	Not under 8.7	7,920
Under 6.3	Not under 5.9	7,310	Under 8.7	Not under 8.1	8,750
Under 5.9	Not under 5.6	7,890	Under 8.1	Not under 7.5	9,510
Under 5.6	Not under 5.3	8,500	Under 7.5	Not under 7.0	10,310
Under 5.3	Not under 5.0	9,080	Under 7.0	Not under 6.6	11,160
Under 5.0	Not under 4.8	9,650	Under 6.6	Not under 6.2	11,940
Under 4.8	Not under 4.5	10,230	Under 6.2	Not under 5.9	12,760
Under 4.5		10,830	Under 5.9	Not under 5.6	13,600
			Under 5.6	Not under 5.4	14,390
			Under 5.4	Not under 5.1	15,260
			Under 5.1		16,100

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 3l/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 is reduced by 12.5%.

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%.

In the case of cars powered by liquefied natural gas (LNG) or biogas, the annual tax is calculated in the same way as for a diesel-driven car. The equivalent diesel consumption in litres per 100km is calculated by dividing the emission figure of grams of CO₂ per kilometre (according to the COC) with a fixed factor of 26.5. Thus, an LNG-driven car with an emission of 100g CO₂/km will have a norm of 26.5km/l diesel and, consequently, will attract a semi-annual tax of DKK 1,060.

BEVs are liable for a green owner's 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 (Wh) 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 100 km.

PHEVs are liable for a green owner's 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 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) diesel consumption figure by a fixed factor of 1,092.

For an LNG PHEV, the consumption figure is calculated in the same way. However, the LNG consumption is recalculated into the petrol equivalent by dividing the official (measured) CO₂ emission (in grams per kilometre) by a fixed factor of 24.

Fuel-cell cars will attract the green owner's tax only after 31 December 2018.

Use of LCVs for private purposes

LCVs that are used for private purposes are liable for a semi-annual surcharge based on the amounts indicated in the table above. The surcharge is DKK 2,755 (2013 level) for LCVs up to 3,000kg and DKK 8,190 for LCVs between 3,001kg and 3,500kg (2013 level). LCVs that are partly used for commercial purposes pay a surcharge of half of the above.

Vehicles not covered by the Act on fuel consumption tax are liable for weight tax and equalisation tax/countervailing duty as specified in Act No 185 of 18 February 2014 (Weight tax law). Personal 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, gas and electric cars are further liable for an equalisation tax.

A. Passenger vehicles except for buses and coaches, taxis, trailers and semi-trailers for passenger transport (2017)

Tare weight (kg)	Vehicle excise duty (DKK)	Countervailing duty for diesel	
		Motor Vehicle	Trailer
Motorcycles (12 months)	690	530	–
Other passenger vehicles (6 months)			
≤ 600	1,000	780	–
601-800	1,220	960	–
801-1,100	1,660	1,260	–
1,101-1,300	2,210	1,610	–
1,301-1,500	2,890 (6 months)	–	–
	1,460 (3 months)	1,300	–
1,501-2,000	3,980 (6 months)	–	–
	2,000 (3 months)	1,370	–
> 2,000 (duty per 100kg tare weight)	113 (3 months)	78	32

As of 2010 an annual surcharge of DKK 1,000 is paid on cars without a particle filter

B. Buses and coaches with maximum 2 axles (2016 and 2017)

Tare weight (kg)	Vehicle excise duty (DKK per annum)	Countervailing duty for diesel (DKK)	
		Motor vehicle	Trailer
≤ 1,300	450	1,130	–
1,301-1,500	585	1,160	–
1,501-2,000	810	1,230	–
2,001-3,000	900	1,230	–
3,001-4,000	1,440	1,230	–
4,001-5,000	1,920	1,230	–
5,001-6,000	2,400	1,230	–
6,001-7,000	3,120	1,230	–
7,001-8,000	3,640	1,230	–
8,001-9,000	4,160	1,230	–
> 9,000 (duty per 100kg)	50	14	–

Countervailing duty for buses is not indexed

C. Buses, coaches with more than 2 axles (2016 and 2017)

Tare weight	Vehicle excise duty (DKK per annum)	Motor vehicle (DKK per annum)	Trailer
Duty per 100kg	36	10	–

Countervailing duty for buses is not indexed

D. Taxis and vehicles dedicated to transportation of patients (2017)

Taxis and vehicles dedicated to transportation of patients	Countervailing duty (DKK per annum)
≤ 800kg	2,440
801-1,100kg	3,020
1,101-1,300kg	3,570
1,301-1,500kg	3,920
1,501-2,000kg	4,320
> 2,000kg	5,190

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

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.

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)	Vehicle excise duty (DKK) per annum (2016 and 2017)		Countervailing duty (DKK) per annum (2017)		Surcharge for private use (DKK) per annum (2016 and 2017)
	Motor vehicle	Trailer	Motor vehicle	Trailer	Motor vehicles ⁵
≤ 500	1,000	-	580	-	5,920
501-1,000	1,280	140	840	-	5,920
1,001-2,000	2,130	270	1,140	-	5,920
2,001-2,500	3,680	340	1,420	-	5,920
2,501-3,000	4,410	430	1,620	-	5,920
3,001-4,000	4,410	530	1,830	260	17,590

B. Motor vehicles and trailers > 4,000kg permitted total weight (2016 and 2017)				
a) With maximum 2 axles	Vehicle excise duty (DKK per annum)		Countervailing duty (DKK per annum)	
Total weight (kg)	Motor vehicle	Trailer	Motor vehicle	Trailer
4,000-5,000	2,052	552	1,150	200
5,001-6,000	2,052	672	1,150	250
6,001-7,000	2,052	825	1,150	300
7,001-8,000	2,052	988	1,150	400
8,001-9,000	2,052	1,161	1,150	450
9,001-10,000	2,052	1,344	1,150	550
10,001-11,000	2,279	1,537	1,150	650
11,001-12,000	2,610	1,740	1,150	750
12,001-13,000	3,087	1,953	1,150	850
13,001-14,000	3,604	2,176	1,150	1,000
14,001-15,000	4,161	2,628	1,150	1,100

⁵ Registered for the first time on the 25 April 2007 or later.

> 15,000 Duty per 200kg	60	40	16	16
b) With more than 2 axles				
Total weight (kg)	Motor vehicle	Trailer	Motor vehicle	Trailer
≤ 18,000				
Duty per 200kg	32	20	11	12
18,001-19,000	3,069	1,953	1,150	1,100
19,001-20,000	3,332	2,156	1,150	1,200
> 20,000				
Duty per 200kg	36	24	13	13

Motor vehicles that are subject to duty in accordance with the Danish Act on the road use charge (2016 and 2017)

Total weight (kg)	Pneumatic suspension (DKK per annum)	With other suspension (DKK per annum)
A. Lorries		
a) with 2 axles		
≤ 12,999	0	226
13,000-13,999	226	627
14,000-14,999	627	882
> 15,000	882	2,050
b) with 3 axles		
≤ 16,999	226	394
17,000-18,999	394	809
19,000-20,999	809	1,050
21,000-22,999	1,050	1,661
> 23,000	1,661	2,582
c) with 4 axles or more		
≤ 24,999	1,050	1,065
25,000-25,999	1,065	1,706
26,000-28,999	1,706	2,709
> 29,000	2,709	4,019
B. Juggernauts and articulated semi-trailers		
a) Lorries with 2 axles		
1) Trailer or semi-trailer with 1 axle		
≤ 15,999kg	–	–
16,000-17,999	–	102

18,000-19,999	102	233
20,000-21,999	233	547
22,000-22,999	547	707
23,000-24,999	707	1,276
> 25,000	1,276	2,297
2) Trailer or semi-trailer with 2 axles		
≤ 24,999	219	510
25,000-25,999	510	839
26,000-27,999	839	1,232
28,000-28,999	1,232	1,526
29,000-30,999	1,526	2,507
31,000-32,999	2,507	3,480
> 33,000	3,480	5,284
3) Trailer or semi-trailer with 3 or more axles		
≤ 37,999	2,769	3,854
> 38,000	3,854	5,239
b) Lorries with 3 or more axles		
1) Trailer or semi-trailer with 1 axle		
≤ 24,999	219	510
25,000-25,999	510	839
26,000-27,999	839	1,232
28,000-28,999	1,232	1,526
29,000-30,999	1,526	2,507
31,000-32,999	2,507	3,480
>33,000	3,480	5,284
2) Trailer or semi-trailers with 2 axles		
≤ 37,999	2,447	3,398
38,000-39,999	3,398	4,700
> 40,000	4,700	6,905
3) Trailer or semi-trailer with 3 or more axles		
≤ 37,999	1,356	1,684
38,000-39,999	1,684	2,514
> 40,000	2,514	4,004

2.2 ROAD USE CHARGE

A road use charge is collected for lorries > 12,000kg. The provisions on the road use charge are laid down in Danish Act No 896 of 15 August 2011, with later additions.

Lorries with a total weight of 12t and more (Euro 2 or cleaner)		
	Up to 3 axles	4 axles and more
DKK per year	5,591	9,318
DKK per month	559	931
DKK per week	149	246
DKK per day	59	59

Note: Charges are higher for vehicles under Euro 2 emission class standards

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 (volume at day temperature)	DKK
Unleaded petrol (4.8% biofuel content)	4.195/l
Light diesel (6.8% biofuel content)	2.697/l
LPG	3.382/kg

3.2 INSURANCE TAXES

The provisions on this are laid down in Act No 216 of 12 March 2007 with later additions. 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 CAR

In Denmark, the private use of a company car is regarded as a benefit in kind taxable under 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 (min DKK 160,000)
- 20% of the rest of the car price (no maximum)
- An environmental fee equivalent to the car's green owner's tax is added to the taxable amount.



CHAPTER

09

ACEA TAX GUIDE 2017

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: €0.512/l



CHAPTER

10

ACEA TAX GUIDE 2017

Finland

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1 TAXES ON ACQUISITION

1.1 VAT

VAT is applied at the rate of 24%.

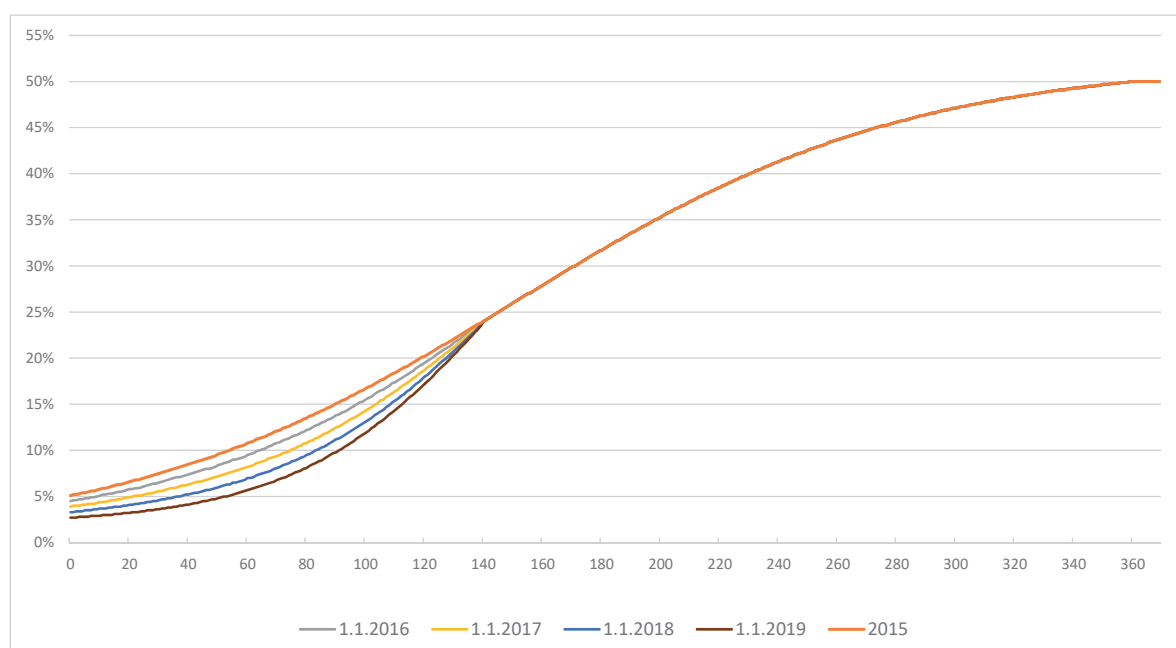
1.2 AUTOMOBILE TAX

A car 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. Automobile tax will be reduced in four steps between 2016 and 2019 for cars with CO₂ emissions of 141g/km or less. The reduction will be at most 5.4 percentage points. The emphasis in taxation is slowly shifting towards taxation on ownership and use rather than taxation on acquisition.

Passenger cars

The tax is legally based on the common retail value and the CO₂ emissions (in g/km) of the car. In practice, car tax is calculated on the basis of the CO₂ emissions and the list prices including VAT. The minimum tax rate in 2017 is 3.8% and the maximum rate 50% (Figure 1). The tax rate is applied to one decimal place.

Figure 1: Car tax percentage in 2015–2019



For used cars imported to Finland, the automobile 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.

Purely electric vehicles always pay the minimum tax level.

Vans

The automobile tax for vans is in principle equal to that for passenger cars. This implies that the tax is based on common retail value and CO₂ emissions. The tax rate is basically equal to that of passenger cars, but it 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. The reduction (%) is presented in the following table.

Lower limit of total weight (kg)	Upper limit of total weight (kg)	Reduction of tax (%)
2,501	2,550	9.8
2,551	2,600	11.5
2,601	2,650	12.8
2,651	2,700	13.8
2,701	2,750	14.7
2,751	2,800	15.4
2,801	2,850	16.1
2,851	2,900	16.7
2,901	2,950	17.2
2,951	3,000	17.8
3,001	3,050	18.3
3,051	3,100	18.7
3,101	3,150	19.1
3,151	3,200	19.6
3,201	3,250	19.9
3,251	3,300	20.3
3,301	3,350	20.7
3,351	3,400	21
3,401	3,450	21.4
3,451	3,500	21.7

For vans too, the minimum tax rate is 3.8% and the maximum rate 50%.

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 put 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 put into use on 1 January 2008 or thereafter will be taxed based on their CO2 emissions.
- Cars, vans and special vehicles that have been put 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 €106.21 to €654.44. For example, if the CO2 emissions of a vehicle are 140g/km, the annual vehicle tax will be €210.24. 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 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
----------------	--

Trucks are charged according to the number of axles and the use of trailers.

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 or more	0.6	1	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 or more	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 2017

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:

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

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	General rule	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. As of 1 January 2017, a new revision is expected with a phase-in scheme.

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 The registration tax ('*carte grise*')

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 €27 (minimum) and €51.2 (maximum) in 2017.

The rate is reduced by half with respect to commercial vehicles of a total permissible laden weight exceeding 3.5t and road tractors of less than 10 years.

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

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

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).

This tax amounts to:

- 201-250g/km: €2/g
- > 250g/km: €4/g

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:

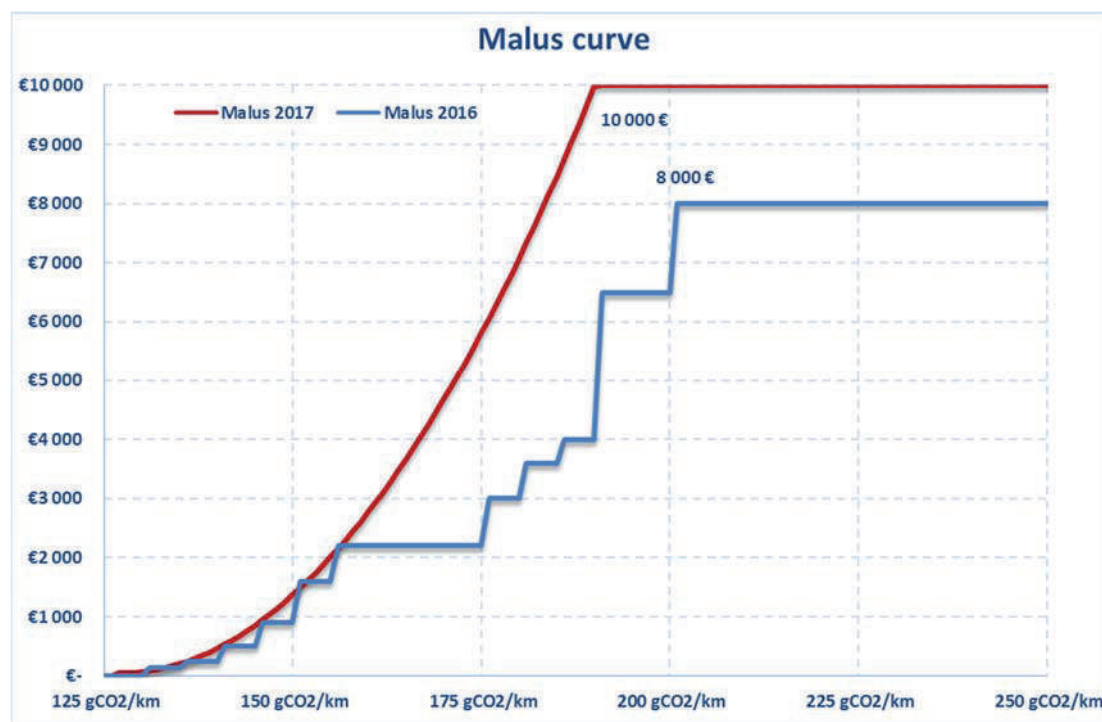
- a tax (malus) has to be paid by the car buyer
- an incentive (bonus) is given, limited to new vehicles.

2.4.1 Malus

The bonus–malus system has to provide balance. This guideline involves an increase in the malus tax to fund the high amount of bonus to be paid by 2017. As of 1 January 2017, the malus scheme was modified by:

- smoothing the malus tax curve to avoid threshold effect compared with the current malus curve (2016);
- moving the current initial set point from 130g CO₂/km to 127g CO₂ by setting a malus of €50;
- increasing the maximum amount of malus from €8,000 (for 201g CO₂/km or more) to €10,000 (for 191g CO₂/km or more).

The comparison between the current malus curve (2017) and the previous one (2016) is illustrated below:



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

CO2 emissions	2008-2009	2010	2011	2012	2013	2014-2016	2017
≤ 126	0	0	0	0	0	0	0
127-130	0	0	0	0	0	0	Determined by the following formula: $Malus (\text{€}) = 2.5 * (X - 127)^2 + 50$ Where: $X \geq 127$ and $X < 191 \text{ g CO}_2/\text{km}$
131-135	0	0	0	0	0	150	
136-140	0	0	0	0	100	250	
141-145	0	0	0	200	300	500	
146-150	0	0	0	200	400	900	
151-155	0	0	200	500	1,000	1,600	
156-160	0	200	750	750	1,500	2,200	
161-165	200	750	750	750	1,500	2,200	
166-175	750	750	750	750	1,500	2,200	
176-180	750	750	750	750	2,000	3,000	
181-185	750	750	750	1,300	2,600	3,600	
186-190	750	750	750	1,300	3,000	4,000	

191-195	750	750	1,600	2,300	5,000	6,500	10,000
196-200	750	1,600	1,600	2,300	5,000	6,500	10,000
201-230	1,600	1,600	1,600	2,300	6,000	8,000	10,000
231-235	1,600	1,600	1,600	3,600	6,000	8,000	10,000
236-240	1,600	1,600	1,600	3,600	6,000	8,000	10,000
241-245	1,600	1,600	2,600	3,600	6,000	8,000	10,000
246-250	1,600	2,600	2,600	3,600	6,000	8,000	10,000
> 250	2,600	2,600	2,600	3,600	6,000	8,000	10,000

- 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
6-7	2,000
8 -9	3,000
10-11	7,000
12-16	8,000
> 16	10,000

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 2017, hybrid passenger cars combining an electric energy storage system and an internal combustion engine (any kind of engine except diesel), equipped with an electric motor of maximum 30 minutes' power \geq 10kW, are no longer eligible for the bonus.

For a vehicle (passenger car or LCV) emitting between 21 and 60g CO₂/km, the bonus amounts to €1,000.

For a vehicle (passenger car or LCV) emitting 20g CO₂/km or less, the bonus amounts to €6,300.

On 1 January 2017, a new purchase subsidy was introduced for electric vehicles of 'L' category (quadricycles, motorbikes, scooters, etc) powered by an electric engine $\geq 3\text{kW}$ (lead battery vehicles excluded). The bonus amounts to €250/kWh, with a limit of €1,000 or 27% of the purchase price.

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.
- An incentive scheme grants €10,000 to electric vehicle buyers when they scrap an old diesel-powered vehicle. In 2017, the scheme was extended to LCVs.

CO2 emissions level (in g/km) of new PCs and LCVS (only for 2017 scheme)	Euro norm		Energy type		Amount of the reconversion bonus (€)		Consumer income condition
	2016	2017	2016	2017	2016	2017	
0-20	N/A	N/A	All energy except diesel	All energy except diesel	3,700	4,000	N/A
21-60	N/A	N/A			2,500	2,500	N/A
61-110	Euro 6	Euro 6			1,000	1,000	The buyer has to be non-taxable
	Euro 5	Euro 5	500	500			

2.4.3 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 (*cartes grises*) 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
	With a total permissible weight between 3.5 and 6t	€127
	With a total permissible laden weight between 6 and 11t	€189
	With a total permissible laden weight of 11t or more, articulated goods vehicles, public transport passenger vehicles	€285

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 above the following levels:

Year of first registration	CO2 level
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.

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)
≤ 50	0
> 50 and ≤ 100	2
> 100 and ≤ 120	4
> 120 and ≤ 140	5.5
> 140 and ≤ 160	11.5
> 160 and ≤ 200	18
> 200 and ≤ 250	21.5
> 250	27

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

Fiscal power (hp)	Amount of the tax (€)
≤ 3	750
4 – 6	1,400
7 – 10	3,000
11 – 15	3,600
> 15	4,500

As from 1 October 2011, hybrid vehicles emitting less than 110g/km are not subject to the TVS in the first two years after registration.

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 ¹	Others
Until 31 December 1996	600	70
From 1997 to 2000	400	45
From 2001 to 2005	300	45
From 2006 to 2010	100	45
2011 and beyond	40	20

NB: Electric vehicles are not subject to this 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 (previously 16t except in the case of vehicles for the transportation of persons).

¹ Diesel and assimilated: diesel and hybrid-diesel with CO₂ emissions > 110g/km

The tax rates below apply from 1 December 2003:

Vehicle category	Total permissible laden weight (t)	Quarterly tariff (€)	
		Pneumatic suspension or motor axle suspension	Other suspension system
I. Motor Vehicles			
a) two axles	≥ 12	31	69
b) three axles	≥ 12	56	87
c) four axles and more	12-27	37	57
	≥ 27	91	135
II. Articulated vehicles with tractive unit and semi-trailer			
a) Semi-trailer with one axle	12-20	4	8
	≥ 20	44	77
b) Semi-trailer with two axles	12-27	29	43
	27-33	84	117
	33-39	117	177
	≥ 39	157	233
c) Semi-trailer with three axles	12-38	93	129
	≥ 38	129	175
III. Trailers	≥ 16	30	30

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 and the amount varies between €0 and €33.

Replacement of a lost driving licence is subject to a charge of €25.

4.2 FUEL TAXES

The progressive alignment of gasoline and diesel fuel taxes, which started in 2015, will continue in 2017.

Breakdown of the average prices at the pump – 6 January 2017

	Super 95	Super 98	Diesel	LPG
Product price (€/100l)	51.56	56.87	51.44	50.53
Internal tax and excise duties (€/100l)	64.06	65.94	54.68	10.85
VAT (€/100l)	23.12	24.56	21.22	10.29
TOTAL taxes (€/100l)	87.18	90.50	75.90	21.14
Taxes in %	62.8	61.4	59.6	29.5
Final price (€/100l)	138.74	147.37	127.3	71.67

As of 1 September 2016, fuel taxes can be deducted by road transport companies (whether they transport persons or goods) on the whole of their fuel consumption, with a range between €5.5 and €8 per 100l for the transport of goods; with a range between €9.5 and €12 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 whose total permissible laden weight is 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 €4.30 (€5.90 as of 1 January 2017) per insurance policy.



CHAPTER

12

ACEA TAX GUIDE 2017

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)

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 granted 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. Applications can be 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).

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	(for every 200kg or part thereof)
2,000-3,000kg	€12.02	
3,000-3,500kg	€12.78	

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	(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	
Up to a maximum of €556 (> 12,200kg)		

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 2015

	Diesel	Super
Fuel price including distribution costs and compulsory blending of biofuels	42.08	43.00
Excise duties	47.00	65.50
Subtotal	89.08	108.62
19% VAT	16.92	20.63
Price at the pump	106	129

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 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 total cost method. For practical reasons, this is implemented as standard, in the form of a flat-rate deduction.

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 2017

Greece

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ACEA

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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:

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

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 6 or newer (%)	Euro 5b (%)	Euro 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 6 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 6 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 6 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	Multipurpose vehicle
0.5	10	8	12	11	9	8
1	20	17	25	23	18	16
1.5	30	25	37	34	27	25
2	34	29	40	37	31	28
2.5	37	32	44	40	34	32
3	43	37	49	43	37	36
3.5	49	42	53	45	39	39
4	54	48	58	52	44	44
4.5	58	53	63	58	49	49
5	60	57	68	63	53	54
5.5	63	61	71	66	57	58
6	66	64	73	69	61	61
6.5	69	67	75	71	64	64
7	71	69	77	73	67	67
7.5	74	72	79	76	69	70
8	76	74	81	77	72	72
8.5	77	76	82	79	74	74
9	79	78	83	81	76	76
9.5	81	79	85	82	77	78
10	82	81	86	83	79	79
10.5	83	82	87	84	80	81
11	84	83	87	85	82	82
11.5	85	84	88	86	83	83
12	86	85	89	87	84	84
12.5	87	86	90	88	85	85
13	88	87	90	88	86	86
13.5	88	87	90	89	86	87
14	89	88	90	89	87	87
14.5	89	88	91	90	88	88
15	90	89	91	90	88	88
15.5	90	90	91	90	89	89
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 5), 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	22	22
301-785	55	55	55
786-1,071	120	120	120
1,072-1,357	135	135	135
1,358-1,548	225	240	255
1,549-1,738	250	265	280
1,739-1,928	280	300	320
1,929-2,357	615	630	690
2,358-3,000	820	840	920
3,001-4,000	1,025	1,050	1,150
≥ 4.001	1,230	1,260	1,380

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
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
≥ 251	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
1,501-3,500	105
3,501-10,000	300
10,001-20,000	600
20,001-30,000	940
30,001-40,000	1,320
≥ 40,001	1,490
Tractors	300

2.1.3 Buses: annual circulation tax rates

Number of seats	Tax (€)
≤ 33	210
34-50	410
≥ 51	510

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
	> 3,001 = €1,200/100cc
1,200	4,000
1,400	5,200
1,600	6,400
1,800	7,600
2,000	8,800
2,500	13,300
3,000	17,800
4,000	29,800
5,000	41,800

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

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

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

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.
- €1,780 for a passenger car with an engine capacity of 3,000cc if the car is two years old.
- €2,086 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 €21,120) increases the personal income of the employee by $(€16,000 \times 7\%) = €1,120$.

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 with an engine capacity up to 1,600cc is deductible at a rate of 70%, while for cars with a higher engine capacity the rate is 35%.

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 (€1,548/l on 20 January 2017):

Charge	Calculation/derivation	Amount (€/l)
Oil refinery cost (20/1/2017)		0.4376
State's petroleum fee	$1.2\% \times €0.4376/l$	0.0053
Regulatory Authority for Energy fee	€021/1.000l	0.0002
Special consumption tax (95 octane petrol)		0.700
Customs fund fee	$0.5\% \times €(0.4376 + 0.700)/l$	0.0057
VAT (24%)	$24\% \times €(0.4376 + 0.0053 + 0.0002 + 0.700 + 0.0057 + 0.0996)/l$	0.2996
TOTAL FUEL PRICE		1.4484
TOTAL RETAIL FUEL PRICE		1.548
Petroleum company and gas station gross profit (including VAT)	$€(1.548 - 1.4484)/l$	0.0996

Note: special consumption tax varies according to fuel type as follows:

€0.681/l for petrol with special additives, replacing the old leaded petrol;

€0.670/l for unleaded petrol with an octane rating of less than 96.5;

€0.670/l for unleaded petrol with an octane rating of more than 96.5;

€0.410/l for diesel petrol.

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 2017

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 2012 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 every one 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

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ACEA TAX GUIDE 2017

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%.

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

The importation of second-hand vehicles is also liable to VRT.

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

Commercial vehicles

Since 1 January 2011, the VRT on commercial vehicles has been:

N1 vehicles (exception 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	€200
N2 vehicles	€200

Hybrid/flexifuel/electric vehicles

Conventional hybrid electric vehicles: until 31 December 2018, these vehicles will be entitled to relief from VRT up to a maximum of €1,500.

Plug-in hybrids: until 31 December 2018, 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 2018 for plug-in hybrid electric vehicles.

2.2.2 VRT on second-hand vehicles

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
1,001-1,100	299
1,101-1,200	330
1,201-1,300	358
1,301-1,400	385
1,401-1,500	413
1,501-1,600	514
1,601-1,700	544
1,701-1,800	636
1,801-1,900	673
1,901-2,000	710
2,001-2,100	906
2,101-2,200	951
2,201-2,300	994
2,301-2,400	1,034
2,401-2,500	1,080
2,501-2,600	1,294
2,601-2,700	1,345
2,701-2,800	1,391
2,801-2,900	1,443
2,901-3,000	1,494
≥ 3,001	1,809

Electric	120
----------	-----

Private cars first registered from 1 July 2008 onwards

Band	CO2 emissions (g/km)	Road tax (€)
A0	0	120
A1	1-80	170
A2	81-100	180
A3	101-110	190
A4	111-120	200
B1	121-130	270
B2	131-140	280
C	141-155	390
D	156-170	570
E	171-190	750
F	191-225	1,200
G	≥ 226	2,350

Goods vehicles

Unladen weight	Annual (€)	Half-yearly (€) (a)	Quarterly (€) (b)	Arrears (monthly) (€) (c)
≤ 3,000	333	184	94	33.30
3,001-4,000	420	233	118	42.00
4,001-12,000	500	277	141	50.00
≥ 12,001	900	499	254	90.00
Electric not over 1,500)	92	–	–	9.20

(a) 55.5% of annual rate (disregard cent)

(b) 28.25% of annual rate (disregard cent)

(c) 10% of annual rate (disregard cent)

Large public service vehicles and youth/community buses

Seating capacity	Annual (€)	Half-yearly (€) (a)	Quarterly (€) (b)	Arrears (monthly) (€) (c)
9-20	154	85	43	12.83
21-40	202	112	57	16.83
41-60	403	223	113	33.58
≥ 61	403	223	113	33.58

(a) 55.5% of annual rate (disregard cent)

(b) 28.25% of annual rate (disregard cent)

(c) 1/12 of annual rate (disregard cent)

Trade-licensed vehicles

Category of vehicle	Initial trade licence/plate	Replacement trade licence/plate
Motorcycle only	€59 (single plate)	€38 (single plate)
All other vehicles	€353 (pair of plates)	€86 (pair of plates)

Miscellaneous vehicles

Type of vehicle	Annual (€)	Half-yearly (€) (a)	Quarterly (€) (b)	Arrears (monthly) (€) (c)
Off-road dumper	885	491	250	73.75
General haulage tractor	333	184	94	27.75
Machine/workshop/contrivance (including recovery vehicles)	333	184	94	27.75
Island vehicle	102	-	-	8.50
Agriculture tractor, trench digger or excavator	102	-	-	8.50
Motor caravan	102	-	-	8.50
Hearse	102	-	-	8.50
Dumper or forklift truck	102	-	-	8.50
Taxi or hackney cab	95	-	-	7.92
School bus	95	-	-	7.92
Cycle or tricycle:				
electrical	35	-	-	2.92
≤ 75cc	49	-	-	4.08
76cc-200cc	67	-	-	5.58
≥ 201cc	88	-	-	7.33
Pedestrian controlled vehicle	88	-	-	7.33
Veteran and vintage		-	-	
Motorcycle	26	-	-	2.17
Any other vehicle	56	-	-	4.67

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 2017:

	UNLEADED	DIESEL ¹
Price without tax (€/l)	50.04	53.27
Excise duty, petrol (duty 54.18; carbon tax 4.59; levy 2.00)	60.77	49.90
Excise duty, diesel (duty 42.57; carbon tax 5.33; levy 2.00)		
VAT (23%) on product price and excise duty	25.49	23.73
Total taxes	86.26	73.63
Price at the pump	136.30	126.90

4.2 INSURANCE TAXES

There is a 5% government levy on motor insurance premiums in Ireland.

¹All auto diesel sold in Ireland as of 1 March 2002 is low sulphur

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).

Annual business mileage thresholds for cash equivalent (% of OMV)

VRT category	A, B, C	D, E	F, G
≤ 15,000	30	35	40
15,001–20,000	24	28	32
20,001–25,000	18	21	24
25,001–30,000	12	14	16
≥ 30,001	6	7	8

This new system is not yet operational. When implemented, it will apply to vehicles first supplied to employees from a date that has yet to be confirmed. Previously supplied vehicles will be taxed based on the old system (below). The old system continues to operate for all vehicles pending the implementation of the new system:

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

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
Re-test costs	€28

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 3,501kg 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

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ACEA TAX GUIDE 2017

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 \leq 53kW and buses and road tractors \leq 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)	
\leq 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)	
\leq 2.0	265.98
> 2.0-5.0	356.36
> 5.0	452.93
F. Trailers to carry passenger (seats)	
\leq 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, Firenze ⁽²⁾ , Fermo ⁽²⁾ , Foggia, Forlì-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, 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, , Grosseto, Latina, Pordenone, Reggio Emilia, Siracusa, Trieste, Udine, 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

VAT

CARS (the treatment is the same whether these are purchased, leased or rented)	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 EU <i>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

CARS (the treatment is the same whether these are purchased, leased or rented)	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 €30,987.41 (new registration in the year 2017)
Use by professionals	20% of costs and depreciation allowances not exceeding €21,691.19 (new registration in the year 2017)
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 €21,691.19 (new registration in the year 2017)

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*
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

* 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.

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.

Passenger cars: specific rates by region (annual rates)

Standard	kW	Region/province							
		Basilicata, Emilia Romagna, Lombardia, Puglia, Prov.Trento Umbria, Valle d'Aosta	Molise	Marche	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
	> 101 (¹)	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
	> 101 (¹)	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
	> 101 (¹)	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
	> 101 (¹)	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
	> 101 (¹)	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
	> 101 (¹)	4.50	5.30	4.86	4.95	5.45	4.05	5.45	4.86

(¹) Only over 100kW

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 date of manufacture of the vehicle by 40%, 70% and 85%, respectively, and after 20 years from the date of manufacture is no longer due.

Buses

		Region				
	Lazio	Basilicata, Emilia Romagna, Lombardia, Piemonte, Puglia, Prov. Trento, Umbria, Valle d'Aosta	Prov. Bolzano	Abruzzo, Campania	Toscana	Marche
€/kw	3.23	2.94	2.65	3.56	3.39	3.17

Only regions attributed to *Automobile Club d'Italia* (ACI) services.

Commercial vehicles with GVW < 12t

Payload		Abruzzo	Umbria	Prov. Trento Valle d'Aosta	Molise	Prov. Bolzano	Basilicata Emilia Romagna Lombardia Piemonte	Toscana	Lazio Puglia	Liguria	Campania
From	To	EURO									
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

Only regions attributed to ACI services.

Commercial vehicles with GVW ≥ 12t

Class	2 axles		3 axles		4 or more axles		Abruzzo	Basilicata, Lombardia, Piemonte	Emilia Romagna	Lazio	Puglia	Liguria
	>	≤	>	≤	>	≤						
Tonnes							EURO					
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

Commercial vehicles with GVW ≥ 12t

Class	2 axles		3 axles		4 or more axles		Toscana	Prov. Trento, Valle d'Aosta	Molise	Prov. Bolzano	Umbria	Campania
	>	≤	>	≤	>	≤						
Tonnes							EURO					
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

Only regions attributed to ACI services.

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-trailers

Vehicle type (global weight)	Abruzzo, Campania	Basilicata, Valle d'Aosta	Prov. Bolzano	Emilia Romagna	Piemonte, Puglia	Toscana	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

Only regions attributed to ACI services.

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.

In many regions, vehicles exclusively powered by LPG and CNG are exempted from 75% of the ownership tax.

A reduction is allowed for cars more than 30 years old, as follows:

Reduction in annual ownership tax for cars > 30 years old (€)							
	Basilicata, Emilia Romagna, Umbria, Valle d'Aosta, Prov. Bolzano, Prov. Trento, Sicilia	Lazio Liguria	Marche	Molise	Lombardia Piemonte, Puglia	Abruzzo Campania	Toscana
Cars	25.82	28.40	27.88	0.00	30.00	31.24	29.82

Stability Law 2015 (Law No 190 of 29 December 2014) eliminates the exemption of road tax for vehicles with a registration age between 20 years 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 2016 (average national price) (€/l)	Unleaded ⁽¹⁾	Diesel ⁽¹⁾	LPG ⁽²⁾	CNG (€/m ³) ⁽³⁾
Cost of product + distribution profit	0.452	0.432	0.333	0.541
Manufacturing tax	0.728	0.617	0.147	0.003
VAT	0.260	0.231	0.106	0.126
Special funds CNG cylinders	-	-	-	0.031
Total taxes	0.988	0.848	0.253	0.129
Prices at the pumps	1.440	1.280	0.586	0.701

⁽¹⁾ Prices are a weighted average of annual prices based on monthly consumption up to November 2016

⁽²⁾ Prices refer to the timely detection of 2 January 2017

⁽³⁾ Prices refer to the weighted average for 2015

Additional regional tax on manufacturing from 1 November 2016:

- €0.02582 in Calabria, Campania, Lazio, Molise
- €0.026 in Piemonte
- €0.05 in Liguria
- €0.02 in Marche

Insurance taxes

The 'third-party' premiums collected by insurance companies have to 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 2015, tolls income from motorways (Alpine tunnels not included) amounted to €7.4 billion, of which total taxes (ie VAT) amounted to €1.334 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 €65.68.

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 2017

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	26.88
	diesel	31.33
	petrol + LPG	29.18
	100% electric	25.65

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	34.55
	diesel	40.06
	petrol + LPG	37.30
	100% electric	33.06

Brand-new vehicle technical inspection sticker (valid for 2 years)		2.85
Every subsequent inspection (from 3rd year)	Commercial vehicles > 12,000kg	
	petrol	41.85
	diesel	47.35
	petrol + LPG	44.61
	100% electric	41.01
	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

Note: LPG= liquefied petroleum gas

1.4 NATURAL RESOURCES TAX

A national resources tax is payable on each vehicle registered in Latvia. It amounts to €55.00. 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:

≤ 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:

≤ 1,500kg	€15.00
1,501–1,800kg	€32.00
1,801–2,100kg	€55.00
2,101–2,600kg	€70.00
2,601–3,000kg	€84.00
3,001–3,500kg	€97.00
> 3,500kg	€110.00

≤ 1,500cc	€9.00
1,501–2,000cc	€23.00
2,001–2,500cc	€37.00
2,501–3000cc	€55.00
3,001–3,500cc	€91.00
3,501–4,000cc	€160.00
4,001–5,000cc	€228.00
> 5,000cc	€297.00

≤ 55kW	€9.00
56-92kW	€23.00
93-129kW	€37.00
130-166kW	€55.00
167-203kW	€91.00
204-240kW	€160.00
241-300kW	€228.00
> 300kW	€294.00

For passenger cars registered after 31 December 2009, road traffic tax is calculated by CO2 emissions in grams per kilometre:

≤ 50g/km	€0.00
51-95g/km	€12.00
96-115g/km	€48.00
116-130g/km	€84.00
131-155g/km	€120.00
156-175g/km	€144.00
176-200g/km	€168.00
201-250g/km	€264.00
251-300g/km	€408.00
301-350g/km	€552.00
> 350g/km	€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:

≤ 1,500kg	€36.00
1,501–1,800kg	€72.00
1,801–2,100kg	€138.00
2,101–2,600kg	€165.00
2,601–3,500kg	€219.00
3,501–12,000kg	€156.00
12,001–15,000kg (2 axles): pneumatic suspension	€170.74
mechanical suspension	€170.74
> 15,000kg (2 axles): pneumatic suspension	€170.74
mechanical suspension	€277.46
12,001–21,000kg (3 axles) pneumatic suspension	€170.74
mechanical suspension	€170.74
21,001–23,000kg (3 axles): pneumatic suspension	€170.74
mechanical suspension	€221.97
> 23,000kg (3 axles): pneumatic suspension	€221.97
mechanical suspension	€345.76
12,001–25,000kg (4 axles or more): pneumatic suspension	€170.74
mechanical suspension	€170.74
25,001–27,000kg (4 axles or more): pneumatic suspension	€170.74
mechanical suspension	€230.51
27,001–29,000kg (4 axles or more): pneumatic suspension	€230.51
mechanical suspension	€362.83
> 29,000kg (4 axles or more): pneumatic suspension	€362.83
mechanical suspension	€537.85

Company car tax for passenger cars (monthly)

≤ 2,000cc	€29.00
2,001–2,500cc	€46.00
> 2,500cc	€62.00

Note: passenger cars registered before 1 January 2005: €46.00; 100% electric passenger cars: €10.00.



CHAPTER

18

ACEA TAX GUIDE 2017

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	18.2
Passenger vehicles (M1) LPG	23.4
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
≥ 43 and < 44	695	1,042

3 TAXES ON MOTORING

3.1 FUEL TAXES (EXCISE)

Diesel	€0.330/l
Petrol (unleaded)	€0.434/l
Petrol (leaded)	€0.579/l

Price of fuel in 2016

Liquefied petroleum gas	€0.40-0.53/l
Diesel	€0.81-0.96/l
Petrol 95 (unleaded)	€0.96-1.07/l
Petrol 98 (unleaded)	€0.95-1.09/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		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	



CHAPTER

19

ACEA TAX GUIDE 2017

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

- Electrical vehicles or vehicles powered by a fuel cell: €5,000 tax allowance.
- Bicycles and electrical bicycles: €300 tax allowance.

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 on the basis of CO2 emissions
- 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 to ≤ 90	0.5	290 < to ≤ 300	2.6
90 < to ≤ 100	0.6	300 < to ≤ 310	2.7
100 < to ≤ 110	0.7	310 < to ≤ 320	2.8
110 < to ≤ 120	0.8	320 < to ≤ 330	2.9
120 < to ≤ 130	0.9	330 < to ≤ 340	3.0
130 < to ≤ 140	1.0	340 < to ≤ 350	3.1
140 < to ≤ 150	1.1	350 < to ≤ 360	3.2
150 < to ≤ 160	1.2	360 < to ≤ 370	3.3
160 < to ≤ 170	1.3	370 < to ≤ 380	3.4
170 < to ≤ 180	1.4	380 < to ≤ 390	3.5
180 < to ≤ 190	1.5	390 < to ≤ 400	3.6
190 < to ≤ 200	1.6	400 < to ≤ 410	3.7
200 < to ≤ 210	1.7	410 < to ≤ 420	3.8
210 < to ≤ 220	1.8	420 < to ≤ 430	3.9
220 < to ≤ 230	1.9	430 < to ≤ 440	4.0
230 < to ≤ 240	2.0	440 < to ≤ 450	4.1
240 < to ≤ 250	2.1	450 < to ≤ 460	4.2
250 < to ≤ 260	2.2	460 < to ≤ 470	4.3
260 < to ≤ 270	2.3	470 < to ≤ 480	4.4
270 < to ≤ 280	2.4	480 < to ≤ 490	4.5
280 < to ≤ 290	2.5	490 < to ≤ 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)	Other fuel (€)	Diesel (€)
1 – 1,600cc	6.00	6.00
1,601 – 2,000cc	7.00	7.00
2,001 – 3,000cc	9.50	10.50
3,001 – 4,000cc	11.50	13.50
4,001cc and more	12.50	15.00

2.2.3 Buses and coaches (M2, M3 categories)

From 1 November 2007:

Category	Yearly tax (€)	6-month tax (€)
M2	150	80
M3	250	130

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 (in tonnes)	Yearly tax (€)	6-month tax (€)	Empty mass	Yearly tax (€)	6-month tax (€)
1 ≤ 600	50	-	2,601–2,800	237	123
600–800	67	-	2,801–3,000	254	132
801–1,000	84	47	3,001–3,200	271	140
1,001–1,200	101	55	3,201–3,400	288	149
1,201–1,400	118	64	3,401–3,600	305	157
1,401–1,600	135	72	3,601–3,800	322	166
1,601–1,800	152	81	3,801–4,000	339	174
1,801–2,000	169	89	4,001–4,200	356	183
2,001–2,200	186	98	4,201–4,400	373	191
2,201–2,400	203	106	4,401–4,600	390	200
2,401–2,600	220	115	4,601 ≤ 12,000	425	217

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	
From	To	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000	15,000	255	132	255	€132
15,001	19,500	255	132	274	142
19,501	20,500	255	132	280	145
20,501	21,500	255	132	305	157
21,501	22,500	255	132	330	170
22,501	and more	255	132	330	170
Number of axles = 3					
MVW (kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	To	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000	19,500	255	132	255	132
19,501	20,500	255	132	280	145
20,501	21,500	255	132	305	157
21,501	22,500	255	132	330	170
22,501	23,500	255	132	355	182
23,501	and more	255	132	380	195
Number of axles = 4					
MVW (kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	To	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000	19,500	255	132	255	132
19,501	20,500	255	132	280	145
20,501	21,500	255	132	305	157
21,501	22,500	255	132	330	170
22,501	23,500	255	132	355	€182
23,501	24,500	255	132	380	195
24,501	25,500	255	132	405	207
25,501	26,500	255	132	430	220
26,501	27,500	255	132	455	232
27,501	28,500	255	132	480	245
28,501	and more	365	187	537	273

2.2.5 Trailers

Trailers with an MVW of less than 12t:

Maximum mass (kg)		Yearly tax (€)	6-month tax (€)
1	750	0	-
751	1,000	25	-
1,001	1,500	40	-
1,501	2,000	55	-
2,001	2,500	70	-
2,501	3,000	85	47
3,001	3,500	100	55
3,501	4,000	115	62
Maximum mass (kg)		Yearly tax (€)	6-month tax (€)
4,001	4,500	130	70
4,501	5,000	145	77
5,001	11,999	150	80

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	
From	To	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000	13,500	370	190	565	287
13,501	15,000	370	190	580	295
15,001	16,500	370	190	595	302
16,501	18,000	370	190	610	310
18,001	19,500	370	190	625	317
19,501	20,500	370	190	640	325
20,501	and more	370	190	650	330
Number of axles = 3 or more					
MVW (kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	To	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000	28,500	255	132	425	217
28,501	and more	510	260	700	355

2.2.6 Tractors and semi-trailers

Tractors:

Number of axles = 2					
MVW (kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	To	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000	35,500	255	132	255	132
35,501	37,500	255	132	310	160
37,501	39,500	255	132	420	215
39,501	and more	310	160	420	215
Number of axles = 3 or more					
MVW (kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	To	Yearly tax (€)	6-monthly tax (€)	Yearly tax (€)	6-month tax (€)
12,000	39,500	255	132	255	132
39,501	and more	380	195	485	247

Semi-trailers:

Number of axles = 2 or less					
MVW (kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	To	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000	17,500	50	–	50	–
17,501	18,500	63	–	75	–
18,501	19,500	76	43	100	55
19,501	20,500	89	49	125	67
20,501	21,500	102	55	150	80
21,501	22,500	115	62	175	92
22,501	23,500	128	69	200	105
23,501	24,500	141	75	225	117
24,501	25,500	154	82	250	130
25,501	26,500	167	88	275	142
26,501	27,500	180	95	300	155
27,501	28,500	193	101	325	167
28,501	29,500	206	108	350	180
29,501	30,500	219	114	375	192
30,501	31,500	232	121	400	205
31,501	32,500	245	127	425	217
32,501	and	250	130	455	232

Number of axles = 3 or more					
MVW (kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	To	Yearly tax (€)	6-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000	17,500	50	–	50	–
17,501	18,500	60	–	65	–
18,501	19,500	70	–	80	45
19,501	20,500	80	45	95	52
20,501	21,500	90	50	110	60
21,501	22,500	100	55	125	67
22,501	23,500	110	60	140	75
23,501	24,500	120	65	155	82
24,501	25,500	130	70	170	90
25,501	26,500	140	75	185	97
26,501	27,500	150	80	200	105
27,501	28,500	160	85	215	112
28,501	29,500	170	90	230	120
29,501	30,500	180	95	245	127
30,501	31,500	190	100	260	135
31,501	32,500	200	105	275	142

3 TAXES ON MOTORING

3.1 FUEL TAXES

Maximum price on 9 February 2017:

	Super unleaded 95* (€/l)	Super unleaded 98* (€/l)	Diesel* (€/l)	LPG (€/l)
Cost of the product (incl. margins and costs)	0.4950	0.5514	0.4804	0.3725
Excises (1)	0.4621	0.4621	0.3350	0.1016
Climate tax + others (2)	0.0600	0.0600	0.0530	
Price without VAT	1.0171	1.0735	0.8684	0.4741
VAT	17%	17%	17%	8%
Price with VAT (3)	0.1729	0.1825	0.1476	0.0379
(1) + (2) + (3)	0.6950	0.7046	0.5356	0.1395
% of the price at the pump	58.4%	56.1%	52.7%	27.3%
Price at the pump	1.190	1.256	1.016	0.512

* Max. 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 MPV 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.

CO2	Petrol (+ hybrid, CNG) (%)	Diesel (+ hybrid) (%)	100% electric & hydrogen (%)	Bike & electric bike (%)
0g/km	–	–	0.5	0.5
> 0-50g/km	0.8	1.0	–	–
> 50-110g/km	1.0	1.2	–	–
> 110-150g/km	1.3	1.5	–	–
> 150g/km	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

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ACEA TAX GUIDE 2017

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:

An example showing how to apply the formula by integrating the values from the tables follows.

The registration value (RV), the CO2 emissions level, and the overall length for a standard petrol-engined 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:

$$(X\% \times 110 \times 5,000) + (Y\% \times 4,000 \times 5,000) = \text{total registration tax}$$

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 2017

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 Personenauto's 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 (exempt)
1	76	2
77	102	66
103	150	145
151	168	238
169		475

As of 1 January 2017, a fixed BPM surcharge of €353 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 65g/km. The diesel surcharge per gram of CO₂ above 65g/km is €86.69 in 2017.

In the period from 2012 up to and including 2015, the emission thresholds for petrol and diesel vehicles gradually converged. The tariffs are subject to annual evaluations of the effects of the environmental thresholds and associated tariffs, carried out by the Ministry of Finance.

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.

Example of a BPM assessment for 1 January-31 December 2017:

Diesel car	Price before tax	€16,000
100g CO2/km		
	BPM	
	Fixed surcharge	€353
	CO2 up to 76g/km: $76 \times €2$	€152
	CO2 77-102g/km: $24 \times €66$	€1,584
	CO2 103-150g/km: $0 \times €145$	€0
	CO2 151-168g/km: $0 \times €239$	€0
	CO2 ≥ 169 g/km: $0 \times €478$	€0
	Diesel surcharge ($35 \times €86.69$)	€3,034,15
	CO2 emissions component	€5,123
	VAT at 21% $\times €16,000$	€3,360
	Tax-inclusive price	€24,483

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 CO2 (g/km)		Tax per g CO2/km (€)
From	Up to and including	
0	0	0 (exempt)
1	30	20
31	50	90
51		300

The fixed BPM surcharge of €353 is not applicable for PHEVs.

Example of a BPM assessment for 1 January-31 December 2017:

PHEV	Price before tax	€50,000
45g CO ₂ /km		
	BPM	
	Fixed surcharge	€0
	CO ₂ up to 30g/km: 30 × €20	€600
	CO ₂ 31-50g/km: 15 × €90	€1,350
	CO ₂ > 50g/km: 0 × €300	€0
	CO ₂ emissions component	€1,950
	VAT at 21% × €50,000	€10,500
	Tax-inclusive price	€62,450

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	€48.98
Trailers and semi-trailers	€48.98

2 TAXES ON OWNERSHIP

2.1 BASIS OF ASSESSMENT

Private cars	Deadweight, province, fuel, CO2 emissions
Buses and coaches	Deadweight

2.2 ROAD TAX

As of 1 January 2016, the rates of road tax (ACT) are established on the basis of:

- deadweight;
- type of fuel used;
- region (province);
- CO2 emissions.

The motor vehicle tax (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

Without clutch installation (€), Euro 0

Weight (kg)	WITHOUT AIRSPRING ACTION			WITH AIRSPRING ACTION		
	2 axles	3 axles	≥ 4 axles	2 axles	3 axles	≥ 4 axles
< 15,000	76	76	76	76	76	76
15,000-23,000	92	76	76	76	76	76
23,000-25,000	114	114	76	76	76	76
25,000-27,000	114	114	76	76	76	76
27,000-29,000	120	120	120	76	76	76

29,000-31,000	177	177	177	120	120	120
31,000-33,000	177	177	177	120	120	120
33,000-36,000	177	177	177	120	120	120
36,000-38,000	177	177	177	120	120	120
38,000-40,000	177	177	177	120	120	120
> 40,000	177	177	177	120	120	120

With clutch installation (€)

Weight (kg)	WITHOUT AIRSPRING ACTION		WITH AIRSPRING ACTION	
	2 axles	≥ 3 axles	2 axles	≥ 3 axles
< 15,000	76	76	76	76
15,000-23,000	76	76	76	76
23,000-25,000	76	76	76	76
25,000-27,000	102	76	76	76
27,000-29,000	102	76	76	76
29,000-31,000	111	109	76	76
31,000-33,000	154	109	111	76
33,000-36,000	232	150	154	109
36,000-38,000	232	150	154	109
38,000-40,000	232	206	170	150
> 40,000	305	305	232	206

2.2.4 Buses and coaches

No list of rates for buses and coaches is available.

3 TAXES ON MOTORING

3.1 FUEL TAXES

Fuel prices on 1 May 2016 (in euros per litre):

	Unleaded Euro 95	Diesel
Tax-exclusive price	0.52	0.48
Total tax (excl. VAT)	0.78	0.49
Price excl. VAT	1.30	0.97
VAT at 21%	0.27	0.21
Price at the pump	1.57	1.18

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%, 4% income tax is levied if the car emits no CO₂ (petrol and diesel). If the private use is less than 500km a year, no extra income tax is charged.

The environmental threshold for taxable benefit in 2017 is as follows:

Rate at which benefit is taxable (%) (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 2017

Poland

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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 base

- 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

< 2,000cc	3.1%
> 2,000cc	18.6%

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 authorized 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 37.29 and the highest is PLN 3,072.52.

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 oil and diesel oil 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 129.41/1,000l.
- Fuel fee for diesel without biocomponents for the construction of motorways and roads in Poland: PLN 288.05/1,000l.

VAT for both petrol and diesel oil 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

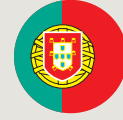
3.2.1 Registration fee

Tax-inclusive prices at the beginning of 2017 (8 February) were as follows:

- petrol: PLN 4.69/l (Pb95) and PLN 5.03/l (Pb98)
- diesel PLN 4.62/l
- LPG: PLN 2.22/

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

23

ACEA TAX GUIDE 2017

Portugal

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1 TAXES ON ACQUISITION

1.1 CARTAX (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	$ISV = 0.98 \times CC - 60.00$
1,001-1,250	$ISV = 1.06 \times CC - 762.77$
> 1,250	$ISV = 4.99 \times CC - 5,523.55$

2. Environmental component

Petrol cars

CO2 (g/km)	ISV (€)
< 100	$ISV = 4.12 \times CO2 - 381.10$
100-115	$ISV = 7.21 \times CO2 - 669.50$
116-145	$ISV = 46.85 \times CO2 - 5,263.30$
146-175	$ISV = 54.59 \times CO2 - 6,365.40$
176-195	$ISV = 139.05 \times CO2 - 21,063.50$
> 195	$ISV = 183.34 \times CO2 - 29,767.00$

Diesel cars

CO2 (g/km)	ISV (€)
< 80	$ISV = 5.15 \times CO2 - 391.40$
80-95	$ISV = 20.91 \times CO2 - 1,648.00$
96-120	$ISV = 70.64 \times CO2 - 6,414.84$
121-140	$ISV = 56.66 \times CO2 - 16,871.40$
141-160	$ISV = 174.22 \times CO2 - 19,364.00$
> 160	$ISV = 239.30 \times CO2 - 29,818.50$

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.

Table B

Cylinder capacity (cc)	ISV (€)
≤ 1,250	$ISV = 4.74 \times CC - 2,970.16$
> 1,250	$ISV = 11.22 \times CC - 10,821.34$

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 to 250	65.78
251 to 350	81.69
351 to 500	109.27
501 to 750	164.44
> 750	218.55

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
	Subsequent registrations: 65

Use of the online registration system attracts a deduction 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 Total voltage	Annual tax according to the year of registration (€)		
Petrol (cm ³)		Other (cm ³)			After 1995	1990-1995	1981-1989
From	To	From	To				
≤ 1,000		≤ 1,500		≤ 100	17.87	11.27	7.91
1,001	1,300	1,501	2,000	> 100	35.87	20.16	11.27
1,301	1,750	2,001	3,000		56.03	31.32	15.71
1,751	2,600	> 3,000			142.17	74.99	32.41
2,601	3,500				258.17	140.59	71.59
> 3500					459.98	236.29	108.57

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 (€)	CO2 emission (g/km)	Tax (€)
≤ 1,250	28.52	≤ 120	58.51
1,251 to 1,750	57.23	121 to 180	87.68
1,751 to 2,500	114.36	181 to 250	190.41
> 2,500	391.38	> 250	326.19

Additional tax for passenger cars registered after 1 January 2017

CO2 range (g/km)	Tax (€)
180 < CO2 ≤ 250	38.08
> 250	65.24

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					
2,501 to 3,500					52					
3,501 to 7,500					125					
7,501 to 11,999					203					
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	220	228	204	213	193	203	186	193	184	191
12,000-12,999	312	368	290	341	277	326	266	313	264	311
13,000-14,999	316	373	292	345	280	330	269	318	267	316
15,000-17,999	351	391	327	366	312	348	298	335	296	332
≥ 18,000	446	496	414	461	396	439	382	421	379	417
3 AXLES										
< 15,000	220	312	204	289	193	276	185	266	184	264
15,001-16,999	309	349	287	325	274	311	263	296	261	294
17,000-17,999	309	357	287	332	274	317	263	303	261	300
18,000-18,999	402	444	374	412	357	394	342	380	339	376
19,000-20,999	403	444	376	412	359	398	343	380	341	381
21,000-22,999	405	450	377	416	362	448	345	383	342	425
≥ 23,000	453	503	420	470	403	448	386	428	384	425
≥ 4 AXLES										
< 23,000	310	347	288	323	274	309	264	294	261	292
23,000-24,999	391	440	366	410	348	391	335	377	332	374
25,000-25,999	402	444	374	412	357	394	342	380	339	376
26,000-26,999	737	835	685	778	653	741	628	711	623	705
27,000-28,999	747	854	695	796	661	759	638	731	632	724
≥ 29,000	769	867	713	805	681	772	653	740	648	735

¹ Gross vehicle weight

Articulated vehicles:

Year of first registration	Before 1991		1991-1993		1994-1996		1997-1999		2000 to present	
	Air	Other	Air	Other	Air	Other	Air	Other	Air	Other
GVW (kg)	Annual tax (€)									
2+1 AXLES										
< 12,000	219	221	203	205	192	195	185	187	183	186
12,000-17,999	302	373	284	345	272	329	263	317	261	314
18,000-24,999	402	474	377	439	362	419	348	404	344	401
25,000-25,999	433	485	408	452	389	429	377	413	375	410
≥ 26,000	808	890	759	828	725	791	699	758	695	752
2+2 AXLES										
< 23,000	298	343	282	320	269	303	260	292	259	290
23,000-25,999	387	436	365	408	345	389	336	375	334	372
26,000-30,999	738	841	691	783	658	747	639	718	633	711
31,000-32,999	797	863	748	802	713	769	690	737	685	731
≥ 33,000	848	1024	797	953	760	908	737	874	731	865
2+3 AXLES										
< 36,000	751	845	704	787	672	751	651	722	645	714
36,000- 37,999	829	899	780	843	744	804	719	780	712	774
≥ 38,000	859	1013	804	950	771	905	745	877	739	870
3+2 AXLES										
< 36,000	745	822	699	763	667	731	645	700	641	699
36,000-37,999	763	870	718	808	685	774	659	741	654	740
38,000-39,999	765	925	719	859	686	821	661	788	655	786
≥ 40,000	890	1144	836	1065	797	1018	774	977	766	976
≥ 3+3 AXLES										
< 36,000	697	825	652	769	624	732	604	703	597	698
36,000-37,999	821	911	772	847	736	820	711	779	705	772
38,000- 39,999	829	928	779	861	743	824	718	791	711	785
≥ 40,000	847	941	795	877	759	836	736	802	728	797

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					
2,501 to 3,500					29					
3,501 to 7,500					65					
7,501 to 11,999					108					
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	127	131	119	123	113	117	109	112	108	111
12,000-12,999	148	192	139	180	133	172	129	167	128	166
13,000-14,999	150	193	141	181	135	173	131	168	130	166
15,000-17,999	183	266	172	248	165	238	159	230	157	229
≥ 18,000	216	336	202	317	193	301	186	291	184	289
3 AXLES										
< 15,000	126	151	118	142	112	136	108	132	107	131
15,000-16,999	150	195	141	182	135	174	131	169	130	168
17,000-17,999	150	195	141	182	135	174	131	169	130	168
18,000-18,999	180	257	170	240	161	230	157	223	155	221
19,000-20,999	180	257	170	240	161	230	157	223	155	221
21,000-22,999	182	274	171	258	164	245	158	237	157	235
≥ 23,000	273	342	257	322	244	307	237	295	235	293
≥ 4 AXLES										
< 23,000	150	191	141	179	135	131	131	166	130	165
23,000-24,999	212	254	198	239	188	228	183	221	181	220
25,000-25,999	241	280	227	263	217	249	210	242	209	240
26,000-26,999	391	490	368	459	351	439	339	423	336	420
27,000-28,999	394	491	370	462	352	440	340	424	338	421
≥ 29,000	444	660	415	621	398	593	384	574	381	569

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	125	126	117	117	111	111	108	108	107	107
12,000-17,999	148	190	139	178	133	170	129	165	128	164
18,000-24,999	191	250	179	235	166	225	166	218	165	216
25,000-25,999	241	356	227	334	211	319	211	309	209	306
≥ 26,000	366	489	342	459	317	436	317	422	314	419
2+2 AXLES										
< 23,000	148	190	139	178	133	171	129	165	128	164
23,000-24,999	179	239	169	225	160	215	155	209	154	207
25,000-25,999	210	252	196	237	187	227	181	220	179	218
26,000-28,999	301	421	282	396	269	379	261	366	259	364
29,000-30,999	363	482	339	453	324	431	313	417	311	414
31,000-32,999	427	566	402	532	384	506	372	490	369	487
≥ 33,000	570	663	534	624	509	596	493	576	489	572
2+3 AXLES										
< 36,000	418	481	393	452	375	429	364	416	361	413
36,000-37,999	449	631	420	592	401	565	388	547	385	542
≥ 38,000	617	683	580	641	552	612	535	592	531	588
3+2 AXLES										
< 36,000	355	414	333	389	319	372	308	359	306	356
36,000-37,999	425	556	400	522	382	498	371	482	368	478
38,000-39,999	558	654	525	615	500	588	485	569	480	563
≥ 40,000	774	901	726	845	692	807	670	781	663	775
≥ 3+3 AXLES										
< 36,000	295	385	277	362	265	344	257	333	254	331
36,000-37,999	388	482	366	453	348	431	336	417	334	414
38,000-39,999	453	488	424	457	405	435	393	421	389	418
≥ 40,000	466	658	435	619	416	591	403	572	400	568

Table E: Motorcycles, tricycles, quadricycles

Cylinder capacity (cm ³)	Year of first registration	
	Annual tax (€)	
	After 1996	1992-1996
120 to 250	5.56	0.00
> 250 to 350	7.87	5.56
> 350 to 500	19.01	11.25
> 500 to 750	57.13	33.65
> 750	124.06	60.85

3 TAXES ON MOTORING

3.1 FUEL TAXES

Price of fuel (€/l)

	Eurosuper 95	Automotive gas oil
Price without taxes	0.409	0.459
VAT	0.248	0.208
Tax on petroleum products (ISP)	0.671	0.446
Price at the pump	1.328	1.113

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 2017

Romania

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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 (€9).

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
1,601-2,000	18
2,001-2,600	72
2,601-3,000	144
≥ 3,001	290

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.

Note: 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
		30 days	7
		1 year	28
B	Commercial vehicles ≤ 3.5t	1 day	–
		7 days	6
		30 days	16
		1 year	96
C	Commercial vehicles > 3.5t and ≤ 7.5t Minibuses with ≥ 9 seats and ≤ 23 seats	1 day	4
		7 days	20
		30 days	52
		1 year	320
D	Commercial vehicles > 7.5t and ≤ 12t Buses with > 23 seats	1 day	7
		7 days	35
		30 days	91
		1 year	560
E	Commercial vehicles > 12t with maximum 3 axles (inclusive)	1 day	9
		7 days	45
		30 days	117
		1 year	720
F	Commercial vehicles > 12t with minimum 4 axles (inclusive)	1 day	11
		7 days	55
		30 days	143
		1 year	1,210

3.2 FUEL TAXES

Excise taxes on fuels, from 1 January 2017, are as follows:

- unleaded petrol – €368/1,000l;
- diesel – €337/1,000l.

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 and LCVs: every two years.
- For commercial vehicles weighing more than 3.5t: yearly.
- 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 prices:

- passenger car – RON 144;
- commercial vehicle weighing under 3.5t – RON 170;
- commercial vehicle weighing over 3.5t – minimum RON 250.

Note: exchange rate: €1 = RON 4.50.



CHAPTER

25

ACEA TAX GUIDE 2017

Slovakia

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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%
Proportional VAT calculated from difference between wholesale and general retail price	20%

The taxpayer is not allowed to decrease the vehicle price by reducing the proportional VAT.

The taxpayer is allowed to include in allowances for depreciation the price of a vehicle up to a maximum total value of €26,555 in the case of a vehicle purchased outright and €31,534 in the case of a vehicle purchased on leasing terms, provided the vehicle is intended for business purposes (first depreciation group – depreciation period four years).

1.2 ALLOWABLE DEDUCTIONS

1.2.1 VAT exemptions

A person registered for VAT is allowed to deduct VAT on the purchase of vehicles for business use. This applies to motor vehicles with an engine capacity of more than 48cm³ or a power greater than 7.2kW to be used for passenger and cargo transport.

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
80	86	90
86	92	110
92	98	150
98	104	210
104	110	260
110	121	360
121	132	530
132	143	700
143	154	870
154	165	1,100
165	176	1,250
176	202	1,900
202	228	2,300
228	254	2,700
254	and over	3,900

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 and increased by 20% for vehicles aged 13 years or more. Hybrid vehicles, vehicles powered by compressed natural gas (CNG), and vehicles that are used at least 60 times in the hybrid mode within the tax period 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

≤ 150cm ³	€50
151-900cm ³	€62
901-1,200cm ³	€80
1,201-1,500cm ³	€115
1,501-2,000cm ³	€148
2,001-3,000cm ³	€180
> 3,000cm ³	€218

c) Commercial vehicles and buses

Depending on gross vehicle weight (GVW) and number of axles: from €74 up to €2,790 max.

3 TAXES ON MOTORING

3.1 FUEL TAXES

Taxes applicable on mineral oils are specified in Act No 98/2004 Z.z.

Fuel taxes

Fuel	Excise duty (€/1000l)	VAT (%)
Petrol	514.50	20
Diesel	368.00	20
Liquefied petroleum gas (LPG)	182.00	20

3.2 INSURANCE

3.2.1 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 rates:

Motorcycles	Rate (€)
≤ 50cm ³	31
50-350cm ³	40
> 350cm ³	133

Passenger cars (up to 3.5t GVW)	Rate (€)	Passenger cars (up to 3.5t GVW)	Rate (€)
≤ 1,300cm ³	120	< 57kw	116
1,301-1,800cm ³	195	58-85kW	170
1,801-2,500cm ³	320	86-125kW	220
> 2,500cm ³	400	> 125kW	229

LCVs (up to 3.5t GVW)	Rate (€)	LCVs (up to 3.5t GVW)	Rate (€)
≤ 1,300cm ³	120	< 57kw	116
1,301-1,800cm ³	222	58-85kW	175
1,801-2,500cm ³	330	86-125kW	220
> 2,500cm ³	410	> 125kW	235

Trucks	Rate (€)
3,500-12,000kg	755
> 12,000kg	1,012

Buses	Rate (€)
For public transport only	714
≤ 5,000kg	731
> 5,000kg	1,086

Trolleybuses	Rate (€)
For public transport only	814

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
9 months	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		0.103	0.093	0.080
	> 12t	2 axles	0.220	0.199	0.172
		3 axles	0.232	0.210	0.181
		4 axles	0.241	0.218	0.188
		≥ 5 axles	0.232	0.210	0.181
Buses	3.5-12t		0.060	0.050	0.030
	> 12t		0.110	0.100	0.060

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		0.103	0.093	0.080
	> 12t	2 axles	0.220	0.199	0.172
		3 axles	0.232	0.210	0.181
		4 axles	0.241	0.218	0.188
		≥ 5 axles	0.232	0.210	0.181
Buses	3.5-12t		0.040	0.030	0.020
	> 12t		0.080	0.070	0.040

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		0.080	0.072	0.062
	> 12t	2 axles	0.172	0.156	0.133
		3 axles	0.181	0.164	0.140
		4 axles	0.185	0.167	0.143
		≥ 5 axles	0.181	0.164	0.140
Buses	3.5-12t		0.040	0.030	0.020
	> 12t		0.080	0.070	0.040

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	0	0
	> 12t	2 axles	0	0	0
		3 axles	0	0	0
		4 axles	0	0	0
		≥ 5 axles	0	0	0
Buses	3.5-12 t		0	0	0
	> 12t		0	0	0

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 don't 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

5.1 INSPECTIONS

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 2017

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

A motor vehicle tax is levied upon the first registration of a vehicle in Slovenia. The tax is expressed as a percentage of the vehicle's purchase price and based on the CO₂ emissions of the vehicle.

This tax is to be paid on motor vehicles with the tariff codes 8703 21, 8703 22, 8703 23, 8703 24, 8703 31, 8703 32, 8703 33, 8703 90 and 8711, stipulated in the European Community customs tariff, published as Annex I to the 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) as last amended by Council Regulation (EC) No 179/2009 of 5 March 2009 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 63, 7.3.2009, p. 1), that are placed on the market or registered for the first time in the territory of the Republic of Slovenia.

The tax base is the selling price of an individual motor vehicle, this tax and VAT excluded.

Upon the acquisition of a motor vehicle from another European Union member state, the purchase price is to be considered the selling price, while upon the importation of a motor vehicle the value laid down in the Value-Added Tax Act, Article 38, paragraphs 1-4, is to be regarded as the selling price.

If the purchase price does not correspond to the market value or when there is no payment, the tax base is the market value of the motor vehicle as established by the tax authority. The tax authority will establish the tax base on the basis of all the relevant circumstances in an individual case, and on the basis for establishing the market value, except in the case of the importation of a motor vehicle, will be the guide value for that motor vehicle in the catalogues for the evaluation of vehicles.

The rate of tax on motor vehicles falling within tariff codes 8703 21, 8703 22, 8703 23, 8703 24, 8703 31, 8703 32, 8703 33 and 8703 90, except three-wheeled motorcycles, four-wheeled motorcycles and camping vehicles (falling within those tariff codes), depends on the amount of CO₂ emissions during combined driving (hereinafter referred to as CO₂ emissions) and the type of engine fuel:

CO ₂ emissions (g/km)	Petrol (%)	Diesel (%)
0-110	0.5	1.0
111-120	1.0	2.0
121-130	1.5	3.0
131-150	3.0	6.0
151-170	6.0	11.0
171-190	9.0	15.0
191-210	13.0	18.0
211-230	18.0	22.0
231-250	23.0	26.0
> 250	28.0	31.0

If a vehicle referred to in the preceding paragraph uses any other type of fuel, including electric energy, or a combination of different fuels (eg a hybrid vehicle), the tax rate shall be determined taking into account the scale used for petrol vehicles.

For motor vehicles referred to in the above article, paragraph 4, the following tax rates are applied:

> 8 seats	Tax rate is decreased by 30%
< Euro 3 emission rating	Tax rate is increased by 10%
Euro 3 emission rating	Tax rate is increased by 5%
Euro 4 emission rating	Tax rate is increased by 2%
Diesel motor vehicles with a particulate matter emission rate exceeding 0.005g/km	Tax rate is increased by 5%
Information about CO2 emissions not available	28% tax rate is applied to petrol vehicles and liquefied petroleum gas vehicles 31% tax rate is applied to diesel vehicles

1.3 INCENTIVES FOR THE ACQUISITION OF CLEAN VEHICLES

On 26 February 2016, the Slovenian Environmental Public Fund (Eco Fund [*Eco sklad*]) published two new public tenders in the *Official Journal of the Republic of Slovenia* and on its website (www.ekosklad.si). The supervisory board of Eco Fund confirmed public tenders 38SUB-EVPO16 and 39SUB-EVOB16 for allocating non-refundable funds to individuals and legal entities for new and converted electric vehicles. For legal entities and entrepreneurs, public tender 38SUB-EVPO16 offers €2 million of non-refundable funds for electric vehicles. For private individuals, public tender 39SUB-EVOB16 offers €500,000 in non-refundable funds for electric vehicles.

Non-refundable financial incentives may be granted for:

- the purchase of new vehicles in category M1, N1, L6e or L7e, electrically powered and with zero CO2 emissions;
- the conversion of vehicles to electrical power or the purchase of vehicles already converted to run on electrical power, where the serial inboard engine with internal combustion is replaced by an electric motor (category M1, N1, L6e or L7e);
- the purchase of new plug-in hybrid vehicles or new electrically driven vehicles with range extenders, with CO2 emissions lower than 50g CO2/km (category M1 or N1).

The amount of non-refundable financial incentives depends on the vehicle category and varies from €3,000 to €7,500, as follows:

- €7,500 for a new electric vehicle with zero CO2 emissions, or a vehicle converted to run on electrical power (category M1);
- €4,500 for a new electric vehicle with zero CO2 emissions, or a vehicle converted to run on electrical power (category N1 or L7e);
- €4,500 for a new connection (plug-in) hybrid vehicle or a new electric vehicle with range extender, with CO2 emissions less than 50g CO2/km (category M1 or N1);
- €3,000 for a new electric vehicle with zero CO2 emissions, a or vehicle converted to use an electric drive (category L6e).

2 TAXES ON OWNERSHIP

Passenger cars (cc)	Tax rate (€)
≤ 1,350	62
1,351-1,800	96
1,801-2,500	153
2,501-3,000	282
3,001-4,000	452
4,500	565
Buses (seats)	3.16/seat
Trucks (GVW)	
≤ 4t	101.94
> 4t	22.86/t
Trucks with trailer (GVW)	
≤ 190kW	5.37/kW
> 190kW	1,019.37/truck
Trailers (GVW)	
≤ 2t	38.22
> 2t	19.11/t



CHAPTER

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ACEA TAX GUIDE 2017

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 that 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

As of 1 September 2012, the rate of VAT charged on new vehicles is 21%.

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. Taxable persons can voluntarily apply the special scheme when they acquire the vehicle from a private seller (ie not professional second-hand dealer).

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:

- 1) Vehicles for the carriage of goods
- 2) Vehicles used exclusively for public transport
- 3) Vehicles for use in driving schools
- 4) Vehicles used in trials, tests, demonstrations and sales promotions
- 5) Vehicles acquired by independent brokers and intended exclusively for business or professional travel
- 6) Vehicles used for the provision of security and surveillance
- 7) 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 the case of:

- 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)
- Motor caravans are always taxable
- 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 subject to the tax but exempted:

- 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 Balears 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).

Currently, some regional governments apply the higher tax rate to only some groups, as follows:

	Andalucía (%)	Asturias (%)	Baleares (%)	Cantabria (%)	Cataluña (%)	Extremadura (%)	Murcia (%)
> 120 < 160	-	-	-	-	-	5.2	-
≥ 160 < 200	-	-	-	11	-	11	-
≥ 200	16.9	16	16	16	16	16	15.9

2.3.3 Special Tax deductions

'Large families' incentives:

As from 1 January 2001, 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:

As from December 2008, a reduction in the Special Tax of 30% applies for the acquisition of a motor caravans or vehicles adapted to be used as accommodation.

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

2.4 REGISTRATION CHARGES

The registration fee is €95.8 for all types of vehicles, except motorcycles, for which the registration fee is fixed at €26.7.

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, 2017 (€)
< 8	12.62	20
8-11.99	12.62	59
12-15.99	71.94	129
16-19.99	89.61	179
> 19.99	112.00	224

3.2.2 Buses and coaches

Seats	Minimum amount (€)	Taxes applied in Madrid, 2017 (€)
< 21	83.30	145
21-50	118.64	212
> 50	148.30	266

3.2.3 Commercial vehicles

Payload		Minimum amount (€)	Taxes applied in Madrid, 2017 (€)
Lorries	< 999kg	42.28	73
	1,000-2,999kg	83.30	149
	3,000-9,999kg	118.64	213
Tractive units	< 9,999kg	148.30	266
	< 16hp	17.67	32
	16-25hp	27.77	50
	> 25hp	83.30	149

3.2.4 Motorcycles

cc	Minimum amount (€)	Taxes applied in Madrid, 2017 (€)
< 125	4.42	7
125–250	7.57	12
250–500	15.15	27
500–1,000	30.29	60
> 1,000	60.58	121

As an example: 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 December 2016

	Euro-super petrol (ON 95)	Diesel fuel
Cost of product plus distribution profit	560.67	564.11
Excise and other taxes	461.35	367.34
VAT (21% of sales price exclusive of VAT)	214.62	195.60
Price at the pump	1,236.64	1,127.05

4.2 SPECIAL TAX ON FUEL SALES TO PRIVATE CONSUMERS (INCLUDED IN EXCISE AND OTHER TAXES)

The amount of this tax (*Impuesto sobre las Ventas Minoristas de determinados hidrocarburos*) has been fixed at €24/1,000l for both diesel and petrol.

Additionally, regional governments are allowed to increase this tax by up to €48/1,000l over the rate fixed by the central government.

The following rates apply:

Region	Rate (€/1,000l)
Madrid	17
Castilla-La Mancha, Cataluña y Andalucía, Navarra y Aragón	24
Asturias y Extremadura	24 (petrol) 20 (diesel)
Galicia y Murcia	24 (petrol) 12 (diesel)
Comunidad Valenciana	48

Only Castilla-León, País Vasco, Cantabria, La Rioja and Canarias do not apply the additional tax

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 ³	35,000	20
BEV/PHEV ⁴	40,000	30

FREE DELIVERY OF A CAR PREVIOUSLY ACQUIRED BY THE COMPANY:

Market value, including taxes.

³ Hybrid electric vehicles (HEV), liquefied petroleum gas (LPG) and compressed natural gas (CNG) vehicles

⁴ 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 from the fourth to the tenth 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 tenth 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 takes 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 is the price range for Madrid (2016) in euros:

Petrol cars and light commercials (< 3.5t)	29.95–42.50
Diesel cars and light commercials (< 3.5t)	41.95–58.50
Industrial vehicles (> 3.5t)	72.85–90.00
Motorbike, motorcycles	35.49–38.50



CHAPTER

28

ACEA TAX GUIDE 2017

Sweden

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1 TAXES 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.

On 1 January 2012, a so-called 'Super-green car premium' (*Supermiljöbilspremie*) of SEK 40,000 was introduced for the purchase of a new car with CO₂ emissions of 50g/km or less. The premium is applied to purchases by both private persons and companies.

From 2016, the premium has been lowered to SEK 20,000 for cars with CO₂ emissions of 1-50g/km (plug-in hybrids), but is remained at SEK 40,000 for cars with zero CO₂ emissions (electric cars). For companies purchasing a 'super-green' car with zero CO₂ emissions, the premium is calculated as 35% of the price difference between the super-green car and a comparable petrol or diesel car (to a maximum of SEK 40,000). For companies purchasing a super-green car with CO₂ emissions of 1-50g/km the premium is calculated as 17.5% of the price difference between the super-green car and a comparable petrol diesel car (to a maximum of SEK 20,000).

1.2 TAX INCENTIVES FOR ELECTRIC VEHICLES

Five-year exemption from paying annual circulation tax: electric vehicles with an energy consumption of 37kWh or less per 100km are exempt from the annual circulation tax for a period of five years from first registration. The same five-year exemption applies to electric hybrid and plug-in hybrid vehicles that meets the new green car definition applied to new registrations from 1 January 2013. Whether or not a car meets the definition depends on its CO₂ emissions and kerb weight. The formula for petrol, diesel, electric hybrid cars and plug-in cars is as follows:

Maximum CO₂ emissions allowed = 95g/km CO₂ + 0.0457 × (the kerb weight of the car – 1,372kg)

Example: a plug-in hybrid car has CO₂ emissions of 50g/km and a kerb weight of 1,500kg

$$95 + 0.0457 \times (1500 - 1372) = 100.8$$

The actual CO₂ emissions value of 50g/km is less than the calculated value (100.8) which means that the car is classified as a green car with a five-year exemption from paying annual circulation tax. Moreover, for both electric cars and plug-in hybrids the electrical energy consumption per 100km must not exceed 37kWh if the car is to be regarded as green.

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. The maximum reduction of the taxable value is SEK 10,000 per year. For the period from 2017 to 2020, the maximum reduction of the taxable value has been reduced from SEK 16,000 to SEK 10,000.

Super-green car premium for new cars: a so-called 'Super-green car premium' (*Supermiljöbilspremie*) of SEK 40,000 for battery electric vehicles (BEVs), electric cars and cars with zero CO₂ emissions, and of SEK 20,000 for plug-in hybrid electric vehicles (PHEVs) and cars with CO₂ emissions of 1-50g/km, is available for the purchase of new cars with CO₂ emissions of no more than 50g/km. In 2016, the premium for PHEVs (1-50g/km CO₂ emissions) was lowered from SEK 40,000 to SEK 20,000. The premium is applied to purchases by both private persons and companies. For companies purchasing a BEV super-green car, the premium is calculated as 35% of the price difference between the super-green car and a comparable petrol/diesel car, up to a maximum of SEK 40,000. For companies purchasing a PHEV super-green car, the premium is calculated as 17.5% of the price difference between the super-green car and a corresponding petrol/diesel car, up to a maximum of SEK 20,000. The premium was introduced in 2012 and will continue to be paid in 2017.

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 not fulfilling Euro 4 requirements. For cars fulfilling Euro 4 requirements 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 not fulfilling Euro 4 requirements as from 1 January 2015

Service weight	Tax (petrol) SEK	Tax (diesel) SEK
≤ 900kg	913	2,298
901-1,000kg	1,129	2,863
Excess per 100kg	+ 214	+ 564

Annual road tax for passenger cars fulfilling Euro 4 requirements

A CO₂-related annual road tax is payable on passenger cars fulfilling Euro 4 requirements. The formula for the CO₂-related tax is, from 1 January 2015, SEK 360 + SEK 22 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 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: $\text{SEK } 360 + \text{SEK } 11 \times 89 = \text{SEK } 1,339$ 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.

The new green car definition 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.

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.

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 2017) is based on GVW. Some examples:

	SEK/year
Bus, diesel, 3t	5,437
Bus, diesel 3 axles, 25t	16,457
Truck, diesel, 3t	5,437
Truck (no traction device), diesel, 3 axles, 25t	3,525 ^(b)
Truck for semitrailer, 3 or more axles, 25t ^(a)	9,491 ^(b)
Trailer for diesel truck, 3 or more axles, 30t	10,405

(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 2017 is:

- SEK 7,194-9,209 (depending on environmental performance) for heavy vehicles with up to 3 axles;
- SEK 11,991-14,869 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 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.

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 50 per vehicle is payable.

3 TAXES ON MOTORING

3.1 FUEL TAXES

From January 2017, the fuel tax (excluding VAT) on petrol was increased by SEK 0.19/l and that on diesel was increased by SEK 0.168/l. The new rates are set out below. Including VAT the tax on petrol was increased by SEK 0.2375/l and on diesel by SEK 0.21/l.

From January 2017, the tax on petrol and diesel is automatically adjusted every year by consumer price index plus 2%.

	Petrol (SEK/l) 1 January 2017 Unleaded 95 Environmental class 1	Diesel (SEK/l) 1 January 2017 Environmental class 1
Energy tax	3.88	2.490
Carbon dioxide tax	2.62	3.237
VAT (25%)	2.88	2.87
Total taxes	9.38	8.597
Price at pump	14.42	14.35

On E85, which consists of 85% ethanol and 15% petrol, full energy tax and carbon dioxide tax are paid only on the 15% petrol. No carbon dioxide tax is paid on the 85% ethanol, and a deduction of 92% energy tax is allowed. On ethanol used for low-level blending in petrol, no carbon dioxide tax is paid, and a deduction of 88% on energy tax is allowed. On natural gas, a reduced carbon dioxide tax is paid and there is no energy tax. On biogas, no energy tax or carbon dioxide tax is paid.

3.2 OTHER CHARGES

An exhaust emission inspection fee of SEK 55 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 has been increased, from 2016, from SEK 60 to SEK 105 per day in Stockholm.

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 divided into two parts:

- one relates to the so-called base price amount, the government interest rate and the price of the car when new;
- the other relates to the number of kilometres driven for private use.

The taxable amount is calculated as follows: 31.7% of the base price amount (SEK 44,800 in 2017), + 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 0.27% at the end of November 2016, but as this rate is below the minimum rate, a government interest rate of 0.5% is applied instead ($0.75 \times 0.5\% = 0.375\%$). For a car with a price when new of maximum 7.5 times the base price amount (ie SEK 336,000) the price-related amount is calculated as 9% of the new car price. If the price of the car when new is over SEK 336,000, the price-related amount is calculated as 9% of SEK 336,000 plus 20% of the price over SEK 336,000.

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.

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 hybrids (cars equipped with the technology to run on electricity that is supplied by recharging from an external energy source) and 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 2017, the maximum reduction has been decreased from SEK 16,000 to SEK 10,000.

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 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 LPG, rape oil or other environmentally adjusted fuel, the benefit value is the same as for a comparable petrol or diesel car.



CHAPTER

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ACEA TAX GUIDE 2017

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 attract 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.

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 CO2 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 1973 are exempt from the tax (note this changed to January 1974 in April 2014).

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 www.gov.uk/government/uploads/system/uploads/attachment_data/file/508618/V149_170316.pdf

The tables below give the rates of VED that have been in effect for licences since 1 April 2016. There are further differences in values for direct debit and non-direct debit payments. A major reform of the VED system for cars will take effect from 1 April 2017. First registration remains aligned with CO2 emissions values, but subsequent relicensing is set at a flat-rate value 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

Private/light goods vehicles (vehicles registered before 1 March 2001)

This means goods vehicles not over 3,500kg 'revenue weight' (ie confirmed maximum gross weight or designed weight)

Tax Class 11	12 months (£)	6 months (£)
≤ 1,549cc	145.00	79.75
> 1,549cc	235.00	129.25

Vehicles registered on or after 1 March 2001

	12 months (£)	6 months (£)
Tax Class 39	230.00	126.50

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.

VED standard rates ⁽¹⁾ on relicensing

Band	CO ₂ emissions (g/km)	Standard car		Alternatively fuelled car	
		12 months (£)	6 months (£)	12 months (£)	6 months (£)
A	Up to 100	0	n/a	0	n/a
B	101-110	20.00	n/a	10.00	n/a
C	111-120	30.00	n/a	20.00	n/a
D	121-130	110.00	60.50	100.00	55.00
E	131-140	130.00	71.50	120.00	66.00
F	141-150	145.00	79.75	135.00	74.25
G	151-165	185.00	101.75	175.00	96.25
H	166-175	210.00	115.50	200.00	110.00
I	176-185	230.00	126.50	220.00	121.00
J	186-200	270.00	148.50	260.00	143.00
K ⁽²⁾	201-225	295.00	162.25	285.00	156.75
L	226-255	500.00	275.00	490.00	269.50
M	Over 255	515.00	283.25	505.00	277.75

⁽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.

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. The table below shows the first-year rates as of 1 April 2016.

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.

VED first-year rates

Band	CO2 (g/km)	Standard car		Alternatively fuelled car	
		12 months (£)	6 months (£)	12 months (£)	6 months (£)
A	Up to 100	0	n/a	0	n/a
B	101-110	0	n/a	0	n/a
C	111-120	0	n/a	0	n/a
D	121-130	0	n/a	0	n/a
E	131-140	130.00	71.50	120.00	66.00
F	141-150	145.00	79.75	135.00	74.25
G	151-165	185.00	101.75	175.00	96.25
H	166-175	300.00	n/a	290.00	n/a
I	176-185	355.00	n/a	345.00	n/a
J	186-200	500.00	n/a	490.00	n/a
K	201-225	650.00	n/a	640.00	n/a
L	226-255	885.00	n/a	875.00	n/a
M	Over 255	1,120.00	n/a	1,110.00	n/a

Light goods vehicles TC39 (not over 3,500kg)

	12 months (£)	6 months (£)
Vehicles registered on or after 1 March 2001	230.00	126.50
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.

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.

Rigid vehicles (key to HGV VED bands)

Vehicle weight (kg)	2 axles, rigid	3 axles, rigid	≥ 4 axles, rigid
≤ 7,500	A	A	A
≤ 15,000	B ⁽¹⁾	B	B
≤ 21,000	D	B ⁽¹⁾	B
≤ 23,000	D	C ⁽¹⁾	B
≤ 25,000	D	D ⁽¹⁾	C
≤ 27,000	D	D ⁽¹⁾	D ⁽¹⁾
≤ 44,000	D	D	E

⁽¹⁾ Different rates apply depending on whether or not the vehicle is fitted or not with road-friendly suspension (RFS).

Two-axle tractive unit articulated vehicles (key to HGV and VED bands)

Vehicle weight (kg)	Semi-trailer with ≥ 1 axle	Semi-trailer with ≥ 2 axles	Semi-trailer with ≥ 3 axles
≤ 25,000	A ⁽¹⁾	A ⁽¹⁾	A ⁽¹⁾
≤ 28,000	C ⁽¹⁾	A ⁽¹⁾	A ⁽¹⁾
≤ 31,000	D	D ⁽¹⁾	A ⁽¹⁾
≤ 34,000	E	E	C
≤ 38,000	F	F	E
≤ 44,000	G	G	G

⁽¹⁾ Different rates apply depending on whether or not the vehicle is fitted or not with road-friendly suspension (RFS).

Three-axled tractive unit articulated vehicles (key to HGV VED bands)

Vehicle weight (kg)	Semi-trailer with ≥ 1 axle	Semi-trailer with ≥ 2 axles	Semi-trailer with ≥ 3 axles
$\leq 28,000$	A	A	A
$\leq 31,000$	C	A	A
$\leq 33,000$	E	C	A
$\leq 34,000$	E	D	A
$\leq 36,000$	E	D ⁽¹⁾	C ⁽¹⁾
$\leq 38,000$	F	E	D
$\leq 44,000$	G	G	E

⁽¹⁾ Different rates apply depending on whether or not the vehicle is fitted or not with road-friendly suspension (RFS).

HGV rates dependent on VED bands with RFS

Lorry VED band	Standard (TC01) without RFS		Reduced pollution (TC45) with RFS	
	12 months (£)	6 months (£)	12 months (£)	6 months (£)
A	165.00	91.00	160.00 ⁽¹⁾	88.50 ⁽¹⁾
B	200.00	110.50	160.00 ⁽¹⁾	90.50 ⁽¹⁾
C	450.00	249.00	210.00	129.00
D	650.00	360.00	280.00	175.00
E	1,200.00	664.00	700.00	414.00
F	1,500.00	831.00	1,000.00	581.00
G	1,850.00	1,025.00	1,350.00	775.00

⁽¹⁾ Where two or more bands show the same rate of duty, the reminder renewal may display one band only.

Rigid vehicles with trailers

Band	Levy rates		RPC grant	
	12 months (£)	6 months (£)	12 months (£)	6 months (£)
B	135.00	81.00	40.00	20.00
C	310.00	186.00	240.00	120.00
D	450.00	270.00	370.00	185.00
E	830.00	498.00	500.00	250.00

Standard (TC01) (articulated vehicle with three-axle tractor unit (exactly 36,000kg, semi-trailer with two or three axles))

	Without RFS, 12 months (6 months) (£)	With RFS discount, 12 months (6 months) (£)
Band A1	165.00 (91.00)	160.00 (88.50)
Band B1	200.00 (110.50)	160.00 (90.50)
Band C1	450.00 (249.00)	210.00 (129.00)
Band D1	650.00 (360.00)	280.00 (175.00)
Band E1	1,200.00 (664.00)	700.00 (414.00)
Band F	1,500.00 (831.00)	1,000.00 (581.00)
Band G	1,850.00 (1,025.00)	1,350.00 (775)

Combined transport (TC23) (tractive units with three or more axles, used with a semi-trailer with three or more axles)

Standard (TC23)		Reduced pollution		Levy rates	
12 months (£)	6 months (£)	12 months (£)	6 months (£)	12 months (£)	6 months (£)
650.00	389.00	280.00	204.00	640.00	384.00

Buses (TC34)

Seating capacity (excluding driver)	Standard buses (TC34)		Reduced pollution buses (TC38)	
	12 months (£)	6 months (£)	12 months (£)	6 months (£)
10-17	165.00	90.75	165.00	90.75
18-36	220.00	121.00	165.00	90.75
37-61	330.00	181.50	165.00	90.75
62 and over	500.00	275.00	165.00	90.75

Trade licences

	12 months (£)	6 months (£)
For all vehicles	165.00	90.75
For bicycles and tricycles not over 450kg only	81.00	44.55

General haulage vehicles

	12 months (£)	6 months (£)
Standard (TC55)	350.00	192.50
Reduced pollution general haulage vehicles	165.00	90.75

Recovery Vehicles (TC47)

Vehicle weight	12 months (£)	6 months (£)
3,500-25,000kg	165.00	90.75
Over 25,000kg	410.00	225.50

Special vehicles (TC14) (eg showman's goods, work trucks, road rollers); private HGVs (TC10) (exceeding 3,500kg); small island vehicles (TC16)

	12 months (£)	6 months (£)
TC14, TC10 and TC16	165.00	90.75

Special-type vehicles (TC57) (those used to carry abnormal loads)

	12 months (£)	6 months (£)
Standard (TC57)	2,585.00	1,392.50
Reduced pollution general haulage vehicles	2,085.00	1,142.50

Motorcycles (TC17/TC50) (not over 450kg unladen)

		12 months (£)	6 months (£)
TC17 motorcycles (with or without sidecar)	Not over 150cc	17.00	n/a
	151-400cc	38.00	n/a
	401-600cc	59.00	32.45
	Over 600cc	81.00	44.55
TC50 tricycles	Not over 150cc	17.00	n/a
	All other	81.00	44.55

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 2017 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	102.2	464.60	102.60	465.97	112.00	509.20	56.00
January 2016	102.2	464.60	102.60	465.97	112.00	509.20	56.00
January 2017	119.5	543.3	122.0	554.62	129.9	590.50	62.00
% taken as tax 2017	65.20		64.17		61.3		NA

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. Currently, at tax year 2016/17, the tax is levied only on those earning more than £8,500 per annum. 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.

Van (including fuel) benefit was £3,000 (£500) per year in the 2011/12 tax year; for 2016/17 the levels are £3,170 (£598), a combined benefit level of £3,768 and £3,230 (£610) and £3,840. 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.

CCT rates are detailed in the table below. 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 it would be retained and the change in policy stance reviewed by 2020/21.

In 2017/18 there will be a three-percentage point differential between cars in the CO2 emissions bands < 50g/km and 51-75g/km and those in the bands 51-75g/km and 76-94g/km cars. In 2018-19 these differentials will be two percentage points. Currently, the UK government has indicated planned rates for 2019/20 and is retaining a supplement of three percentage points for diesel cars.

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 and planned for 2016 to 2019

Rate (%)	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

(¹) 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.

For more details, see: www.gov.uk/government/statistics/taxable-benefits-in-kind-and-expenses-payments-company-car-tax-rules-2005-to-2016

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 and £22,600 for 2017/18. 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 2016/17's £22,100, would give a benefit value of £8,214 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.

The van fuel benefit is a flat rate of £598 in 2016/17, up from £550 (2012/13).

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.

Under current UK law, section 45D Capital Allowances Act 2001, 100% FYAs are available to businesses that purchase cars with low CO₂ emissions or electrically propelled cars. The enhanced allowance is due to end on 31 March 2018.

The capital allowances rules for cars are based on their CO₂ emissions per kilometre driven. Currently cars bought from April 2015 which are:

- new and unused with CO₂ emissions of 75g/km or less (or which are electric) can claim first-year allowances;
- new and unused with CO₂ emissions between 75g/km and 130g/km can claim main-rate allowances
- second-hand with CO₂ emissions of 130g/km or less (or which are electric) can claim main rate allowances;
- new or second-hand with CO₂ emissions above 130g/km can claim special-rate allowances.

Where a business hires a car with emissions exceeding 130g/km for more than 45 days consecutively for its own use, the deduction allowable for tax purposes for the expense of hiring the car is restricted. The amount of the deduction allowable is reduced by 15%.

EFTA countries

Iceland	254
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Switzerland	260



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CHAPTER

30

ACEA TAX GUIDE 2017

Iceland

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1 TAXES ON ACQUISITION

1.1 COMMODITY TAX

Passenger cars are taxed according to their CO2 emissions:

Taxis and rental cars	CO2 emissions (g/km)	Main categories (%)	Exemption categories (%)
A	0-80	0	0
B	81-100	10	0
C	101-120	15	0
D	121-140	20	0
E	141-160	25	5
F	161-180	35	10
G	181-200	45	15
H	201-225	55	20
I	226-250	60	25
J	> 250	65	30

Note: cars using electricity, hydrogen and methane are exempt from this tax

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 24.0% on all motor vehicles.

1.3 REGISTRATION FEE

The registration fee for all new vehicles is ISK 5,560.

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 5,000 for the first 121g/km of the automobile's recorded emissions and ISK 120 for each gram per kilometre of 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 46,880 for each charging period in addition to ISK 2 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 73,800 for any charging period.

2 TAXES ON MOTORING

Fuel taxes (ISK/l, January 2017)

	95 unleaded	Diesel
Import duty	26.80	-
Petrol tax	43.25	-
CO ₂ tax	5.50	6.30
Oil tax	-	60.10
VAT (25.5%)	39.17	38.00
Price at the pump	202.45	196.40

Basis of assessment of import duty: customs price (± CIF price)



CHAPTER

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ACEA TAX GUIDE 2017

Norway

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CO2 tax for vans

* NOK 330.80 per g/km below 40g/km of CO2 emissions
* NOK 281.16 per g/km below 85g/km (incl. the first 40g/km) of CO2 emissions
NOK 0.00 per g/km for the first 85g/km of CO2 emissions
NOK 274.41 per g/km for the following 15g/km of CO2 emissions
NOK 298.65 per g/km for the following 30g/km of CO2 emissions
NOK 671.50 per g/km for the remaining CO2 emissions

* Only for vans with total CO2 emissions below 40g/85g.

Class 2 vans attract 21% 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 (similar tax 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.

1 TAXES ON ACQUISITION

1.1 IMPORT TAX

For passenger cars in Norway, the rates for 2017 are as follows:

Weight tax

NOK 0.00/kg for the first 200kg of weight
NOK 27.19/kg for the following 1,000kg
NOK 67.74/kg for the following 200kg
NOK 211.70/kg for the following 100kg
NOK 246.22/kg for the remaining weight

Weight = weight of the vehicle when ready for use, ie with all equipment installed and fluid reservoirs filled with oil, water and fuel.

CO2 tax

* NOK 1,102.65 per g/km below 40g/km of CO2 emissions
* NOK 937.20 per g/km below 85g/km (including the first 40g/km) of CO2 emissions
NOK 0.00 per g/km for the first 85g/km of CO2 emissions
NOK 914.70 per g/km for the following 15g/km of CO2 emissions
NOK 995.49 per g/km for the following 30g/km of CO2 emissions
NOK 2,685.98 per g/km for the following 70g/km of CO2 emissions
NOK 3,449.80 per g/km for the remaining CO2 emissions

* Only for cars with total CO2 emissions below 40g/85g.

NOx tax

NOK 70.93 per g/km of nitrogen oxide emissions
--

Cars running on E85 ethanol fuel receive a tax reduction of NOK 10,000.

Hybrid cars are taxed taking into account a 5% reduction in weight (weight of battery and electric engine) and a reduction in kW (effect of electric engine). For plug-in hybrids, the reduction is 26%.

For purely electric cars, including fuel-cell cars, there is no import tax.



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ACEA TAX GUIDE 2017

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 8%.

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 December 2016)

	Unleaded 95	Diesel
Fuel price plus distribution costs	0.617	0.657
Tax	0.43	0.46
Tax extra charge	0.30	0.30
VAT 8%	0.11	0.11
Import rate	0.003	0.003
Price at the pump	1.46	1.53

Other countries

Brazil	263
China	265
India	290
Japan	329
Korea	346
Russia	350
Turkey	358
United States of America	364



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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*)



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ACEA TAX GUIDE 2017

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)

Incentives for electric, hybrid and low-energy-consumption vehicles at national level are summarised in the third part of the document.

1 TAXES TO BE PAID BY THE VEHICLE MANUFACTURER/IMPORTER

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

payable tariff amount for import of a vehicle = dutiable price × duty rate

Except where the conventional tariff rate is based on the trade agreements signed between China and related states/regions (South Korea, India, Sri Lanka, Bangladesh and Laos (Asia-Pacific Trade Agreement); the 10 member states of the Association of Southeast Asian Nations; Chile; Pakistan; New Zealand; and Singapore), the most-favoured-nation tariff rate is:

- Various motor vehicles: 25%
- Special-purpose vehicles: 3-25%, dependent upon vehicle type

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.

- In the case of a taxable vehicle product manufactured in China, the payable amount of consumption tax shall be calculated as follows:

payable tax amount = sales amount × 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 is 17%.

Any commercial vehicle exempted from consumption tax may be taken as fixed asset for the purpose of VAT deduction.

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 varies 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

2.1 TAXES ON ACQUISITION

2.1.1 Vehicle purchase tax

Scope

Motor vehicles, motorcycles, trolleybuses/trams, trailers, and agricultural trucks are subject to vehicle purchase tax.

Calculation of payable tax amount

The vehicle purchase tax is based on the price of the vehicle. The formula is as follows:

$$\text{payable tax amount} = \text{assessable price} \times \text{tax rate}$$

The vehicle purchase tax rate is 10%.

To determine the assessable amount for the vehicle purchase tax, the competent taxation authority applies the following formula to calculate the VAT-inclusive vehicle price:

$$\text{VAT-free price} = (\text{total price} + \text{additional expenses}) \div (1 + \text{VAT rate or collection rate})$$

The assessable price used to calculate vehicle purchase tax is determined as follows:

- a) If a taxpayer buys a taxable vehicle for their own use, the assessable price is the sum of the total price and additional expenses paid by the taxpayer, for the purchase of the taxable vehicle, to the seller, excluding VAT.
- b) If a taxpayer imports a taxable vehicle for their own use, the assessable price shall be calculated as follows:

$$\text{assessable price} = \text{customs-dutiable price} + \text{customs duty} + \text{consumption tax}$$

- c) If a taxpayer acquires a taxable vehicle for their own use by means of self-fabrication, donation, award, etc, the competent taxation authority will adopt the minimum assessable price for the vehicle category in question as specified by the State Taxation Administration with reference to the average market sale price of the taxable vehicle in question.

If a taxpayer buys/imports a taxable vehicle for their own use, and declares, without fair reason, an assessable price lower than the minimum assessable price applicable to the same kind of taxable vehicle, the vehicle purchase tax will be collected based on the minimum assessable price.

Vehicle purchase tax is collected only once. In the case of a purchase of a vehicle for which the vehicle purchase tax has already been paid, it is not collected again.

Exemption and reduction of vehicle purchase tax

- a) Vehicles for use by foreign embassies/consulates in China, the offices in China of international organisations, and their staff: exempt from the tax.
- b) Vehicles present on the ordering plan of weaponry of the Chinese People's Liberation Army and the Chinese People's Armed Police Forces: exempt from the tax.
- c) Non-transport vehicles fitted with anchoring equipment: exempt from the tax.
- d) Any other circumstance, as specified by the State Council, under which tax exemption/reduction applies: exemption from or reduction of the tax as per the provisions.

Purchase tax exemption for New-Energy Vehicles (NEVs)

From 1 September 2014 to 31 December 2017, NEVs are exempt from vehicle purchase tax.

For NEVs exempted from vehicle purchase tax, the Ministry of Industry and Information Technology and the State Taxation Administration will implement the administration of the exemption through issuance of the *Catalogue of New-Energy Vehicle Models Exempted from Vehicle Purchase Tax* (hereafter 'the Catalogue').

NEVs listed in the Catalogue must be in compliance with all the following conditions:

1. The vehicle must be a battery electric vehicle (BEV), a plug-in hybrid electric vehicle (PHEV) (including extended-range) or a fuel-cell electric vehicle (FCEV) for which permission for sale in China has been obtained.
2. The traction battery used must not be a lead-acid battery.
3. The battery's electric range in driving mode (km) must meet the requirements set out in the table below:

Category	Passenger vehicle	Bus	Goods vehicle	Special-purpose vehicle	Testing method
BEV	≥ 80	≥ 150	≥ 80	≥ 80	M1 and N1: working cycle Others: 40km/h constant speed method
PHEV (including extended-range)	≥ 50 (operating mode method)	≥ 50	≥ 50	≥ 50	M1 and N1: working cycle or 60km/h constant speed method Others: 40km/h constant speed method
	≥ 70 (constant speed method)				
FCEV	≥ 150	≥ 150	≥ 200	≥ 200	M1 and N1: working cycle Others: 40km/h constant speed method

4. The total fuel consumption of a plug-in hybrid passenger car (excluding fuel consumption transformed from electric energy) must be less than 60% of the corresponding target value in the prevailing conventional fuel-consumption national standard; the total fuel consumption of a plug-in hybrid commercial vehicle (excluding fuel consumption transformed from electric energy) must be less than 60% of the corresponding limit in the prevailing conventional fuel-consumption national standard.
5. The vehicle must pass a special inspection for NEVs and meet the requirements of the NEV standard.

The automotive manufacturer or import vehicle dealer must submit a Catalogue application report to the Ministry of Industry and Information Technology and must:

- a) manufacture or import NEVs that meet the conditions for listing in the Catalogue;
- b) provide a warranty for no less than five years or 100,000km (whichever comes first) for key components such as the traction battery, motor and electric controls of NEVs;
- c) have strong after-sales service assurance and capability.

Purchase tax reduction for passenger cars with engine displacement not exceeding 1.6l

From 1 January to 31 December of 2017, purchase tax for passenger cars with engine displacement not exceeding 1.6l will be reduced to 7.5%. From 1 January 2018, it will return to 10%.

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
- 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.

2.1.3 Tax on ownership

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		300-540	
	> 1.6 and ≤ 2.0		360-660	
	> 2.0 and ≤ 2.5		660-1,200	
	> 2.5 and ≤ 3.0		1,200-2400	
	> 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 9 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

2.1.4 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.

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 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 weight (kg)	Fuel consumption (l/100km) (vehicles having \leq 2 rows of seats)	Fuel consumption (l/100km) (vehicles having \geq 3 rows of seats)
\leq 750	4.7	5.0
751-865	4.9	5.2
866-980	5.1	5.4
981-1,090	5.3	5.6
1,091-1,205	5.6	5.9
$>$ 1,205	5.9	5.9

The exhaust emissions must comply with the limit requirements provided for the type-I test in GB 18352.5-2013, 'Limits and measurement methods for emissions from light-duty vehicles (National 5)'.

Criteria for energy-efficient commercial vehicles

EEVs are natural gas-, petrol- and diesel-powered heavy-duty commercial vehicles (including non-plug-in hybrid electric and dual-fuel heavy-duty commercial vehicles) that are authorised to be sold within the territory of China.

The combined fuel consumption of petrol- and diesel-powered 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 goods vehicles

Gross vehicle weight (GVW) (kg)	Fuel consumption limit (l/100km)
3,500-4,500	12.4 ^(a)
4,501-5,500	13.3 ^(a)
5,501-7,000	15.2
7,001-8,500	18.1 ^(a)
8,501-10,500	20.4 ^(a)
10,501-12,500	23.8 ^(a)
12,501-16,000	26.6
16,001-20,000	29.9
20,001-25,000	35.6
25,001-31,000	40.9
$>$ 31,000	43.2

(a) for petrol vehicles, the limits are determined as follows: multiply the corresponding limits in the table by 1.2 and round to one decimal place.

Criteria for limits on the combined fuel consumption of energy-efficient semi-trailer towing vehicles

Gross combination weight (GCW) (kg)	Fuel consumption limit (l/100km)
≤ 18,000	31.4
18,001-27,000	34.2
27,001-35,000	36.1
35,001-40,000	38.0
40,001-43,000	39.9
43,001-46,000	42.8
46,001-49,000	44.7
> 49,000	45.6

Criteria for limits on the combined fuel consumption of energy-efficient buses

GVW (kg)	Fuel consumption limit (l/100km)
3,500-4,500	11.9 ^(a)
4,501-5,500	12.8 ^(a)
5,501-7,000	14.3 ^(a)
7,001-8,500	15.7
8,501-10,500	17.6
10,501-12,500	19.0
12,501-14,500	20.4
14,501-16,500	21.4
16,501-18,000	22.8
18,001-22,000	23.8
22,001-25,000	26.1
> 25,000	28.0

(a) for petrol vehicles, the limits are determined as follows: multiply the corresponding limits in the table by 1.2 and round to one decimal place.

Criteria for limits on the combined fuel consumption of energy-efficient tipper trucks

GVW (kg)	Fuel consumption limit (l/100km)
3,500-4,500	14.3
4,501-5,500	15.2
5,501-7,000	16.6
7,001-8,500	19.5
8,501-10,500	21.9
10,501-12,500	24.2
12,501-16,000	26.6
16,001-20,000	32.3
20,001-25,000	41.3
25,001-31,000	44.7
> 31,000	46.6

Criteria for limits on the combined fuel consumption of energy-efficient city buses

GVW (kg)	Fuel consumption limit (l/100km)
3,500-4,500	13.3
4,501-5,500	14.7
5,501-7,000	16.6
7,001-8,500	18.5
8,501-10,500	21.4
10,501-12,500	24.7
12,501-14,500	29.0
14,501-16,500	32.3
16,501-18,000	35.6
18,001-22,000	39.0
22,001-25,000	43.2
> 25,000	46.6

The exhaust emissions must comply with the requirements of Phase V of GB 17691-2005, '*Limits and measurement methods for exhaust pollutants from compression ignition and gas fueled positive ignition engines of vehicles (III, IV, V)*'.

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		≥ 150	≥ 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 (including 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		≥ 150	≥ 200	≥ 200	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
- Traction battery is used, except lead-acid battery
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

The combined fuel consumption (excluding electricity consumption) of plug-in hybrid electric passenger cars is less than 60% of the corresponding target value in the current national standard for conventional fuel consumption; and the fuel consumption (excluding fuel consumption converted from electricity) of plug-in hybrid electric commercial vehicles (including light- and heavy-duty commercial vehicles) is less than 60% of the corresponding target value in the current national standard for conventional fuel consumption.

2.1.5 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: for motor vehicles, not exceeding RMB 100 per vehicle; for three-wheeled vehicles, low-speed goods vehicles, motorcycles and tractors, not exceeding RMB 60 per vehicle. Where the test agency undertaking the safety and technical inspection has no test equipment and conducts the inspection artificially, the fee is reduced by half. Where 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.

2.1.6 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.

2.1.7 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.

2.2 TAX ON MOTORING

2.2.1 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 1.2/l

2.2.2 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
	2	≥ 6 seats	1,100
II. Non-commercial passenger carrying vehicles	3	Owned by enterprise, < 6 seats	1,000
	4	Owned by enterprise, 6-10 seats	1,130
	5	Owned by enterprise, 10-20 seats	1,220
	6	Owned by enterprise, > 20 seats	1,270
	7	Owned by institution, < 6 seats	950
	8	Owned by institution, 6-10 seats	1,070
	9	Owned by institution, 10-20 seats	1,140
	10	Owned by institution, > 20 seats	1,320
III. Commercial passenger-carrying vehicles	11	Taxi/rental vehicle, < 6 seats	1,800
	12	Taxi/rental vehicle, 6-10 seats	2,360
	13	Taxi/rental vehicle, 10-20 seats	2,400
	14	Taxi/rental vehicle, 20-36 seats	2,560
	15	Taxi/rental vehicle, > 36 seats	3,530
	16	City bus, 6-10 seats	2,250
	17	City bus, 10-20 seats	2,520
	18	City bus, 20-36 seats	3,020
	19	City bus, > 36 seats	3,140
	20	Highway passenger transportation, 6-10 seats	2,350
	21	Highway passenger transportation, 10-20 seats	2,620
	22	Highway passenger transportation, 20-36 seats	3,420
	23	Highway passenger transportation, > 36 seats	4,690
IV. Non-commercial goods-carrying vehicles	24	< 2t	1,200
	25	2-5t	1,470
	26	5-10t	1,650
	27	> 10t	2,220
V. Commercial goods-carrying vehicles	28	< 2t	1,850
	29	2-5t	3,070
	30	5-10t	3,450
	31	> 10t	4,480
VI. Special-purpose vehicles	32	Type 1	3,710
	33	Type 2	2,430
	34	Type 3	1,080
	35	Type 4	3,980

VII. Motorcycles	36	< 50 cc	80
	37	50-250cc	120
	38	> 250cc and three-wheeled motorcycles with sidecar	400
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 <i>A</i> (%)
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

2.2.3 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 PROJECT 2016

Consumers purchasing NEVs, namely BEVs, PHEVs and FCEVs included in the catalogues of recommended models of NEVs under the promotion and incentive project, can enjoy central government subsidies.

On 30 December 2016, China updated its national NEV promotion subsidies programme, which will be implemented from 1 January 2017, as detailed below.

3.2 NATIONAL SUBSIDIES PROGRAMME FOR PROMOTION AND APPLICATION OF NEVs

(FROM 1 JANUARY 2017)

3.2.1 New-energy bus subsidy criteria and technical requirements

New-energy bus subsidy criteria

Subsidy amount = vehicle electric quantity × subsidy criteria per electric quantity unit × adjustment coefficient (adjustment coefficient = system energy density/charging rate/fuel saving performance).

Details are given below:

Vehicle type	National subsidy criteria (RMB/kWh)	National subsidy adjustment coefficient			Upper limit of national single vehicle subsidy (RMB 10,000)			Local single vehicle subsidy
					6-8m	8-10m	> 10m	
Non-fast charging battery electric bus	1,800	System energy density (Wh/kg)			9	20	30	Not more than 50% of national subsidy
		85-95	95-115	> 115				
		0.8	1	1.2				
Fast charging battery electric bus	3,000	Fast charging rate (C-rates)			6	12	20	
		3-5	5-15	> 15				
		0.8	1	1.4				
Plug-in hybrid electric bus (including range extended)	3,000	Fuel-saving performance (%)			4.5	9	15	
		40-45	45-60	> 60				
		0.8	1	1.2				

Technical requirements for new-energy buses

- a) Energy consumption per payload unit (Ekg) shall not be more than 0.24Wh/km per kg.
- b) The e-range of a battery electric bus (not including fast-charging and plug-in hybrid buses) shall not be less than 200km (constant speed method).
- c) The weight of the battery system shall not account for more than 20% of the kerb weight.
- d) The battery energy density of a non-fast-charging battery electric bus shall be higher than 85Wh/kg; the charging rate of a fast-charging battery electric bus shall be higher than 3C; and the fuel-saving performance of a plug-in hybrid bus (including range-extended buses) shall be higher than 40%.

3.2.2 New-energy passenger car subsidy criteria and technical requirements

Promotion subsidy criteria for new-energy passenger cars and plug-in hybrid passenger cars (including range extended) are given below:

Vehicle type	Battery electric range in driving mode (km)				Upper limits of local single vehicle subsidy
	100-150	150-250	≥ 250	≥ 50	
Battery electric passenger car (RMB 10,000)	2	3.6	4.4	–	Not more than 50% of national subsidy
Plug-in hybrid passenger car (including range extended) (RMB 10,000)	–	–	–	2.4	

Technical requirements for new-energy passenger cars

- a) The maximum speed of a battery electric passenger car shall not be lower than 100km/h over 30 minutes.
- b) The battery energy density of a battery electric passenger car shall not be lower than 90Wh/kg. For cars where the value is higher than 120Wh/kg, an additional 10% will be available on the value of the subsidy.
- c) Depending on the kerb weight (M) of a battery electric passenger car, electricity consumption per 100km (Y) in driving mode shall comply with the following requirements:
 - if $M \leq 1,000\text{kg}$: $Y \leq 0.014 \times M + 0.5$
 - if $1,000 < M \leq 1,600\text{kg}$: $Y \leq 0.012 \times M + 2.5$
 - if $M > 1,600\text{kg}$: $Y \leq 0.005 \times M + 13.7$

- d) For plug-in hybrid passenger cars with an e-range in driving mode of less than 80km, the ratio of fuel consumption under condition (b) against corresponding national fuel consumption limits shall be less than 70%; for plug-in hybrid passenger cars with an e-range in driving mode of more than 80km, the electricity consumption under condition (a) shall comply with the same requirements as battery electric passenger cars.

3.2.3 New-energy trucks and special-purpose vehicles subsidy criteria and technical requirements

The subsidy programme for new-energy trucks and special-purpose vehicles is determined by the electric power of the battery providing the driving force. The subsidy decreases with increased power classification, as detailed below:

Subsidy criteria (RMB/kWh)			Upper limits of national subsidy (RMB 10,000)	Upper limits of local subsidy
< 30kWh	30-50kWh	> 50kWh		
1,500	1,200	1,000	15	Not more than 50% of national subsidy

Technical requirements for new-energy trucks and special-purpose vehicles

- a) The energy density of the battery shall not be less than 90Wh/kg.
- b) The energy consumption per payload unit (Ekg) of a battery electric truck or a special-purpose vehicle used for transport shall not be more than 0.5Wh/km per kg. For other types of battery electric special-purpose vehicles, electricity consumption per 100km per tonne (based on testing weight) shall not be more than 13kWh.

3.2.4 FCEV subsidy criteria and technical requirements

Subsidy criteria for FCEVs are given below:

Type of vehicle	Subsidy (RMB 10,000 per vehicle)
Fuel-cell electric passenger car	20
Fuel-cell electric light-duty bus/goods vehicle	30
Fuel-cell electric large/medium-sized bus, medium-/heavy-duty goods vehicle	50

Technical requirement for FCEVs:

- a) Rated power of fuel-cell system shall not be more than 30% lower than that of the driving motor, and not less than 30kW. For FCEVs with fuel-cell battery power of more than 10kW but less than 30kW, a subsidy will be granted of RMB 6,000/kW.
- b) The e-range of a FCEV shall not be less than 300km.

3.2.5 Technical requirements for electric batteries

Electric batteries used by new-energy vehicles must comply with the following standards:

- a) Energy storage device (cell and module):
 - Zinc-air batteries for electric road vehicles (GB/T 18333.2-2015, Article 6.2.4/6.3.4 90 degrees falling test tentatively not required);
 - Ultracapacitors for vehicles (QC/T 741-2014);
 - Cycle life requirements and test methods for traction battery of electric vehicle (GB/T 31484-2015, Article 6.5 driving mode cycle life tentatively not required);
 - Safety requirements and test methods for traction battery of electric vehicle (GB/T 31485-2015, Article 6.2.8, 6.3.8 nail penetration test tentatively not required).
- b) Energy storage device (battery pack):
 - Lithium-ion traction battery pack and system for electric vehicles – Part 3: Safety requirements and test methods (GB/T 31467.3-2015).

3.3 VEHICLE AND VESSEL TAX AND PURCHASE TAX RELIEF FOR NEVs AND EEVs

Please refer to the sections on vehicle and vessel tax and purchase tax above.



CHAPTER

35

ACEA TAX GUIDE 2017

India

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1 AUTOMOBILE TAX

The following taxes are levied as of 1 March 2016 on the basic price of automobiles in India:

S.N.	Name of tax	Rate (%)	Central or state
1a	Excise Tax (CENVAT) on small cars powered by petrol, compressed natural gas (CNG) and liquefied petroleum gas (LPG) (falling under tariff heading 8703) having a length not exceeding 4m and an engine capacity not exceeding 1,200cc (the applicable rate is levied through a General Exemption notification #50)	12.5 + 1	Central
1b	Excise Tax (CENVAT) on diesel-powered small cars (falling under tariff heading 8703) having a length not exceeding 4m and an engine capacity not exceeding 1,500cc (the applicable rate is levied through a General Exemption notification #50)	12.5 + 2.5	Central
1c	Excise Tax (CENVAT) on two-wheelers (8711), three-wheelers (8703&8704), ambulances (8702&8703), electrically operated vehicles (8703), hybrid vehicles (8703), hydrogen vehicles based on fuel-cell technology (8703), motor vehicles that have been registered solely as taxis (8703) and commercial vehicles (falling under 8702 or 8704) (the applicable rate is levied through a General Exemption notification #50)	12.5	Central
1d	Excise Tax (CENVAT) on cars other than small cars (more than 4m length) and with: <ul style="list-style-type: none"> i. engine capacity not exceeding 1,500cc (for transport of more than six persons but not more than 12 persons excluding the driver); ii. engine capacity of 1,500cc or more; iii. engine capacity of 1,500cc or more, and popularly known as SUVs, having ground clearance of more than 170mm. (the applicable rate is levied through a General Exemption notification #50)	24 + 4 27 + 4 30 + 4	
2	R&D Cess	0.125	Central
3	National Calamity Contingency Duty	1	Central
4	Central Sales Tax	2	Central
5	VAT	12.5-14 (varies between states)	State
6	Motor Vehicle Tax (detailed state-wide rates for different types of vehicles are given in the annex)	Rates vary according to state	State

Area-specific exemption from Excise Tax is available in Uttaranchal, Himachal and other states for all types of products, including automobiles.

In the Union Budget 2016-17, presented in the Indian Parliament by the Government of India, a new tax, the Infrastructure Cess, was levied on motor vehicles falling under tariff heading 8703 as follows:

- a) Petrol/LPG/CNG-driven motor vehicles of a length not exceeding 4m and an engine capacity not exceeding 1,200cc – 1%
- b) Diesel-driven motor vehicles of a length not exceeding 4m and an engine capacity not exceeding 1,500cc – 2.5%
- c) Other, higher-engine-capacity motor vehicles and SUVs and bigger sedans – 4%

For electrically operated vehicles, including two- and three-wheelers, the excise duty is currently 6%. 'Electrically operated vehicles' refers to vehicles that are run solely on electrical energy derived from one or more electrical batteries fitted to the vehicle, including electric motor-assisted cycle rickshaws driven by rechargeable solar batteries.

Excise duty for all hybrid motor vehicles irrespective of size will be 12.5%. 'Hybrid motor vehicles' refers to motor vehicles that are powered by a combination of a battery-powered electric motor and an internal combustion engine.

1.1 EXCISE DUTY RATES

Actual rates may be lower owing to an exemption, as explained above.

Exim Code	Item Description	Rate of duty
8701	TRACTORS (OTHER THAN TRACTORS OF HEADING 8709)	
8701 10 00	Pedestrian controlled tractors	12.5
8701 20	Road tractors for semi-trailers:	
8701 20 10	Of engine capacity not exceeding 1,800cc	12.5
8701 20 90	Other	12.5
8701 30	Track-laying tractors:	
	Garden tractors:	
8701 30 11	Of engine capacity not exceeding 1,800cc	12.5
8701 30 19	Other	12.5
	Other:	
8701 30 91	Of engine capacity not exceeding 1,800cc	12.5
8701 30 99	Other	12.5
8701 90	Other:	
8701 90 10	Of engine capacity not exceeding 1,800cc	12.5
8701 90 90	Other	12.5
8702	MOTOR VEHICLES FOR THE TRANSPORT OF 10 OR MORE PERSONS, INCLUDING THE DRIVER	
8702 10	With compression-ignition internal combustion piston engine (diesel or semi-diesel):	
	Vehicles for transport of not more than 13 persons, including the driver:	
8702 10 11	Integrated monocoque vehicle	27
8702 10 12	Air-conditioned luxury vehicle	27
8702 10 19	Other	27
	Other:	
8702 10 91	Integrated monocoque vehicle	12.5
8702 10 92	Air-conditioned vehicle	12.5
8702 10 99	Other	12.5
8702 90	Other:	
	Vehicles for transport of not more than 13 persons, including the driver:	
8702 90 11	Integrated monocoque vehicle	27
8702 90 12	Air-conditioned vehicle	27
8702 90 13	Electrically operated	12.5
8702 90 19	Other	27
8702 90 20	Electrically operated vehicles not elsewhere included or specified	u.
8703	MOTOR CARS AND OTHER MOTOR VEHICLES PRINCIPALLY DESIGNED FOR THE TRANSPORT OF PERSONS (OTHER THAN THOSE OF HEADING 8702), INCLUDING STATION WAGONS AND RACING CARS	
8703 10	Vehicles specially designed for travelling on snow; golf cars and similar vehicles:	
8703 10 10	Electrically operated	12.5
8703 10 90	Other	24
	Other vehicles, with spark-ignition internal combustion reciprocating piston engine:	
8703 21	Of a cylinder capacity not exceeding 1,000cc:	

8703 21 10	Vehicles principally designed for the transport of more than seven persons, including the driver	24
8703 21 20	Three-wheeled vehicles	24
	Other:	
8703 21 91	Motor cars	24
8703 21 92	Specialised transport vehicles such as ambulances, prison vans and the like	24
8703 21 99	Other	24
8703 22	<i>Of a cylinder capacity exceeding 1,000cc but not exceeding 1,500cc:</i>	
8703 22 10	Vehicles principally designed for the transport of more than seven persons, including the driver	24
8703 22 20	Specialised transport vehicles such as ambulances, prison vans and the like	24
8703 22 30	Three-wheeled vehicles	24
	Other:	
8703 22 91	Motor cars	24
8703 22 99	Other	24
8703 23	<i>Of a cylinder capacity exceeding 1,500cc but not exceeding 3,000cc:</i>	
8703 23 10	Vehicles principally designed for the transport of more than seven persons, including the driver	30
8703 23 20	Three-wheeled vehicles	24
	Other:	
8703 23 91	Motor cars	30
8703 23 92	Specialised transport vehicles such as ambulances, prison vans and the like	30
8703 23 99	Other	30
8703 24	<i>Of a cylinder capacity exceeding 3,000cc:</i>	
8703 24 10	Vehicles principally designed for the transport of more than seven persons, including the driver	30
8703 24 20	Three-wheeled vehicles	24
	Other:	
8703 24 91	Motor cars	30
8703 24 92	Specialised transport vehicles such as ambulances, prison vans and the like	30
8703 24 99	Other	30
	<i>Other vehicles, with compression ignition internal combustion piston engine (diesel or semi-diesel):</i>	
8703 31	<i>Of a cylinder capacity not exceeding 1,500cc:</i>	
8703 31 10	Vehicles principally designed for the transport of more than seven persons, including the driver	24
8703 31 20	Three-wheeled vehicles	24
8703 31 91	Motor cars	24
8703 31 92	Specialised transport vehicles such as ambulances, prison vans and the like	24
8703 31 99	Other	24
8703 32	<i>Of a cylinder capacity exceeding 1,500cc but not exceeding 2,500cc:</i>	

8703 32 10	Vehicles principally designed for the transport of more than seven persons, including the driver	30
8703 32 20	Three-wheeled vehicles	24
	Other:	
8703 32 91	Motor cars	30
8703 32 92	Specialised transport vehicles such as ambulances, prison vans and the like	30
8703 33	Of a cylinder capacity exceeding 2,500cc:	
8703 33 10	Vehicles principally designed for the transport of more than seven persons, including the driver	30
8703 33 20	Three-wheeled vehicles	24
	Other:	
8703 33 91	Motor cars	30
8703 33 92	Specialised transport vehicles such as ambulances, prison vans and the like	30
8703 33 99	Other	30
8703 90	Other:	
8703 90 10	Electrically operated	12.5
8703 90 90	Other	30
8704	MOTOR VEHICLES FOR THE TRANSPORT OF GOODS	
8704 10	Dumpers designed for off-highway use:	
8704 10 10	With net weight (excluding pay-load) exceeding 8t and maximum pay-load capacity not less than 10t	12.5
8704 10 90	Other	24
	Other, with compression-ignition internal combustion piston engine (diesel or semi-diesel):	
8704 21	GVW not exceeding 5t:	
8704 21 10	Refrigerated	12.5
8704 21 20	Three-wheeled motor vehicles	12.5
8704 21 90	Other	12.5
8704 22	GVW exceeding 5t but not exceeding 20t:	
	Lorries and trucks:	
8704 22 11	Refrigerated	12.5
8704 22 19	Other	12.5
8704 22 90	Other	12.5
8704 23	GVW exceeding 20t:	
	Lorries and trucks:	
8704 23 11	Refrigerated	12.5
8704 23 19	Other	12.5
8704 23 90	Other	12.5

	Other, with spark-ignition internal combustion piston engine:	
8704 31	GVW not exceeding 5t:	
8704 31 10	Refrigerated	12.5
8704 31 20	Three-wheeled motor vehicles	12.5
8704 31 90	Other	24
8704 32	GVW exceeding 5t:	
	Lorries and trucks:	
8704 32 11	Refrigerated	12.5
8704 32 19	Other	24
8704 32 90	Other	24
8704 90	Other:	
	Lorries and trucks:	
8704 90 11	Refrigerated	12.5
8704 90 12	Electrically operated	12.5
8704 90 19	Other	24
8704 90 90	Other	24
8705	SPECIAL PURPOSE MOTOR VEHICLES, OTHER THAN THOSE PRINCIPALLY DESIGNED FOR THE TRANSPORT OF PERSONS OR GOODS (FOR EXAMPLE BREAKDOWN LORRIES, CRANE LORRIES, FIRE FIGHTING VEHICLES, CONCRETE-MIXERS LORRIES, SPRAYING LORRIES, MOBILE WORKSHOPS, MOBILE RADIOLOGICAL UNITS)	
8705 10 00	Crane lorries	12.5
8705 20 00	Mobile drilling derricks	12.5
8705 30 00	Fire fighting vehicles	12.5
8705 40 00	Concrete-mixer lorries	12.5
8705 90 00	Other	12.5
8706	CHASSIS FITTED WITH ENGINES, FOR THE MOTOR VEHICLES OF HEADINGS 8701 TO 8705	
8706 00	Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705:	
	For the motor vehicles of heading 8703:	
8706 00 31	For three-wheeled vehicles	12.5
8706 00 39	Other	24
	For the motor vehicles of heading 8704:	
8706 00 41	For three-wheeled motor vehicle	12.5
8706 00 42	For vehicles, other than petrol driven	15
8706 00 43	For dumpers covered in the heading 8704	25
8706 00 49	Other	25
8706 00 50	For the motor vehicles of heading 8705	12.5

8707	BODIES (INCLUDING CABS), FOR THE MOTOR VEHICLES OF HEADINGS 8701 TO 8705	
8707 10 00	For the vehicles of heading 8703	12.5
8707 90 00	Other	12.5
8708	PARTS AND ACCESSORIES OF THE MOTOR VEHICLES OF HEADINGS 8701 TO 8705	
8708 10	<i>Bumpers and parts thereof:</i>	
8708 10 10	For tractors	12.5
8708 10 90	Other	12.5
	<i>Other parts and accessories of bodies (including cabs):</i>	
8708 21 00	Safety seat belts	12.5
8708 29 00	Other	12.5
8708 30 00	Brakes and servo-brakes; parts thereof	12.5
8708 40 00	Gear boxes and parts thereof	12.5
8708 50 00	Drive-axles with differential, whether or not provided with other transmission components, non-driving axles; parts thereof	12.5
8708 70 00	Road wheels and parts and accessories thereof	12.5
8708 80 00	Suspension systems and parts thereof (including shock absorbers)	12.5
	<i>Other parts and accessories:</i>	
8708 91 00	Radiators and parts thereof	12.5
8708 92 00	Silencers (mufflers) and exhaust pipes; parts thereof	12.5
8708 93 00	Clutches and parts thereof	12.5
8708 94 00	Steering wheels, steering columns and steering boxes; parts thereof	12.5
8708 95 00	Safety airbags with inflater system; parts thereof	12.5
8708 99 00	Other	12.5
8709	WORKS TRUCKS, SELF-PROPELLED, NOT FITTED WITH LIFTING OR HANDLING EQUIPMENT, OF THE TYPE USED IN FACTORIES, WAREHOUSES, DOCK AREAS OR AIRPORTS FOR SHORT DISTANCE TRANSPORT OF GOODS; TRACTORS OF THE TYPE USED ON RAILWAY STATION PLATFORMS; PARTS OF THE FOREGOING VEHICLES	
	<i>Vehicles:</i>	
8709 11 00	Electrical	12.5
8709 19 00	Other	u.
8709 90 00	Parts	12.5
8710 00 00	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicles	12.5
8711	MOTORCYCLES (INCLUDING MOPEDS) AND CYCLES FITTED WITH AN AUXILIARY MOTOR, WITH OR WITHOUT SIDE-CARS	
8711 10	<i>With reciprocating internal combustion piston engine of a cylinder capacity not exceeding 50cc:</i>	
8711 10 10	Mopeds	u.
8711 10 20	Motorised cycles	12.5
8711 10 90	Other	IA
8711 20	<i>With reciprocating internal combustion piston engine of a cylinder capacity exceeding 50cc but not exceeding 250cc:</i>	
	<i>Scooters:</i>	
8711 20 11	Of cylinder capacity not exceeding 75cc	12.5
8711 20 19	Other	12.5

	Motor cycles:	
8711 20 21	Of cylinder capacity not exceeding 75cc	12.5
8711 20 29	Other	12.5
	Mopeds:	
8711 20 31	Of cylinder capacity not exceeding 75cc	12.5
8711 20 39	Other	12.5
	Other:	
8711 20 91	Of cylinder capacity not exceeding 75cc	12.5
8711 20 99	Other	12.5
8711 30	With reciprocating internal combustion piston engine of a cylinder capacity exceeding 250cc but not exceeding 500cc:	
8711 30 10	Scoters	12.5
8711 30 20	Motor-cycles	12.5
8711 30 90	Other	12.5
8711 40	With reciprocating internal combustion piston engine of a cylinder capacity exceeding 500cc but not exceeding 800cc:	
8711 40 10	Motor-cycles	12.5
8711 40 90	Other	12.5
8711 50 00	With reciprocating internal combustion piston engine of a cylinder capacity exceeding 800cc	12.5
8711 90	Other:	
8711 90 10	Side-cars	12.5
	Other:	
8711 90 91	Electrically operated	12.5
8711 90 99	Other	12.5
8712	BICYCLES AND OTHER CYCLES (INCLUDING DELIVERY TRICYCLES), NOT MOTORISED	
8712 00	Bicycles and other cycles (including delivery tricycles), not motorised:	
8712 00 10	Bicycles	12.5
8712 00 90	Other	12.5
8713	CARRIAGES FOR DISABLED PERSONS, WHETHER OR NOT MOTORISED OR OTHERWISE MECHANICALLY PROPELLED	
8713 10	Not mechanically propelled:	
8713 10 10	Wheel chairs for invalid	Nil
8713 10 90	Other	Nil
8713 90	Other:	
8713 90 10	Wheel chairs for invalid	Nil
8713 90 90	Other	Nil
8714	PARTS AND ACCESSORIES OF VEHICLES OF HEADINGS 8711 TO 8713	
8714 10	Of motorcycles (including mopeds):	
8714 10 10	Saddles	12.5
8714 10 90	Other	12.5
8714 20	Of carriages for disabled persons:	
8714 20 10	Mechanically propelled	12.5
8714 20 20	Non-mechanically propelled	12.5
8714 20 90	Other	12.5

	Other:	
8714 91 00	Frames and forks, and parts thereof	12.5
8714 92	Wheel rims and spokes:	
8714 92 10	Bicycle rims	12.5
8714 92 20	Bicycle spokes	12.5
8714 92 90	Other	12.5
8714 93	Hubs, other than coaster braking hubs and hub brakes, and free-wheel sprocket-wheels:	
8714 93 10	Bicycle hubs	12.5
8714 93 20	Bicycle free-wheels	12.5
8714 93 90	Other	12.5
8714 94 00	Brakes, including coaster braking hubs and hub brakes, and parts thereof	12.5
8714 95	Saddles:	
8714 95 10	Bicycle saddles	12.5
8714 95 90	Other	12.5
8714 96 00	Pedals and crank-gear, and parts thereof	12.5
8714 99	Other:	
8714 99 10	Bicycle chains	12.5
8714 99 20	Bicycle wheels	12.5
8714 99 90	Other	12.5
8715	BABY CARRIAGES AND PARTS THEREOF	
8715 00	Baby carriages and parts thereof:	
8715 00 10	Baby carriages	12.5
8715 00 20	Parts	12.5
8716	TRAILERS AND SEMI-TRAILERS; OTHER VEHICLES, NOT MECHANICALLY PROPELLED; PARTS THEREOF	
8716 10 00	Trailers and semi-trailers of the caravan type, for housing or camping	12.5
8716 20 00	Self-loading or self-unloading trailers and semi-trailers for agricultural purposes	12.5
	Other trailers and semi-trailers for the transport of goods:	
8716 31 00	Tanker trailers and tanker semi-trailers	12.5
8716 39 00	Other	12.5
8716 40 00	Other trailers and semi-trailers	12.5
8716 80	Other vehicles:	
8716 80 10	Hand propelled vehicles (eg hand carts, rickshaws and the like)	12.5
8716 80 20	Animal drawn vehicles	12.5
8716 80 90	Other	12.5
8716 90	Parts:	
8716 90 10	Parts and accessories of trailers	12.5
8716 90 90	Other	12.5

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 APSRTC</p> <ul style="list-style-type: none"> - Urban services: 5% on Gross Traffic Earnings - Moffusil 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>Moffusil 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>
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Arunachal Pradesh (March 2006)	<p>Contract Carriage</p> <ul style="list-style-type: none"> - All India Tourist Permits: ₹3,675 PS PQ - State Wide Permits: ₹2,625 PS PQ - District Wide Permits: ₹1,207 PS PQ - Idle Contract Carriage: ₹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>																														

State/Union Territories	Buses	Trucks/Goods vehicles, Trailers and Tractors	Two wheelers	Cars/Jeeps	Taxi/Cabs	Auto rickshaws/ Three wheelers																																																																																
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Chhattisgarh (March 2012)	Used as public service vehicle for 100Km: <table border="1"> <thead> <tr> <th>Category</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Ordinary</td> <td>160 PS PM + 10 every 10km</td> </tr> <tr> <td>Express</td> <td>200 PS PM + 15 every 10km</td> </tr> </tbody> </table>	Category	Tax (₹)	Ordinary	160 PS PM + 10 every 10km	Express	200 PS PM + 15 every 10km	<p>Trucks Basis: GVW ₹300 PQ up to 2,000kg plus ₹85 every addl 500kg or part thereof in excess.</p> <p>Tractors, for agricultural purposes. Basis: ULW</p> <table border="1"> <thead> <tr> <th>ULW (kg)</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 1,000</td> <td>175</td> </tr> <tr> <td>1,000–2,000</td> <td>255</td> </tr> </tbody> </table> <p>Trailers: ₹85 per 500kg</p>	ULW (kg)	Tax PQ (₹)	Up to 1,000	175	1,000–2,000	255	LTT: 5% of VC	<p>Cars: 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>6</td> </tr> <tr> <td>>5</td> <td>7</td> </tr> </tbody> </table> <p>Jeeps: LTT 6% of VC</p>	VC (₹ lakh)	Tax (% of VC)	Up to 5	6	>5	7	<p>Ordinary: ₹150 PS PQ</p> <p>All India: ₹200 PS PQ</p>	<p>Passengers: LTT 2% of VC, for vehicles purchased taking loans under various schemes and conditions as decided by the State Government and owned by any person belonging to scheduled castes, scheduled tribes, other backward classes and minority community.</p> <p>LTT 5% of VC, for vehicles purchased and owned by other persons.</p> <p>Goods:</p> <table border="1"> <thead> <tr> <th>VC (₹ lakh)</th> <th>% of VC</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>12</td> </tr> <tr> <td>>5</td> <td>10</td> </tr> </tbody> </table>	VC (₹ lakh)	% of VC	Up to 5	12	>5	10
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Goa (March 2011)	₹50 PS PA Passenger Tax: <table border="1"> <thead> <tr> <th>Category</th> <th>Tax PS (₹)</th> </tr> </thead> <tbody> <tr> <td>State carriage</td> <td>30</td> </tr> <tr> <td>Tourist permit</td> <td>50</td> </tr> <tr> <td>All India permit</td> <td>150</td> </tr> </tbody> </table>	Category	Tax PS (₹)	State carriage	30	Tourist permit	50	All India permit	150	₹7,500 PA Mining: ₹9,000 PA	₹150 PA	<p>Cars:</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 3</td> <td>300</td> </tr> <tr> <td>3–4</td> <td>350</td> </tr> <tr> <td>4–5</td> <td>400</td> </tr> </tbody> </table> <p>Jeeps: ₹900 PA</p>	No of seats	Tax PA (₹)	Up to 3	300	3–4	350	4–5	400	All India permit non-AC: ₹125 PSPA; All India permit AC: ₹200 PSPA	<p>Passengers: ₹155 PA</p> <p>Goods: ₹800 PA</p>								
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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>								
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Himachal Pradesh (March 2011)	<p>Stage carriage: ₹500 PSPA</p> <p>Contract carriage: ₹1,000 PSPA</p>	<p>Trucks:</p> <ul style="list-style-type: none"> - LGV: ₹1,500 PA - MGV: ₹2,000 PA - HGV: ₹2,500 PA <p>Tractors and Trailers: ₹1,500 PA</p>	<p>LTT for 15 years Basis: engine capacity</p> <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	<p>LTT for 15 years Basis: engine capacity</p> <p>Cars and Jeeps:</p> <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> <p>Commercial pick-up jeeps: ₹1,500 PA</p>	Engine capacity (cc)	Tax (% of VC)	Up to 1,000	2.5	>1,000	3	₹350 PSPA	<p>Passengers: ₹200 PSPA</p> <p>Goods: ₹1,500 PA</p>																																						
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Karnataka (March 2010)	<p><u>More than 12 passengers:</u></p> <ul style="list-style-type: none"> - ₹600 PQ; standing: ₹100 PS PQ - plying exclusively on routes notified by government: <ul style="list-style-type: none"> o Seating: ₹300 PS PQ o Standing: ₹100 PS PQ <p><u>Contract carriages carrying more than 12 persons:</u></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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	<p>151(2) of Karnataka Motor Vehicles Rules (1989): ₹1,000 PQ complying with Rule 151(2) of Karnataka MV Rules (1989) and covered by special permits issued under section 88(8) of Motor Vehicles Act (1988): ₹1,000 PQ</p> <p>- complying with Rule 128 of CMV Rules (1989): ₹2,750 PQ</p>	<p>Tractors: ₹1,500 LTT</p> <p>Trailers: ₹500 LTT</p>																																																															
Kerala (March 2012)	<p>Stage Carriage:</p> <p>(i) Ordinary services: For every seated passenger (other than driver) ₹600 PS PQ + ₹210 per standing passenger PQ.</p> <p>(ii) Fast passenger and Express services: 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		<p>OTT: 6% of VV</p>	<p>Cars and jeeps LTT for 15 years:</p> <table border="1"> <thead> <tr> <th>VV (₹ lakh)</th> <th>OTT tax (% of VV)</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>	VV (₹ lakh)	OTT tax (% of VV)	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: OTT 6% of VV</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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Maharashtra (26 April 2012)	<p>Basis: carrying capacity Stage carriage, MSRTC, BEST & others: ₹71 PP PA plus passenger tax of 3.5% in municipal area and 17.5% in other areas on fare collected.</p> <p>Contract carriage (ordinary omnibus):</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax (₹ PP PA)</th> </tr> </thead> <tbody> <tr> <td>6-12</td> <td>1,000</td> </tr> <tr> <td>12-24</td> <td>1,700</td> </tr> <tr> <td>>24</td> <td>1,900</td> </tr> </tbody> </table> <p>Tourist: ₹5,500 PP PA AC Tourist Buses: ₹6,500 PP PA</p> <p>Non-AC Sleeper Berth Coach: ₹5,000 per berth PA AC Sleeper Berth Coach: ₹7,000 per berth PA Ordinary buses plying on special permit: ₹5,000 PP PA</p>	No of seats	Tax (₹ PP PA)	6-12	1,000	12-24	1,700	>24	1,900	<p>Trucks Basis: GVW</p> <table border="1"> <thead> <tr> <th>GVW</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>LGV</td> <td>5,400 PA or 37,800 OTT</td> </tr> <tr> <td>MGV</td> <td>7,500 PA or 7 times of annual rate as OTT</td> </tr> <tr> <td>HGV</td> <td>12,150 or 7 times of annual rate as OTT</td> </tr> </tbody> </table> <p>Trailers (used for carrying goods):</p> <table border="1"> <thead> <tr> <th>GVW (kg)</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>4,500-7,500</td> <td>1,500</td> </tr> <tr> <td>>7,500</td> <td>3,000</td> </tr> </tbody> </table> <p>Tractors used for agricultural purposes exempted.</p>	GVW	Tax (₹)	LGV	5,400 PA or 37,800 OTT	MGV	7,500 PA or 7 times of annual rate as OTT	HGV	12,150 or 7 times of annual rate as OTT	GVW (kg)	Tax PA (₹)	4,500-7,500	1,500	>7,500	3,000	LTT: 7% of VC	<p>Petrol driven:</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>9</td> </tr> <tr> <td>10-20</td> <td>10</td> </tr> <tr> <td>>20</td> <td>11</td> </tr> </tbody> </table> <p>Diesel driven:</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>11</td> </tr> <tr> <td>10-20</td> <td>12</td> </tr> <tr> <td>>20</td> <td>13</td> </tr> </tbody> </table> <p>CNG/LPG driven (w.e.f 26/06/2012):</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>5</td> </tr> <tr> <td>10-20</td> <td>6</td> </tr> <tr> <td>>20</td> <td>7</td> </tr> </tbody> </table>	VC (₹ lakh)	Tax (% of VC)	Up to 10	9	10-20	10	>20	11	VC (₹ lakh)	Tax (% of VC)	Up to 10	11	10-20	12	>20	13	VC (₹ lakh)	Tax (% of VC)	Up to 10	5	10-20	6	>20	7	<p>Taxi and Cool Cab: 11 times the annual rate of tax payable for the relevant class of the vehicle.</p> <p>Un-Metered Taxi Cab:</p> <table border="1"> <thead> <tr> <th>Seater</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>5</td> <td>550</td> </tr> <tr> <td>6</td> <td>650</td> </tr> <tr> <td>7</td> <td>642</td> </tr> <tr> <td>8</td> <td>562</td> </tr> <tr> <td>9</td> <td>500</td> </tr> <tr> <td>10</td> <td>450</td> </tr> <tr> <td>11</td> <td>409</td> </tr> <tr> <td>12</td> <td>375</td> </tr> </tbody> </table> <p>Tourist Taxi Non-AC: ₹1,000 PP PA Luxury Cab: ₹4,000 AC Tourist Taxi: ₹2,000 PP PA Tourist Taxi without AC: ₹3,000 PP PA ₹400 PA</p>	Seater	Tax PA (₹)	5	550	6	650	7	642	8	562	9	500	10	450	11	409	12	375	11 times the annual rate of tax payable for the relevant class of the vehicle.
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Mizoram (March 2011)	<p>₹1,000 PS PA Passenger Tax: ₹1,400 PA</p>	<p>Trucks: ₹840 PA for vehicles authorized to carry not exceeding 1 MT plus ₹205 PA for every addl ½ MT Goods Tax: ₹2,900 PA</p> <p>Tractors Basis: carrying capacity</p> <table border="1"> <thead> <tr> <th>Carrying capacity (MT)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 2</td> <td>125</td> </tr> <tr> <td>2-3.5</td> <td>250</td> </tr> <tr> <td>>3.5</td> <td>700</td> </tr> </tbody> </table> <p>Trailers: ₹250 PA</p>	Carrying capacity (MT)	Tax (₹)	Up to 2	125	2-3.5	250	>3.5	700	₹150 PA	₹500 PA	₹700 PA plus ₹600 of passenger tax	<p>Passengers: ₹250 PA plus ₹400 passenger tax</p> <p>Goods: ₹350 PA plus ₹400 goods tax</p>																								
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Nagaland (March 2012)	<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 Basis: Payload ₹304 per MT + ₹188 PA</p> <p>Good Tax:</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	OTT 15 years 5% of basic cost	OTT 15 years 5% of basic cost	<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</td></tr> <tr><td>160-240</td><td>576 (ordinary) 895 (express)</td></tr> <tr><td>240-320</td><td>196 PA addl 720 (ordinary) 1,120 (express)</td></tr> <tr><td>>320</td><td>245 PA addl 955 (ordinary) 1,550 (express)</td></tr> <tr><td></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	160-240	576 (ordinary) 895 (express)	240-320	196 PA addl 720 (ordinary) 1,120 (express)	>320	245 PA addl 955 (ordinary) 1,550 (express)		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>	5% of vehicle cost	N/A	N/A
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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</p> <p>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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Rajasthan (March 2011)	<p>Contract Carriage Tourist Buses:</p> <ul style="list-style-type: none"> - Ordinary and Deluxe: ₹6,000 PS PA - Air Conditioned: ₹5,000 PS PA - Integral Coach: ₹4,000 PS PA <p>All India Tourist Permits:</p> <ul style="list-style-type: none"> - Ordinary Buses: ₹2,000 per day per vehicle - Deluxe Buses: ₹3,000 per day per vehicle <p>Air Conditioned Buses:</p> <ul style="list-style-type: none"> ₹4,000 per day per vehicle - Omni Buses: ₹150 per day 	<p>Basis: vehicle cost</p> <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> <p>Trailers: 4% of VC</p>	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	<p>OTT</p> <p>Basis: engine capacity</p> <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	<p>OTT</p> <p>Basis: vehicle cost</p> <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	<p>Motor/mini cab</p> <p>Basis: seating capacity</p> <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	<p>Passengers:</p> <p>Basis: seating capacity/VC</p> <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> <p>Goods:</p> <p>Basis: VC</p> <p>10% of VC</p>	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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Up to 2.5	2.5																																													
2.5-6	5																																													
>6	8																																													
No of seats	Tax PQ (% of VC)																																													
Up to 5	1.25																																													
6-9	2.4																																													
>10	3.7																																													
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Up to 2	8% (max ₹3,000)																																													
3	9% (max ₹6,000)																																													
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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 –</td> <td>1,900 PQ</td> </tr> <tr> <td>12,000</td> <td></td> </tr> <tr> <td>12,001 -</td> <td>2,100 PQ</td> </tr> <tr> <td>13,000</td> <td></td> </tr> <tr> <td>13,001 –</td> <td>2,500 PQ</td> </tr> <tr> <td>15,000</td> <td></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 –</td> <td>810 PQ</td> </tr> <tr> <td>12,000</td> <td></td> </tr> <tr> <td>12,001 -</td> <td>1,010 PQ</td> </tr> <tr> <td>13,000</td> <td></td> </tr> <tr> <td>13,001 –</td> <td>1,220 PQ</td> </tr> <tr> <td>15,000</td> <td></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 –	1,900 PQ	12,000		12,001 -	2,100 PQ	13,000		13,001 –	2,500 PQ	15,000		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 –	810 PQ	12,000		12,001 -	1,010 PQ	13,000		13,001 –	1,220 PQ	15,000		>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: LTT: 10% on value 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 –</td> <td>950 PQ</td> </tr> <tr> <td>5,500</td> <td></td> </tr> <tr> <td>5,501 –</td> <td>1,500 PQ</td> </tr> <tr> <td>9,000</td> <td></td> </tr> <tr> <td>9,001 –</td> <td>1,900 PQ</td> </tr> <tr> <td>12,000</td> <td></td> </tr> <tr> <td>12,001 -</td> <td>2,100 PQ</td> </tr> <tr> <td>13,000</td> <td></td> </tr> <tr> <td>13,001 –</td> <td>2,500 PQ</td> </tr> <tr> <td>15,000</td> <td></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 –	950 PQ	5,500		5,501 –	1,500 PQ	9,000		9,001 –	1,900 PQ	12,000		12,001 -	2,100 PQ	13,000		13,001 –	2,500 PQ	15,000		>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 Passenger Tax: ₹160 PS PM contract carriage	Trucks/Tractors/Trailers: ₹70/MT for one region and ₹85/MT above one region. Goods tax: ₹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>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>Tax PA (₹)</th> </tr> <tr> <td>Up to 50</td> <td>15</td> </tr> <tr> <td>>50</td> <td>60</td> </tr> </table>	Up to 50	Tax PA (₹)	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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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 <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 50</td> <td>15</td> </tr> <tr> <td>>50</td> <td>60</td> </tr> </tbody> </table> Additional ₹5 every side car attached.	Engine capacity (cc)	Tax PA (₹)	Up to 50	15	>50	60	<table border="1"> <thead> <tr> <th>ULW (kg)</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 850</td> <td>200</td> </tr> <tr> <td>850–1,200</td> <td>250</td> </tr> <tr> <td>1,200–2,500</td> <td>350</td> </tr> <tr> <td>2,500–5,000</td> <td>400</td> </tr> <tr> <td>>5,000</td> <td>60 every 1,000kg or part thereof in excess of 5,000kg</td> </tr> </tbody> </table>	ULW (kg)	Tax PA (₹)	Up to 850	200	850–1,200	250	1,200–2,500	350	2,500–5,000	400	>5,000	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																																										
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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:</p> <p>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></td> <td>710 PA</td> </tr> <tr> <td></td> <td>6,000 LTT</td> </tr> <tr> <td>1,500-</td> <td>910 PA</td> </tr> <tr> <td>2,000</td> <td>8,000 LTT</td> </tr> <tr> <td>2,000-</td> <td>940 PA</td> </tr> <tr> <td>3,000</td> <td>8,000 LTT</td> </tr> <tr> <td>>3,000</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		710 PA		6,000 LTT	1,500-	910 PA	2,000	8,000 LTT	2,000-	940 PA	3,000	8,000 LTT	>3,000	960 PA		8,000 LTT	N/A	
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CHAPTER

36

ACEA TAX GUIDE 2017

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

1. From 2012, tax exemptions for barrier-free taxis and buses and large trucks equipped with a collision-impact-mitigating brake system (CMB) were introduced.
2. In 2014, the amount of the tax reduction applicable at the first renewal inspection was revised.

In the tax revision for 2015:

1. The environmental criteria for eco-car tax incentives were made more stringent and extended for two years from 1 May 2015 to 30 April 2017.
2. Tax exemptions for barrier-free taxis and buses were extended for three years.
3. The tax reduction for large trucks and buses equipped with a CMB was extended for three years. A new tax reduction was introduced for vehicles equipped with a stability control system (SCS).

In the tax revision for 2016:

1. Trucks and buses with a GVW of over 7.5t meeting the 2016 Diesel HDV Emission Regulations and achieving the 2015 Fuel Efficiency Standards were added to those vehicles eligible for the Tonnage Tax Eco-Car Incentives.
2. Tax rates were raised from April 2016 for private-use vehicles aged between 13 and 18 years (with a heavier levy on older vehicles). The current tax rates will remain applicable for business-use vehicles.

In the tax revision for 2017:

1. The system of eco-car tax incentives will be extended for two years from 1 May 2017 to 30 April 2019. However, the environmental criteria for eco-car tax incentives will be made more stringent year by year. The criteria for 2017 are shown below.
2. Trucks and buses with a GVW of over 3.5t and less than 7.5t meeting the 2016 Diesel HDV Emission Regulations and achieving the 2015 Fuel Efficiency Standards (limited to new vehicles) will be added to those vehicles eligible for Automobile Acquisition Tax Eco-Car Incentives.
3. A new tax reduction will be introduced for buses equipped with a lane departure warning (LDW) system.

Passenger cars with capacity of 10 persons or less

Applicable only to vehicles newly registered from May 2017.

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	2005 + 75% reduction or 2018 + 50% reduction	2020 + 40%	Exempted
		2020 + 30%	75% reduction*
		2020 + 20%	50% reduction*
		2020 + 10%	25% reduction*
		2020 achieved	
		2015 + 10%	No tax reduction**
2015 + 5%	No tax reduction**		
Other than above			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 2017.

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%	
		2015 + 20%	50% reduction*
		2015 + 15%	25% reduction*
		2015 + 5%	No tax reduction**
		2015 achieved	No tax 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 2017.

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), LPG	2005 + 75% reduction or 2018 + 50% reduction	2015 + 15%	
		2015 + 10%	50% reduction*
		2015 + 5%	25% reduction*
		2015 achieved	No tax reduction**
	2005 + 50% reduction or 2018 + 25% reduction	2015 + 15%	75% reduction*
		2015 + 10%	50% reduction*
		2015 + 5%	25% reduction*
		2015 achieved	No tax reduction**

Diesel (including diesel hybrid)	2009 + NO _x and PM 10% reduction	2015 + 15%	Exempted (at initial registration and first renewal inspection)
		2015 + 10%	75% reduction*
		2015 + 5%	50% reduction*
		2015 achieved	25% reduction*
	2009 or 2018	2015 + 15%	75% reduction*
		2015 + 10%	50% reduction*
		2015 + 5%	25% reduction*
		2015 achieved	No tax reduction**
Other than above			No tax reduction**

* Only base rate is applied

** Total tax rate (base rate and provisional rate) is applied

Note: LPG, liquefied petroleum gas; PM, particulate matter

Trucks and buses with GVW over 3.5t

Applicable only to vehicles newly registered from May 2017.

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	2015 + 15%	
		2015 + 10%	75% reduction*
		2015 + 5%	50% reduction*
		2015 achieved	25% reduction*
	2009 complied	2015 + 15%	No tax reduction**
		2015 + 10%	No tax reduction**
		2015 + 5%	No tax reduction**
		2015 achieved	No tax 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 3.5t up to 7.5t meeting the 2016 Diesel HDV Emission Regulations

Applicable only to vehicles newly registered from May 2017.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Diesel (including diesel hybrid)	2016 complied	2015 + 15%	Exempted (at initial registration and first renewal inspection)
		2015 + 10%	75% reduction*
		2015 + 5%	50% reduction*
		2015 achieved	25% reduction*

* Only base rate is applied

Trucks and buses with GVW over 7.5t meeting the 2016 Diesel HDV Emission Regulations

Applicable only to vehicles newly registered from May 2017.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Diesel (including diesel hybrid)	2016 complied	2015 + 15%	Exempted (at initial registration and first renewal inspection)
		2015 + 10%	75% reduction*
		2015 + 5%	50% reduction*
		2015 achieved	25% reduction*

* Only base rate is applied

Trucks and buses with GVW over 3.5t equipped with a Collision Mitigating Brake (CMB) system and/or a Stability Control System (SCS)

Applicable only to vehicles newly registered from May 2017.

Vehicle type	Equipped with	GVW (t)	Tax rate
Trucks	CMB and SCS	$3.5 < \text{GVW} \leq 20$	75% reduction (May 2015 to April 2018)
		$20 < \text{GVW} \leq 22$	50% reduction (November 2016 to April 2018)
	CMB or SCS	$3.5 < \text{GVW} \leq 20$	50% reduction (May 2015 to April 2018)
Buses	CMB and SCS	$5 < \text{GVW} \leq 12$	75% reduction (May 2015 to April 2018)
	with CMB	≤ 5	50% reduction
	CMB or SCS	$5 < \text{GVW} \leq 12\text{t}$	(May 2015 to April 2018)

Buses with GVW over 12t equipped with a Lane Departure Warning (LDW) system

Applicable only to vehicles newly registered from April 2017.

Vehicle type	Equipped with	GVW (t)	Tax rate
Buses	LDW	≤ 12	25% reduction (April 2017 to April 2018)

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 price 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 price for small and standard-sized vehicles and from 3% to 2% of the acquisition price for mini-cars.

2.2 REVISIONS

In 2012, special measures for barrier-free taxis and buses and large trucks equipped with a CMB were introduced.

In the tax revision for 2015:

1. The environmental criteria for eco-car tax incentives were made more stringent and extended for two years from 1 April 2015 to 31 March 2017.
2. Tax exemptions for barrier-free taxis and buses were extended for two years.
3. The tax reduction for large trucks and buses equipped with a CMB was extended for two years. A new tax reduction was introduced for vehicles equipped with an SCS.

In the tax revision for 2016:

Trucks and buses with a GVW of over 7.5t meeting the 2016 Diesel HDV Emission Regulations and achieving the 2015 Fuel Efficiency Standards (limited to new vehicles) were added to those vehicles eligible for Automobile Acquisition Tax Eco-Car Incentives.

In the tax revision for 2017:

1. The system of eco-car tax incentives will be extended for two years, from 1 April 2017 to 31 March 2019. However, the environmental criteria for eco-car tax incentives will be made more stringent year by year. The criteria for 2017 are shown below.
2. Trucks and buses with a GVW of over 3.5t and less than 7.5t meeting the 2016 Diesel HDV Emission Regulations and achieving the 2015 Fuel Efficiency Standards (limited to new vehicles) will be added to those vehicles eligible for Automobile Acquisition Tax Eco-Car Incentives.
3. Tax exemptions for barrier-free taxis and buses will be extended for two years.
4. The tax reduction for large trucks and buses equipped with a CMB and/or SCS will be extended for two years. A new tax reduction will be introduced for buses equipped with an LDW system.

In the tax revision for 2019:

1. 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 – see section 3.4 below.

Passenger cars with a capacity of 10 persons or less

Applicable only to vehicles newly registered from April 2017.

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	2005 + 75% reduction or 2018 + 50% reduction	2020 + 30%		60% reduction
		2020 + 20%	40% reduction	
		2020 + 10%	20% reduction	
		2020 achieved		
		2015 + 10%		
		2015 + 5%	No tax reduction	
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 2017.

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		
Other than above			No tax reduction		
				2015 + 5%	

Trucks and buses with GVW over 2.5t and less than 3.5t

Applicable only to vehicles newly registered from April 2017.

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), LPG	2005 + 75% reduction or 2018 + 50% reduction	2015 + 15%		75% reduction
		2015 + 10%	50% reduction	
		2015 + 5%	25% reduction	
		2015 achieved	25% reduction	
	2005 + 50% reduction or 2018 + 25% reduction	2015 + 15%	75% reduction	
		2015 + 10%	50% reduction	
		2015 + 5%	25% reduction	
Diesel (including diesel hybrid)	2009 + NO _x and PM 10% reduction	2015 + 15%	Exempted	
		2015 + 10%	75% reduction	
		2015 + 5%	50% reduction	
		2015 achieved	25% reduction	
	2009 or 2018	2015 + 15%	75% reduction	
		2015 + 10%	50% reduction	
		2015 + 5%	25% reduction	
Other than above			No tax reduction	

Note: LPG, liquefied petroleum gas

Trucks and buses with GVW of 3.5t

Applicable only to vehicles newly registered from April 2017.

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	2015 + 15%	
		2015 + 10%	50% reduction
		2015 + 5%	25% reduction
		2015 achieved	No tax reduction
	2009 complied	2015 + 15%	No tax reduction
		2015 + 10%	No tax reduction
2015 + 5%		No tax reduction	
Other than above			No tax reduction

Trucks and buses with GVW over 3.5t up to 7.5t meeting the 2016 Diesel HDV Emission Regulations

Applicable only to vehicles newly registered from April 2017.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Diesel (including diesel hybrid)	2016 complied	2015 + 15%	Exempted
		2015 + 10%	75% reduction
		2015 + 5%	50% reduction
		2015 achieved	25% reduction

Trucks and buses with GVW over 7.5t meeting the 2016 Diesel HDV Emission Regulations

Applicable only to vehicles newly registered from April 2017.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Diesel (including diesel hybrid)	2016 complied	2015 + 15%	Exempted
		2015 + 10%	75% reduction
		2015 + 5%	50% reduction
		2015 achieved	25% reduction

Trucks and buses with GVW over 3.5t equipped with a CMB and/or SCS

Applicable only to vehicles newly registered from April 2017.

Vehicle type	Equipped with	GVW (t)	Tax exemption amount from acquisition price (JPY)
Trucks	CMB and SCS	$3.5 < \text{GVW} \leq 8$	5.25m (April 2015 to March 2019)
		$8 < \text{GVW} \leq 20$	5.25m (April 2015 to October 2018) 3.5m (November 2018 to March 2019)
		$20 < \text{GVW} \leq 22$	3.5m (November 2016 to October 2018)
	CMB or SCS	$3.5 < \text{GVW} \leq 8$	3.5m (April 2015 to March 2019)
		$8 < \text{GVW} \leq 20$	3.5m (April 2015 to October 2018)
	Buses	CMB and SCS	$5 < \text{GVW} \leq 12$
with CMB		$\text{GVW} \leq 5$	3.5m (April 2015 to March 2019)
CMB or SCS		$5 < \text{GVW} \leq 12$	

Buses with GVW over 12t equipped with a LDW system

Applicable only to vehicles newly registered from April 2017.

Vehicle type	Equipped with	GVW (t)	Tax exemption amount from acquisition price (JPY)
Buses	LDW	≤ 12	1.75m (April 2017 to March 2019)

3 AUTOMOBILE TAX

3.1 AUTOMOBILE TAX ENGINE DISPLACEMENT LEVY

With the introduction of an Automobile Tax Environmental Performance Levy as of October 2019, Automobile Tax, a local tax levied on ownership, will be renamed Automobile Tax Engine Displacement Levy.

3.2 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.

3.3 REVISION

In 2014 the tax incentives were revised as follows:

1. Clean diesel passenger cars were added to the category of vehicles that can qualify for tax exemption.
2. Larger tax reductions were made available for vehicles that meet more stringent environmental criteria.

In the tax revisions of 2016:

1. Green Automobile Tax incentives for registered vehicles were made more stringent. The incentives for heavy-, medium- and light-duty vehicles were simply extended for one year.
2. The heavier levy on old registered vehicles was extended by one year. (A heavier levy on light-duty vehicles will also be introduced in 2016.
3. The details of the implementation of the Automobile Tax Engine Displacement Levy have not yet been decided.

In the tax revisions for 2017:

1. The Green Automobile Tax incentives for registered vehicles will be made more stringent in 2017 and 2018, as shown in the following table. The incentives for heavy-, medium- and light-duty vehicles will simply be extended for two years.
2. The introduction of Automobile Tax Environmental Performance Levy was postponed for two and a half years, from April 2017 to October 2019.

Passenger vehicles with a capacity of 10 persons or less (April 2017 to March 2019)

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	2005 + 75% reduction or 2018 + 50% reduction	2020 + 30%	50% reduction
		2020 + 10%	
		2015 + 20%	No tax reduction
		2015 + 10%	No tax reduction
		2015 achieved	No tax reduction

Note: LPG, liquefied petroleum gas

Trucks and buses with GVW of 2.5t or less (April 2017 to March 2019)

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) LPG	2005 + 75% reduction or 2018 + 50% reduction	2020 + 30%	
		2020 + 10%	
		2015 + 20%	No tax reduction
		2015 + 10%	No tax reduction
		2015 achieved	No tax reduction

Note: LPG, liquefied petroleum gas

Trucks and buses with GVW of over 2.5t up to 3.5t (April 2017 to March 2019)

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	

Trucks and buses with GVW over 3.5t (April 2017 to March 2019)

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 2019)
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 2017, 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 2003 and March 2004
Diesel (11 years or older)	Any year/month between April 2005 and March 2006

Note: LPG, liquefied petroleum gas

Table of Automobile Tax rates

Passenger vehicles

Engine displacement (l)	Private use (JPY)	Business use (JPY)
1 or less	29,500	7,500
1 to 1.5	34,500	8,500
1.5 to 2	39,500	9,500
2 to 2.5	45,000	13,800
2.5 to 3	51,000	15,700
3 to 3.5	58,000	17,900
3.5 to 4	66,500	20,500
4 to 4.5	76,500	23,600
4.5 to 6	88,000	27,200
Over 6	111,000	40,700

Trucks

Maximum load (t)	Private use (JPY)	Business use (JPY)
1 or less	8,000	6,500
1 to 2	11,500	9,000
2 to 3	16,000	12,000
3 to 4	20,500	15,000
4 to 5	25,500	18,500
5 to 6	30,000	22,000
6 to 7	35,000	25,500
7 to 8	40,500	29,500
Over 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

3.4 AUTOMOBILE TAX ENVIRONMENTAL PERFORMANCE LEVY

If Consumption Tax is raised to 10% in October 2019, as scheduled, an Automobile Tax Environmental Performance Levy will be imposed at the time of the acquisition of the vehicle.

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 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.

The criteria for the Automobile Tax Environmental Performance Levy will be decided in the 2019 tax reforms.

4 MINI-VEHICLE (*KEI*/CAR) TAX

4.1 WHAT IS MINI-VEHICLE 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	Maximum width	Maximum height	Maximum displacement
3.4 m	1.48 m	2.0 m	660cc

4.2 REVISIONS

In the tax revision for 2016:

1. From 2016, the levy on four-wheel and three-wheel vehicles aged 13 years and older was raised by about 20%.
2. In the 2016 Taxation Revision Outline, the Mini-Vehicle Tax Green Exception was extended by one year.

In the tax revision for 2017:

1. The criteria for the green taxation of mini-vehicles will be made more stringent and extended in 2017 and 2018, as shown in the table below.
2. The introduction of the Mini-Vehicle Tax Environmental Performance Levy was postponed for two and a half years, from April 2017 to 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
		2020 + 20%	Passenger car	Private use	8,100
				Business use	5,200
		2015 + 35%	Truck	Private use	2,500
				Business use	1,900
		2020 + 10%	Passenger car	Private use	8,100
				Business use	5,200
		2020 achieved	Passenger car	Private use	No reduction
				Business use	No reduction
2015 + 15%	Truck	Private use	3,800		
		Business use	2,900		
Other than above					No reduction

4.3 MINI-VEHICLE TAX RATES

From 2015 (payable from April 2016).

Vehicle type		Private use (JPY)	Business use (JPY)
Mini-vehicle (four-wheeled) *	Passenger vehicle	10,800	6,900
	Truck	5,000	3,800
Small-sized motorcycle (over 250cc)		6,000	
Mini-motorcycle (125-250cc)		3,600	

* Applicable only to new vehicles

4.4 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 will be decided in the 2019 tax reforms.



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ACEA TAX GUIDE 2017

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 2018)	Education tax cut: max KRW 0.3m per hybrid car (January 2013-December 2018)
Electric vehicles	5% of ex-factory price Temporary tax reduction: max KRW 2m per car (January 2012-December 2017)	Education tax cut: max KRW 0.6m per car (January 2012-December 2017)
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 exemption (January 2013-December 2018)	Retail price: ex-factory price + excise tax + education tax + VAT
Passenger cars	7% of (retail price minus VAT)	Passenger cars for households with 3 children or more (January 2013-December 2018)
Commercial vehicles	5% of (retail price minus VAT)	<ul style="list-style-type: none"> 7-10 seaters: temporary tax exemption under 7 seaters: max KRW 1.4m tax exemption
Hybrids/PHEVs (plug-in hybrid electric vehicles)	Temporary tax reduction: max KRW 1.4m per car (January 2013-December 2018)	
Electric vehicles	Temporary tax reduction: max KRW 2m per car (January 2017-December 2018) max KRW 1.4m per car (January 2019-December 2019)	
FCEVs (fuel-cell electric vehicles)	Temporary tax reduction: max KRW 2m per car (January 2017-December 2018) 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

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 100,000 pa (valid until December 2018)
Diesel	375/l	
LPG (liquefied petroleum gas)	275/kg	

1.2.6 Motor fuel tax

Newly 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 2017

Russia

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1 IMPORT DUTIES

Russia continues to fulfil its commitments to the World Trade Organization (WTO) by downsizing a number of import duties. The automotive industry is among the frontrunners in this duty-reduction drive. By 2019, the rates will be reduced to 15% for new passenger vehicles, to 10-15% for various SUVs and to 20% for used vehicles (up to seven years old).

In 2016, 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)	25
New full-size SUVs (kerb weight less than 5,000kg, engine size more than 4,200cc)	22.9
Used vehicles (less than seven years old)	25

For vehicles older than seven years, customs duty is realised at a specific rate depending on the engine size:

Petrol engine, size (cc)	Tariff (€/cc)
≤ 1,000	1.40
1,001-1,500	1.50
1,501-1,800	1.60
1,801-3,000	2.20
> 3,000	3.20
Diesel engine, size (cc)	Tariff (€/cc)
≤ 1,500	1.50
1,501-2,500	2.20
> 2,500	3.20

The customs duties payable by individuals importing passenger vehicles differ from those payable by legal entities. The following rates are applied:

New passenger vehicles (less than three years old), 48% if the value of the imported vehicle is less than €8,500 or 54% if the value of the imported vehicle is more than €8,500; used passenger vehicles (three years or older), between €1.5/cc and €5.7/cc depending on the engine size.

2 EXCISE TAXES

Excise tax is imposed on passenger vehicles (and motorbikes with a capacity of more than 150hp). The tax is payable on imported vehicles and on sales of taxable vehicles manufactured in Russia. The rates are:

Engine (hp)	Rate (RUB/hp)		
	2015	2016	2017
≤ 90	0	0	0
91-150	37	41	43
> 150	365	402	420

3 VAT

Sales and imports of vehicles are subject to VAT. The current VAT rate is 18%.

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

The transport tax is imposed on all types of vehicles including passenger vehicles and SUVs. Owners of registered vehicles are required to pay this tax. Dealers do not (as a rule) have to register vehicles that form part of their trading stock. Therefore, they are not charged transport tax.

The transport tax is assessed and payable on an annual basis. Individuals have to pay this tax once a year against a tax notification. Legal entities are required to file a tax return and to pay the tax in advance quarterly.

The federal government sets forth basic rates. The rates depend on the engine power (in horsepower). The regions of Russia (including, for instance, Moscow and St Petersburg) are entitled to increase (or reduce) the basic rates up to 10 times. Vehicles with an engine power of up to 150hp can be taxed at a lower rate (or completely exempted). Each region can impose different rates depending on the age of the vehicle or its CO2 emissions. As a result, the tax can vary significantly from region to region.

The following transport tax rates are currently in place (without the luxury surcharge):

Power (hp)	Basic rates (RUB/hp)	Moscow region (*) (RUB/hp)	St Petersburg region (*) (RUB/hp)
≤ 100	2.5	12	24
101-125	3.5	25	35
126-150	3.5	35	35
151-175	5.0	45	50
176-200	5.0	50	50
201-225	7.5	65	75
226-250	7.5	75	75
> 250	15.0	150	150

*As an example

The government is currently considering the possibility of transforming the transport tax into an ecological tax in one to two years.

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.

Surcharge (coefficient to the transport tax)	Vehicle's value (million RUB)	Vehicle's age = taxation period (years)
1.1	3-5	2-3
1.3	3-5	1-2
1.5	3-5	< 1
2	5-10	< 5
3	10-15	< 10
3	> 15	< 20

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 the 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 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: used vehicles (older than three years)
Electric engine	1.42	5.3
≤ 1,000	1.42	5.3
1,001-2,000	2.21	8.26
2,001-3,000	4.22	16.12
3,001-3,500	5.73	28.5
> 3,500	9.08	35.01

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. The strategy is expected to be approved by the government in mid-2017.

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 special 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 term of a SpIC is equal to the time it takes for an investment project to reach operating income output, plus five years. However, the maximum term is 10 years. The private partner shall invest not less than RUB 750 million. The Ministry of Industry and Trade enters into a contract on behalf of Russia.

Various incentives have been provided to stimulate the electric vehicle (EV) market in Russia and in the Eurasian Economic Union (EAEU). The 17% import custom duty on EVs was cancelled in February 2014, for a two-year period. However, the exclusion did not affect hybrid cars and plug-in hybrid cars. Under the new regulation, which came into force in 2016, 0% custom duty was reset on the import of electric passenger cars, and 5% custom duty on the import of electric trucks (with a total weight of up to 5t), with effect until September 2017. The EV market in EAEU countries is still extremely sensitive to price. In 2015, 684 EVs were imported, mainly from the USA, China and Japan.

In 2016, the Russian Government reported plans to introduce additional incentives, including right of way on dedicated lanes for EV owners and free parking in cities. Exemptions from payment of vehicle tax, as well as reduced rates for hybrid cars, are also under discussion.



CHAPTER

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ACEA TAX GUIDE 2017

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 not over 1,600 cc and pre-tax price not over ₺40,000 is calculated as follows:

Pre-tax price	₺100
SCT (%)	45 (per car with an engine capacity not over 1,600cc, pre-tax price not over ₺40,000)
Price after SCT	$(100 \times 1.45) = ₺145$
VAT (%)	18
Total price	$(145 \times 1.18) = ₺171.1$
Total tax (%)	71.1

CN code	Type of vehicle	SCT (%)	VAT (%)	TOTAL TAX (%)
87.02	Motor vehicles designed for the transport of passengers with more than 10 seats including driver			
	Minibus	9	18	28.6
	Midibus	4	18	22.7
	Bus	1	18	19.2
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 	–	18	–

engines equipped with pistons, and others (golf carts and other similar vehicles).					
<ul style="list-style-type: none"> 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 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: ≤ ₺40,000	45	18	71.1
		40,000 > ₺ ≤ 70,000	50		77.0
		> ₺70,000	60		88.8
	1,600 > cm ³ ≤ 2,000	Pre-tax price: ≤ ₺100,000	100	18	136.0
		Additional electric motor > 50kW, ≤ 1,800cm ³ and pre-tax price: ≤ ₺50,000	45		71.1
		50,000 > ₺ ≤ 80,000	50		77.0
> ₺80,000		110	147.8		

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.

		> 2,000cm ³	Additional electric motor > 100kW, 2,000 < cm ³ ≤ 2,500 and pre-tax price: ≤ ₺100,000	100	18	147.8
			Additional electric motor > 100kW and > 2,500cm ³	110		136.0
			Others	160		206.8
Powered by electric motor only						
	Motor power		≤ 85kW	3		21.25
			85 < kW ≤ 120	7	18	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		29.8
			3,000 < cm ³ ≤ 4,000	52	18	79.4
			> 4,000cm ³	75		106.5
Powered by electric motor only						
	Motor power		≤ 85kW	10		29.8
			85 < kW ≤ 120	52	18	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 and motorcycles is based on the vehicle's engine capacity and its age. The annual rates for 2017 in Turkish lira are as follows:

Engine capacity (cc)	Age of vehicle (in years)				
	1-3	4-6	7-11	12-15	≥ 16
Passenger cars	₺				
≤ 1,300	646	450	252	191	68
1,301-1,600	1,035	776	450	318	122
1,601-1,800	1,827	1,428	841	513	199
1,801-2,000	2,878	2,217	1,303	776	306
2,001-2,500	4,317	3,134	1,958	1,170	463
2,501-3,000	6,019	5,236	3,271	1,760	646
3,001-3,500	9,166	8,247	4,968	2,480	910
3,501-4,000	14,411	12,444	7,329	3,271	1,303
> 4,000	23,586	17,687	10,475	4,708	1,827
Motorcycles	₺				
100-250	122	92	68	43	17
251-650	252	191	122	68	43
651-1,200	646	385	191	123	68
> 1,200	1,565	1,035	646	513	252

Note: the exchange rate is €1 = ₺3.9 (as at 20 February 2017)

The motor vehicle tax is based:

- for minibuses, on the age of the vehicle;
- for vans and motor caravans, on the vehicle's engine capacity and its age;
- for buses, on the vehicle's seating capacity and its age;
- for trucks, pick-ups and road tractors, on the gross vehicle weight and the age of the vehicle.

The annual rates for minibuses, vans, motor caravans, buses, trucks, pick-ups and road tractors for 2017 in Turkish lira are as follows:

	Age of vehicle (in years)		
	1-6	7-15	≥ 16
Motor vehicle type	₺		
Minibus	776	513	252
Van or motor caravan (engine capacity)			
≤ 1,900cc	1,035	646	385
> 1,900cc	1,565	1,035	646
Bus (seating capacity)			
up to 25 persons	1,958	1,170	513
26-35 persons	2,348	1,958	776
36-45 persons	2,613	2,217	1,035
≥ 46 persons	3,134	2,613	1,565
Pick-up, truck or road tractor (GVW)			
≤ 1,500kg	697	463	228
1,501-3,500kg	1,408	817	463
3,501-5,000kg	2,115	1,760	697
5,001-10,000kg	2,348	1,995	936
10,001-20,000kg	2,821	2,348	1,408
≥ 20,001kg	3,529	2,821	1,640

Source: Official Journal

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. SCT has a fixed value and the VAT rate is 18%.

As of November 2016, on the basis of fuel prices, the total amount of tax as a percentage of pre-tax value is 183% for petrol and 140% for diesel (source: Regulatory Authority for Energy Markets).



CHAPTER

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ACEA TAX GUIDE 2017

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 8.25%, which can result in a total tax of up to 10.75% 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 2017, no phase-out of tax credits had begun.

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	\$46.00
Current California Highway Patrol	\$24.00
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
Use/sales tax	\$1,800.00
Reflectorised licence plate fee	\$1.00
Total registration fees	\$233.00
Total use/sales tax	\$1,800.00
Grand total registration fees	\$2,033.00

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 \$1,000.00. 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
Regional transportation authority registration tax for vehicles registered in Wake, Durham and Orange counties	5.00
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
1,651-1,750	27.5
1,751-1,85	29
1,851-1,950	31
1,951-2,050	32.5
2,051-2,150	34
2,151-2,250	35.5
2,251-2,350	37.5
2,351-2,450	39
2,451-2,550	40.5
2,551-2,650	42
2,651-2,750	43.5
2,751-2,850	45.5
2,851-2,950	47
2,951-3,050	48.5
3,051-3,150	50
3,151-3,250	52
3,251-3,350	53.5
3,351-3,450	55
3,451-3,550	56.5
3,551-3,650	59
3,651-3,750	61.5
3,751-3,850	64
3,851-3,950	66.5
3,951-4,050	69
4,051-4,150	71
4,151-4,250	73.5

4,251-4,350	76
4,351-4,450	78.5
4,451-4,550	81
4,551-4,650	83.5
4,651-4,750	85.5
4,751-4,850	88
4,851-4,950	90.5
4,951-5,050	93
5,051-5,150	95.5
5,151-5,250	98
5,251-5,350	100.5
5,351-5,450	102.5
5,451-5,550	105
5,551-5,650	107.5
5,651-5,750	110
5,751-5,850	112.5
5,851-5,950	115
5,951-6,050	117
6,051-6,150	119.5
6,151-6,250	122
6,251-6,350	124.5
6,351-6,45	127
6,451-6,550	129.5
6,551-6,650	131.5
6,651-6,750	134
6,751-6,850	136.5
6,851-6,950	139
6,95 or more	140

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 8.8%.

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)

County	Weight (lbs)	Use tax
	≥ 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/ear)
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)
Montgomery¹	≤ 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	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Orleans	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
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)

¹ Original registrations processed on and after 1 July 2015 and renewals for registrations that have expiration dates on or after 1 September 2015.

County	Weight (lbs)	Use tax
	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 2 years (\$10/year)
Suffolk	≤ 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)
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	All weights	\$10 for two years (\$5/year)
Yates	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)