
2018

ACEA Tax Guide



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Foreword

The 2018 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 2018 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).

Besides the 28 member states of the European Union, as well as the EFTA countries (Iceland, Norway and Switzerland), this Tax Guide also covers 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 latest 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 2018

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CHAPTER

01

ACEA TAX GUIDE 2018

EU summary tables

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1 MOTOR VEHICLE TAXATION: EU SUMMARY

1.1 TAXES ON ACQUISITION

Country	VAT ¹	Registration Tax
Austria	20%	Based on CO2 emissions (max 32% + bonus/malus)
Belgium	21%	Based on cylinder capacity and age (Brussels-Capital) Fuel, age, 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 safety equipment, fuel consumption and value (85% up to DKK 185,200 + 150% of the remainder)
Estonia	20%	Registration label (€62) + registration card (€130)
Finland	24%	Based on price and CO2 emissions (min 3.3%, 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%	Registration stamp (€50) + supplement (€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 from 3.1% to 18.6% (0% for electric and plug-in electric vehicles)
Portugal	23%	Based on cylinder capacity and CO2 emissions
Romania	19%	Based on purchase price + registration fees (€8.6)
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 Situation on 1 January 2018

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 MOTORING²

Excise duties on fuels in € ³ /1,000 litres		
Country	Unleaded Petrol	Diesel
Austria	515	425
Belgium	615	560
Bulgaria	363	330
Croatia	519	411
Cyprus	479	450
Czech Republic	505	431
Denmark	566	364
Estonia	563	493
Finland	703	530
France	659	547
Germany	655	470
Greece	700	410
Hungary	391	360
Ireland	588	479
Italy	728	617
Latvia	476	372
Lithuania	434	347
Luxembourg	465	338
Malta	549	472
Netherlands	778	490
Poland	395	346
Portugal	659	471
Romania	424	394
Slovakia	514	368
Slovenia	508	426
Spain	461	367
Sweden ⁴	670	591
United Kingdom	661	661
EU minimum rates	359	330

Source: European Commission

² Situation on 1 January 2018

³ Euro exchange rates at 20 March 2018; source: <http://www.ecb.europa.eu/stats/eurofxref/>

⁴ Includes energy and CO2 tax

1.4 FISCAL INCOME FROM MOTOR VEHICLES IN THE EU⁵

	AT (€ bn) 2015	BE (€ bn) 2016	DK (DKK bn) 2016	DE (€ bn) 2016	ES (€ bn) 2016	FI (€ bn) 2016	FR (€ bn) 2016	GR (€ bn) 2016	IE (€ bn) 2015	IT (€ bn) 2016	NL (€ bn) 2016	PT (€ bn) 2016	SE (SEK bn) 2016	UK (£ bn) 2017/2018 ⁶
Purchase or transfer	2.742	7.100	-	29.747	-	1.610	15.606	-	0.601	17.350	1.321	3.446	24.500	12.500
1. VAT on vehicle sales servicing/repair, parts, tyres														
2. Fuels & lubricants	5.200	7.415	17.191	42.152	18.758	3.989	36.412	3.663	3.028	35.820	9.664	3.259	48.200	28.100
3. Sales & registration taxes	0.395	0.430	19.514	-	4.364	0.964	2.188	0.188	0.684	1.690	1.551	0.672	-	-
Annual ownership taxes	2.232	1.614	10.609	8.952	2.718	1.083	0.859	1.113	1.124	6.610	4.058	0.554	14.300	6.000
Driving license fees	-	0.017	-	0.168	0.064	-	-	-	-	-	0.256	-	-	-
Insurance taxes	0.331	0.960	1.534	4.300	-	0.384	4.739	-	-	3.880	0.979	-	2.800	-
Tolls	1.890	0.648	0.433	4.600	-	-	11.796	-	-	2.030	-	0.320	1.800	-
Customs duties	-	-	-	0.600	-	-	-	-	-	-	-	0.050	-	-
Other taxes	0.322	0.649	-	-	0.708	-	1.858	0.125	-	5.620	1.663	0.200	4.500	1.500
TOTAL (national currencies)	13.112	18.833	49.281	90.519	26.612	8.030	73.458	5.089	5.437	73.000	19.492	8.501	96.100	48.100
TOTAL (€)⁷	13.1	18.8	6.6	90.5	26.6	8.0	73.5	5.1	5.4	73.0	19.5	8.5	9.6	54.8
GRAND TOTAL = €413bn														

⁵ Latest available data; only countries for which sourced data is available are listed

⁶ 2012 estimates for income from VAT and other taxes

⁷ Euro exchange rates at 20 March 2018; source: <http://www.ecb.europa.eu/stats/eurofxref/>



CHAPTER

02

ACEA TAX GUIDE 2018

Austria

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1 TAXES ON ACQUISITION

1.1 VAT

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

It is possible to deduct the VAT (through input VAT) on the purchase of commercial vehicles for professional use. Except for certain exemptions, such as cars for driving schools and taxis, deductions are not allowed for passenger cars and 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 (*Normverbrauchsabgabe* – NoVA) is levied on the purchase price (net) or commercial leasing fee of new passenger cars and motorcycles and on passenger cars and motorcycles not yet registered nationally. There are tax exemptions for, inter alia, electric or electrohydraulic cars, cars for driving schools, taxis, ambulances, vehicles for diplomatic use, and vehicles for disabled people.

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

Motorcycles with a cylinder capacity exceeding 125cm³

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

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

Passenger cars (including minibuses and caravans) and 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 permission in accordance with the Austrian Kraftfahrgesetz 1967 or on EU type permission.

A NoVA deduction of €400 for diesel and gasoline vehicles was granted in 2015. On 1 January 2016, the deduction was reduced to €300 for both engine types. A NoVA deduction of €600 for environmentally friendly vehicles (hybrid, E85, LNG, and hydrogen cars, etc) applied until 31 December 2015. On 1 January 2016, the deduction was reduced to €300.

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

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

1.3 TAX ALLOWANCES

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

- Deduction of VAT/other tax benefits: for business vehicles that are not passenger cars or combination cars (except for cars for driving schools, taxi companies, and leasing companies), the VAT on the purchase price can be deducted. Since 1 January 2016 a deduction of VAT (through input VAT) is also applicable for zero-CO2 emission passenger cars (eg electric vehicles and hydrogen-powered cars). In addition, a tax allowance (*Gewinnfreibetrag*, §10 of the *Einkommensteuergesetz*) up to 13% (ie 4.5-13%) of a company's profit can be granted for investing in such vehicles, up to a maximum of €45,350, if the company's profit exceeds €30,000.
- In case of sale of a vehicle owned for at least seven years, the profit resulting from the difference between the sale price and the registered book value can be deducted from the acquisition price of new goods (instead of being treated as profit from the sale).
- Depreciation can be applied to all vehicles if they are used for business purposes. Depreciation of a vehicle is generally calculated over eight years (passenger cars) or 3-10 years (all other vehicles) based on the purchase price (including pollution tax and VAT, if not deductible). If the value of a car is such that it is considered a luxury product (ie purchase price exceeding €40,000), only the percentage up to this amount (including all accessories) is deductible in the tax declaration for depreciation.
- Operating costs – or at least the percentage of the operating costs that result from business use of the car – can be deducted from profit. If the car is used for private means to a certain extent, this percentage of the total cost is not deductible from corporate income. The operating costs (including depreciation) of a private car used for business purposes can be deducted at a rate of €0.42/km (since 1 August 2008).

1.4 REGISTRATION CHARGES

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

Vehicle type	New vehicles (€)	Second-hand vehicles (€)
Passenger cars, 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.

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

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

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

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

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

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

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

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

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

3 TAXES ON MOTORING

3.1 FUEL TAX⁴

	Diesel	LPG	Super95	Super100
Product cost incl profit (€/1000l)	785.36	488.17	768.31	943.31
<i>Pflichtnotstandsreserve</i> ⁵ (€/1000l)	12.64	0.00	11.36	11.36
Fuel tax (€/1000l)	397.00	261.00	482.00	482.00
Subtotal (€/1000l)	1,195.00	749.17	1,261.67	1,436.67
VAT (%)	20.00	20.00	20.00	20.00
Price at the pump (€/1000l)	1,434.00	899.00	1,514.00	1,724.00

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

Type of fuel	Rate of MÖSt ⁶ in €/1000l (from 1 January 2011 / 29 December 2015)
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 biogenous 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 biogenous 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 Figures as at 12 January 2018

⁵ Compulsory emergency reserves

⁶ 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. In addition to the traditional toll sticker (*Vignette*), a digital form (*Digital Vignette*) has been introduced in 2018.

Tolls on other specified roads can be levied in addition.

Toll sticker prices, including VAT, are as follows⁷:

	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 (€)	34.70	13.10	5.20
Cost for cars and other vehicles up to 3.5t (gross weight)⁸ (€)	87.30	26.20	9.00

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

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

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

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

Heavy commercial vehicles

A distance-related road pricing charge (*Fahrleistungsabhängige Maut*) was introduced on 1 January 2004 for all vehicles, vehicle combinations and buses exceeding 3.5t in gross weight for circulation on all Austrian highways and expressways. The road pricing charge is based on kilometres travelled and number of axles, and, since 1 January 2010, on the EURO emission class of the vehicle (for environmental

⁷ Figures as at 1 December 2017

⁸ 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.

reasons). Since 1 January 2017 noise pollution is also considered along with air pollution (EURO emission classes).

Buses, vehicles and vehicle combinations with a gross weight > 3.5t (valid from 1 January 2018)						
Road pricing per km in €⁹ (excluding 20% VAT)						
Emission group category	Category 2 (two axles)		Category 3 (three axles)		Category 4+ (four or more axles)	
	Day	Night ¹⁰	Day	Night ¹⁰	Day	Night ¹⁰
A: EURO-emission class EURO VI	0.1810	0.1814	0.2540	0.2549	0.3806	0.3818
B: EURO-emission class V and EEV	0.1984	0.1988	0.2784	0.2793	0.4103	0.4115
C: EURO-emission class EURO IV	0.2047	0.2051	0.2872	0.2881	0.4204	0.4216
D: EURO-emission class EURO 0 to III	0.2247	0.2251	0.3152	0.3161	0.4524	0.4536

Notes: EEV, Energy efficient vehicles

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

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

⁹ Figures as at 1 January 2018

¹⁰ The night rates apply between 10pm and 5am

4 PRIVATE USE OF A COMPANY CAR

As of 1 January 2016, the amount of the total benefit in kind also consider the CO2 emissions of the car in the year of purchase.

Year of purchase	CO2g/km emissions limit
before 2017	130
2017	127
2018	124
2019	121
from 2020	118

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

A reduction of 50% on the total benefit (calculated as above) is applicable if a maximum of 500km of private use can be proven each month. If a kilometre-driven calculation approach at €0.50/km and €0.69/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 KFG) must be carried out annually. The cost in euros of the inspection (including 20% VAT) is as follows:

Passenger and combination cars (M1)	56.40
Taxis, rental cars	56.40
Lorries < 3.5t (gross weight)	65.00
Lorries with two axles	127.68
Lorries with three axles	140.04
Lorries with four axles	143.20
Buses, coaches	144.00
Trailers < 0.750t (gross weight), motorcycles	26.04
Trailers > 0.750t (gross weight) with two axles or more	66.00
Trailer > 0.750t (gross weight) with three axles or more	66.00

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

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

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



CHAPTER

03

ACEA TAX GUIDE 2018

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:

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

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

Resulting table (fiscal hp):

Cylinder capacity (cc)	Fiscal hp	Cylinder capacity (cc)	Fiscal hp
≤ 750	4	3,951 - 4,150	20
751 - 950	5	4,151 - 4,350	21
951 - 1,150	6	4,351 - 4,650	22
1,151 - 1,350	7	4,651 - 4,850	23
1,351 - 1,550	8	4,851 - 5,050	24
1,551 - 1,750	9	5,051 - 5,250	25
1,751 - 1,950	10	5,251 - 5,550	26
1,951 - 2,150	11	5,551 - 5,750	27
2,151 - 2,350	12	5,751 - 5,950	28
2,351 - 2,550	13	5,951 - 6,150	29
2,551 - 2,750	14	6,151 - 6,350	30
2,751 - 3,050	15	6,351 - 6,650	31
3,051 - 3,250	16	6,651 - 6,850	32
3,251 - 3,450	17	6,851 - 7,150	33
3,451 - 3,650	18	7,151 - 7,350	34
3,651 - 3,950	19	7,350 - 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 4.5.1). The 50% deduction rate entitlement does not apply to:

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

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

2.1.2 Registration plate

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

2.1.3 Incentives for the acquisition of clean vehicles at federal level

Since 1 January 2013, the granting of environmental incentives has, in principle, no longer been exercised at federal level. From that date onwards, the regions had to decide to grant incentives for

low-emissions cars. However, some federal incentives exceptionally still remain effective in 2018 (as they did in 2017):

- Personal Income Tax (PIT) reduction of 15% (to a maximum of €3,070) on the purchase price of a powered two- or three-wheeler purchased by a private person and which is exclusively powered by an electric motor, which can transport at least two persons and for which a driving licence is needed
- PIT reduction of 15% (to a maximum of €5,040) on the purchase price of a powered four-wheeler (no M1 cars) purchased by a private person and which is exclusively powered by an electric motor, which can transport at least two persons and for which a driving licence is needed

2.2 TAXES, CHARGES AND INCENTIVES ON ACQUISITION AT REGIONAL LEVEL

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

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

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

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

2.2.1 Brussels-Capital Region

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

Bruxell'air premium

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

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

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

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

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

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

Financial incentives for environmental investments of companies

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

See also:

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

2.2.2 Flemish Region

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

For other companies and private persons, the TES is calculated on a different basis: fuel, age, Euronorm (the limit values of the different pollutants) and CO₂ emissions of the car. This formula applies to newly registered cars (new or second-hand). Cars already registered remain out of scope. As from 1 January 2018, the formula is as follows:

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

Where:

- the minimum TES amount is fixed at €40, the maximum at €10,000. These amounts are indexed with the national consumer price index on 1 July of each year (they are €43.71 and €10,928.11 from 1 July 2017 to 30 June 2018)
- f = fuel correction factor; $f = 1$, except for liquefied petroleum gas (LPG) ($f = 0.88$) and natural gas ($f = 0.93$)
- x = CO₂ correction factor; $x = 0$ in 2012 and increases by 4.5g/km CO₂ per year as from 2013 (= 9 in 2014; = 13.5 in 2015; = 18 in 2016; = 22,5 in 2017; = 27 in 2018)
- LC = age correction factor, based on the age of the vehicle calculated from the date of its first entry into service; $LC = 100\%$ when the vehicle's age is less than 12 full months, and decreases by 10% per extra 12 months of age until a minimum rate of 10% is reached (at an age of at least 108 months)
- c = fixed price by Euronorm and fuel type, as shown in the table below:

Diesel	Euronorm	Amount for c from 1 July 2017 to 30 June 2018 (€)	Petrol, LPG and natural gas	Euronorm	Amount for c from 1 July 2017 to 30 June 2018 (€)
		Euro 0		2,980.54	
	Euro 1	874.44		Euro 1	530.16
	Euro 2	648.10		Euro 2	158.53
	Euro 3	513.59		Euro 3	99.45
	Euro 3 with DPF	486.21			-
	Euro 4	486.21		Euro 4	23.87
	Euro 4 with DPF	478.18			-
	Euro 5	478.18		Euro 5	21.46
	Euro 6	472.69		Euro 6	21.46

Note: DPF, diesel particulate filter

Exempt:

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

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

Effective as of 1 January 2016.

- The bonus is only for zero-emission battery electric vehicles (BEVs) or H₂ (hydrogen-powered) vehicles in the M1 and N1 vehicle categories.
- It is for purchased or leased by private persons, non-profit associations and car sharing providers; the bonus premium applies only once.

The bonus amount depends on the list value (catalogue value) of the vehicle, defined by the Flemish Government as 'the recommended list price (catalogue price) of the vehicle in new state excluding

options and including the VAT actually paid, without taking into account any promotional discounts, rebates, etc.

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

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

As from 2018, the amount of the bonus will be defined as follows:

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

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

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

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

Ecology Premium for green investments by companies

The Flemish Government grants a so-called Ecology Premium to companies that invest in environmentally friendly and/or energy-efficient technologies, which are listed in a Limited Technology List. This list is regularly reviewed and updated by the Flemish Administration for Environment (last update on 30 October 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 on 30 October 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	B	6	65	30	15
Transformation from ICE to hydrogen engine	B	6	100	30	15
New CNG light duty vehicles	B	6	20	30	15

New CNG trucks	A	9	30	50	40
New LNG trucks	A	9	40	50	40
Transformation from ICE to CNG/LNG engine for trucks	B	6	100	30	15
Fuelling infrastructure for LNG	A	9	80	50	40
Fuelling infrastructure for LNG & CNG	A	9	80	50	40
Fuelling infrastructure for hydrogen	A	9	90	30	15

Example: ecology premium for:

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

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

2.2.3 Walloon Region

The Walloon Region has a CO₂-based Ecobonus and Ecomalus scheme for car purchases.

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

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

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

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

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

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

3 TAXES ON OWNERSHIP

3.1 TAXES ON OWNERSHIP AT FEDERAL LEVEL

CO2-based 'solidarity contribution' for company cars

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

The monthly contribution amount in euros is based on the CO2 emissions 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 2018, the amounts have to be indexed by 1.2708 and will in any case never be lower than €26.47 per month.

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

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

Examples:

- Petrol: CO2 = 120g/km: $(((120 \times 9) - 768) \div 12) \times 1.2708$
⇒ monthly contribution amount in 2018: €33.04
- Diesel: CO2 = 100g/km: $(((100 \times 9) - 600) \div 12) \times 1.2708$
⇒ monthly contribution amount in 2018: €31.77

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 2017 to 30 June 2018:

cc	Fiscal hp	ACT in Flemish Region (€)	ACT in Walloon & Brussels Regions (€)
≤ 750	4	80.52	80.52
751 - 950	5	100.72	100.85
951 - 1,150	6	145.73	145.73
1,151 - 1,350	7	190.34	190.34
1,351 - 1,550	8	235.36	235.49
1,551 - 1,750	9	280.37	280.50
1,751 - 1,950	10	324.85	324.98
1,951 - 2,150	11	421.61	421.74
2,151 - 2,350	12	518.36	518.50
2,351 - 2,550	13	614.86	614.99
2,551 - 2,750	14	711.61	711.74
2,751 - 3,050	15	808.24	808.50
3,051 - 3,250	16	1,058.77	1,058.90
3,251 - 3,450	17	1,309.44	1,309.57
3,451 - 3,650	18	1,560.11	1,560.11
3,651 - 3,950	19	1,810.12	1,810.25
3,951 - 4,150	20	2,060.65	2,060.92
4,151 - 4,350	21	2,172.98	2,173.25
4,351 - 4,650	22	2,285.32	2,285.58
4,651 - 4,850	23	2,397.65	2,397.91
for each additional unit of fiscal hp above 23:		112.33	112.33

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 applies an environmental correction on the ACT for private persons and companies that do not lease cars as part of their activities.

The new formula applies to newly registered cars (new or second-hand). Cars already registered remain out of scope. The ACT (based on fiscal hp; see table above) is increased or decreased depending on CO₂ emissions, 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 €45.80; LPG-powered cars will receive a rebate of €100. Exempt 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/LNG passenger cars with no more than 11 fiscal hp (until 31 December 2020).

3.2.2 Ownership taxes for commercial vehicles

3.2.2.1 Buses and coaches (M2, M3)

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.

3.2.2.2 Light Commercial Vehicles (LCV) 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 €32.61 (excluding 10% municipal tax) or €35.87 (including 10% municipal tax).

MPW (kg)	Municipal tax (€) (exclusive of 10%)	Municipal tax (€) (inclusive of 10%)
≤ 500	32.61	35.87
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 introduced, as from 1 July 2017, an environmental correction on the LCV's base ACT amount for private and legal persons who do not lease cars as part of their activities. The new formula applies to newly registered LCV's (new or second-hand). LCV's already registered remain out of scope. LCV's powered by CNG/LNG and plug-in hybrids (the latter not exceeding 50g/km of CO₂) will be exempted from any ACT until 31 December 2020. Pure electric LCV's will be exempted with no time limit.

Note: these decisions from Flemish Government still have to be voted in the Flemish Parliament.

3.2.2.3 Light Commercial Vehicles (LCV) with $\leq 2,5t$ MPW

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

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

Euronorm	Petrol and other fuels (%)	Diesel (%)
Euro 0	+30	+50
Euro 1	+10	+40
Euro 2	+5	+35
Euro 3	0	+30
Euro 4 (or Euro 3 + DPF)	-12,5	+25
Euro 5 (or Euro 4 + DPF)	-15	+17,5
Euro 6	-15	+15

3.2.2.4 Light Commercial Vehicles (LCV) with $2,5t < MPW \leq 3,5t$

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. Exempt from ACT (only in the Flemish Region) are:

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

3.2.2.5 Trailers up to 3,500kg MPW

MPW (kg)	Municipal tax (€) (exclusive of 10%)	Municipal tax (€) (inclusive of 10%)
≤ 500	34.20	37.62
501 - 3,500	71.16	78.28

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

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

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

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

The ACT amounts are as follows:

MPW (kg)		with pneumatic suspension (€)	with other type of suspension (€)
SOLO VEHICLE			
1 or 2 axles			
from	to		
3,501	11,999	0	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

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

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

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

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

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

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

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

3,501	12,000	248.44	414.08
COMBINATION VEHICLE			
1 + 1 or 2 + 1 axles			
from	to		
3,501	3,999	59.97	74.96
4,000	4,999	74.96	97.30
5,000	5,999	89.94	112.44
6,000	6,999	104.93	131.19
7,000	7,999	119.23	149.93
8,000	8,999	134.68	168.37
9,000	9,999	149.68	187.11
10,000	10,999	164.68	205.85
11,000	12,000	179.67	224.59
2 + 2 axles			
3,501	12,000	260.26	449.48
2 + 3 axles			
3,501	12,000	471.00	648.79
3 + 1 or 3 + 2 axles			
3,501	12,000	429.20	648.79
3 + 3 axles			
3,501	12,000	286.07	648.79

4 TAXES ON MOTORING

4.1 FUEL TAXES

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

4.1.1 Excise duties

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

Excise duty is €0.6148/l for unleaded Eurosuper (95 RON (research octane number) and 98 RON). For diesel fuel, the duty is €0.5601/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 2018) is summarised as follows:

	Excise duty (€/l)	VAT (€)
Unleaded (95)	0.6148	21
Unleaded (98)	0.6148	21
Diesel fuel	0.5601	21
LPG	-	21

From 1 November 2015 until the end of 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 equalisation of the excise duty levels of both petrol and diesel.

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

Maximum price in €/l on 13 February 2018

	EUROSUPER unleaded 95 E10 ¹ (€)	EUROSUPER unleaded 98 (€)	Diesel ² (€)	LPG (€)
Cost of the product	0.3974	0.4558	0.3990	0.2298
Distribution costs	0.1638	0.1638	0.1694	0.1729
Excises + energy tax (1)	0.6148	0.6148	0.5601	0.0000
Other fees	0.0073	0.0073	0.0074	-
Price without VAT	1.1833	1.2417	1.1359	0.4027
VAT: 21% (2)	0.2485	0.2608	0.2385	0.0846
(1) + (2)	0.8633 (60.3%)	0.8756 (58.3%)	0.7986 (58.1%)	0.0846 (17.4%)
Price at the pump	1.432	1.502	1.374	0.487

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%.

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

²Maximum 10ppm sulphur

4.3 KILOMETRE-CHARGING FOR HEAVY COMMERCIAL VEHICLES (HCV)

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

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

- MPW: the kilometre charge is due for trucks with a MPW of more than 3.5t. When the pulling vehicle has a MPW of more than 3.5t, the MPW of the combination (MPWC) needs to be declared (the trailer is included when the truck is equipped with a tow bar)
- Euronorm
- Type of toll road: all roads in Belgium are toll roads, most of them are charged at a zero tariff, others have a paying tariff. Toll roads map is here:

<http://www.viapass.be/en/downloads/>

Tariffs in €/km (as from 1 January 2018)

	Wallonia (without VAT) (€)			Flanders and Brussels motorways (€)			Brussels inner-city roads (€)		
	3.5-12t	12-32t	> 32t	3.5-12t	12-32t	> 32t	3.5-12t	12-32t	> 32t
Euro 0	0.149	0.199	0.203	0.149	0.199	0.204	0.191	0.268	0.292
Euro 1	0.149	0.199	0.203	0.149	0.199	0.204	0.191	0.268	0.297
Euro 2	0.149	0.199	0.203	0.149	0.199	0.204	0.191	0.268	0.297
Euro 3	0.129	0.179	0.183	0.128	0.179	0.183	0.166	0.242	0.272
Euro 4	0.098	0.148	0.152	0.097	0.148	0.152	0.134	0.211	0.240
Euro 5	0.077	0.127	0.131	0.085	0.136	0.140	0.121	0.197	0.227
Euro 6	0.077	0.127	0.131	0.075	0.126	0.130	0.101	0.177	0.207

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

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

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

4.4 DEDUCTIBILITY SCHEMES FOR CAR-RELATED EXPENSES

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

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

- Vehicles exclusively used as taxis or for self-drive hire
- Vehicles used for driving lessons via driving schools

- Vehicles exclusively leased to third parties

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

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

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

Corporate Income Tax							
	in 2017			in 2018-2019 (unchanged)			in 2020
Deductibility fuel costs	75%			75%			New deductibility formula for fuel AND car costs:
Deductibility car costs	Deductibility (%)	CO2 petrol (g)	CO2 diesel (g)	Deductibility (%)	CO2 petrol (g)	CO2 diesel (g)	120% - (0,5% x coefficient x g CO₂/km) with max 100%
	120	0 (EV)		120	0 (EV)		<i>Coefficient</i> = 1 for diesel (also hybrid diesel) = 0,90 for CNG ≤ 11 fiscal hp = 0,95 for other powertrains
	100	1-60	1-60	100	1-60	1-60	
	90	61-105	61-105	90	61-105	61-105	
	80	106-125	106-115	80	106-125	106-115	As a result, new deductibility ranges are as follows:
	75	126-155	116-145	75	126-155	116-145	- from 0 to 40g CO ₂ /km = 100%
	70	156-180	146-170	70	156-180	146-170	- from 41 to 140g CO ₂ /km = between 99,5% and 50%
	60	181-205	171-195	60	181-205	171-195	- from 141 to 200g CO ₂ /km = 50%
	50	> 205	> 195	50	> 205	> 195	- from 201g CO ₂ /km and more = 40%
							For PHEV purchased after 1 January 2018, CO ₂ depends on the ratio between battery energy capacity and car mass (running order) fixed at 0,5 kWh/100 kg, and on tested CO ₂ emissions: (1) if ≥ 0,5 and CO ₂ ≤ 50g/km: CO ₂ of PHEV (2) if < 0,5 or CO ₂ > 50g/km: CO ₂ of non-PHEV (3) if non-PHEV not available: CO ₂ PHEV x 2.5
							For PHEV purchased before 1 January 2018: CO ₂ of PHEV

PHEV: Plug-in hybrid electric vehicles

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

VAT deductibility

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

With the purpose of simplifying and harmonising all car cost related deductibility schemes, the Federal Government has also decided, end 2017, to copy the same new deductibility rules of the

corporate income tax into the personal income tax as from 2020. The transition towards and new scheme itself can be summarised as follows:

Personal Income Tax (self-employed)					
	in 2017	in 2018-2019 (cars purchased after 1 January 2018)			in 2020 (cars purchased after 1 January 2018)
Deductibility fuel costs	75%	75%			New deductibility formula for fuel AND car costs: 120% - (0,5% x coefficient* x g CO2/km) with max. 100% (*) coefficient = 1 for diesel (also hybrid diesel) = 0,90 for CNG ≤ 11 fiscal HP = 0,95 for other fuels/powertrains > New deductibility ranges: From 0 to 40 g CO2/km = 100% From 41 to 140 g CO2/km = between 99,5% and 50% From 141 to 200 g CO2/km = 50% As from 201 g CO2/km = 40% > CO2 of PHEV depends on ratio battery energy capacity / car mass (running order), fixed at 0,5 kWh/100 kg: (1) if ≥ 0,5 and CO2 ≤ 50 g/km: CO2 of PHEV (2) if < 0,5 or CO2 > 50 g/km: CO2 of non-PHEV version (3) if non PHEV not available: CO2 PHEV x 2,5
Deductibility car costs	75%	Deductibility rules from Corporate Income Tax			
		(%)	CO2 petrol (g)	CO2 diesel (g)	
		120	0 (EV)		
		100	1-60	1-60	
		90	61-105	61-105	
		80	106-125	106-115	
		75	126-155	116-145	
		70	156-180	146-170	
		60	181-205	171-195	
		50	> 205	> 195	
		Cars purchased before 1 January 2018 (signed purchase order/lease contract)			Cars purchased before 1 January 2018 (signed purchase order/lease contract)
Deductibility fuel costs	75%	75%			New deductibility formula for fuel AND car costs: 120% - (0,5% x coefficient* x g CO2/km) with max 100% (*) coefficient = 1 for diesel (also hybrid diesel) = 0,90 for CNG ≤ 11 fiscal hp = 0,95 for other fuels/powertrains > New deductibility ranges: From 0 to 40 g CO2/km = 100% From 41 to 90 g CO2/km = between 99,5% and 75% As from 91 g CO2/km = 75% > CO2 of PHEV to be used in deductibility formula
Deductibility car costs	75%	Deductibility rules from Corporate Income Tax			
		(%)	CO2 petrol (g)	CO2 diesel (g)	
		120	0 g (EV)		
		100	1-60	1-60	
		90	61-105	61-105	
		75	> 126	> 116	

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 = 95 g/km	YY = 115 g/km
For 2013:	XX = 95 g/km	YY = 116 g/km
For 2014:	XX = 93 g/km	YY = 112 g/km
For 2015:	XX = 91 g/km	YY = 110 g/km
For 2016:	XX = 89 g/km	YY = 107 g/km
For 2017:	XX = 87 g/km	YY = 105 g/km
For 2018:	XX = 86 g/km	YY = 105 g/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 2018, the BIK may not be lower than €1,310 per year.

Age correction factor is calculated following the table below:

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

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

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

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

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

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

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

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 six 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 four 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 six months	<u>Every year</u> if, at the last inspection, the certificate was found to be valid
Vehicles for the transport of goods with an MPW of more than 3,500kg ADR, buses and coaches	Before the <u>first</u> entry into service in Belgium OR before the date of <u>re-entry</u> into service in Belgium	Every three 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 two years	
Vehicles for the transport of goods with an MPW of no more than 3,500kg and all other vehicles, except slow vehicles	Before the <u>first</u> entry into service in Belgium OR before the date of <u>re-entry</u> into service in Belgium	Every year	

Note: ADR, Dangerous Goods Vehicles



CHAPTER

04

ACEA TAX GUIDE 2018

Bulgaria

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ACEA

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1 TAXES ON ACQUISITION

1.1 VAT

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

1.2 REGISTRATION DUTY

Registration duties are as follows:

Road traffic administration tax

Ecological tax	BGN 160
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	2,664
	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 2018

Croatia

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1 TAXES ON ACQUISITION

1.1 VAT

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

1.2 SPECIAL TAX ON MOTOR VEHICLES

The first registration of a motor vehicle is subject to the payment of a special tax. This tax is based on the 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.

Formula for calculation:

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

Variables:

PP = Special tax

VN = Value fee (fixed amount)

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

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

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

Example:

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

CO₂ = 110g

Type of fuel: Diesel

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

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

VN = HRK 2,000

PC = 155,000.00 - 150,000.01 = 4,999.99 x 5% = HRK 249.99

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

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

PP = (2,000 + 249.99) + (1,010 + 4,375) = 7,634.99

Table 1: Sales price

	Vehicle price (HRK)		VN in (HRK)	%
Group 1	0.00	100,000.00	0	0
Group 2	100,000.01	150,000.00	0	0
Group 3	150,000.01	200,000.00	2,000	5
Group 4	200,000.01	250,000.00	4,500	7
Group 5	250,000.01	300,000.00	8,000	9
Group 6	300,000.01	350,000.00	12,500	11
Group 7	350,000.01	400,000.00	18,000	13
Group 8	400,000.01	450,000.00	24,500	15
Group 9	450,000.00	500,000.00	32,000	17
Group 10	500,000.01	550,000.00	40,500	19
Group 11	550,000.01	600,000.00	50,000	20
Group 12	600,001.00		60,000	21

Table 2: Diesel fuel

	CO2 emissions (g/km)	Basic charge (ON) (HRK)	Amount for 1g/km CO2 (HRK)
Group 1	70 - 85	185	55
Group 2	85 - 120	1,010	175
Group 3	120 - 140	7,135	1,150
Group 4	140 - 170	30,135	1,250
Group 5	170 - 200	67,635	1,350
Group 6	> 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 (ON) (HRK)	Amount for 1g/km CO2 (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	500	400
101 - 130	900	700	600
> 130	1,500	1,200	1,000



CHAPTER

06

ACEA TAX GUIDE 2018

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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 2018

Czech Republic

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1 TAXES ON ACQUISITION

1.1 VAT

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

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

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

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

1.2 ALLOWABLE DEDUCTIONS

1.2.1 VAT exemptions

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

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

1.2.2 Corporate tax, exemptions, depreciation and capital allowances

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

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

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

1.2.3 Lump sum deductions

A person registered for VAT can choose to reclaim VAT on costs related to the operation of the vehicle not to their actual extent, but rather as a monthly lump sum of CZK 5,000. This rule applies to up to

three vehicles per owner on the condition that the vehicles in question are used solely for business purposes.

1.3 REGISTRATION CHARGES

1.3.1 Registration fee

The fee for the administrative act of registration (ie 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 700	For trailers > 750kg carrying weight

1.3.2 Special registration ('environmental') surcharge

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

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

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

2 TAXES ON OWNERSHIP

There are no typical ownership taxes in the Czech Republic.

2.1 ROAD TAX

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

2.1.1 Generally

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

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

Road tax is calculated according to:

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

The tax period is the calendar year.

2.1.2 Allowable deductions and incentives

Vehicles which are not taxed:

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

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

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

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

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

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

2.1.3 Rates

Tax rates are assessed as annual fixed rates and range:

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

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

3 TAXES ON MOTORING

3.1 FUEL TAXES

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

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

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

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

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

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

Fuel taxes (January 2018)		
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 2018 (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 GVW	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 2018

Annual (R)	From 1 January 2017 to 31 January 2019	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 2018 (CZK/km) valid from 1 January 2015

Emission class	Euro 0–II			Euro III–IV			Euro V			Euro 6, Euro VI, EEV		
	2	3	4+	2	3	4+	2	3	4+	2	3	4+
Number of axles												
Motorways and motor roads	3.34	5.70	8.24	2.82	4.81	6.97	1.83	3.13	4.52	1.67	2.85	4.12
On Fridays from 15.00 to 20.00 hours	4.24	8.10	11.76	3.58	6.87	9.94	2.33	4.46	6.46	2.,12	4.05	5.88
First-class roads	1.58	2.74	3.92	1.33	2.31	3.31	0.87	1.50	2.15	0.79	1.37	1.96
On Fridays from 15.00 to 20.00 hours	2.00	3.92	5.60	1.69	3.31	4.74	1.10	2.15	3.07	1.00	1.96	2.80
Buses	1.38			1.15			1.04			0.80		

Source: Collection of Acts CZ

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

4 PRIVATE USE OF A COMPANY CAR

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

5 PERIODIC INSPECTION OF VEHICLES

5.1 GENERALLY

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

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

5.2 COSTS

Costs may vary according to an inspection station used.

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

Vehicle type (ECE ¹ categories)	RTI	REM
Passenger cars (M1, N1)	990	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

¹ ECE: 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 2018

Denmark

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1 TAXES ON ACQUISITION

1.1 VAT

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

1.2 REGISTRATION TAX

The Danish car registration tax is governed by Act no 1062 of 7 September 2017 with later additions.

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 several 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.

Please notice that a major reform of the Danish car taxation was introduced by Act no 1195 of 14 November 2017. Hereafter the vehicle value threshold for applying the 150% tax rate was raised from DKK 106,600 to DKK 185,100 in the case of passenger cars and from DKK 33,600 to DKK 58,400 in the case of motorcycles (2017 level). At the same time the tax rate for vehicle value up to DKK 185,100 (2017-level) was reduced from 105% to 85%. The changes entered into force as of 16 November 2017 but with effect as of 3 October 2017.

In the following only 2018-level figures are shown.

Further, the reform introduced several changes concerning taxes on ownership (see Section 2) and the rules for partial (proportional) payment of registration tax (see section 1.2.8.) were introduced. The latter are not covered further in this document.

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 2018:

Taxable value (DKK)	Tax rate
< 9,800	No registration tax
9,800 – 59,700	85 % of taxable value
> 59,700	85% of taxable value between DKK 9,800 and DKK 59,700 + 150% of the taxable value above DKK 59,700

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

Differences in registration tax based on fuel consumption

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

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 (2018)

Taxable value (DKK)	Tax rate
<189,200	85% of the vehicle's taxable value
> 189,200	85% of the taxable value up to DKK 189,200 + 150% of the taxable value above DKK 189,200

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

Alternative fuel vehicles and hybrid vehicles²

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

As of 2016, the Danish Ministry of Taxation has increased nominal New European Driving Cycle (NEDC) fuel consumption of plug-in hybrid vehicles (PHEVs) by adding a calculated (theoretical) fuel consumption equivalent value of the electrical power consumption figure indicated in the Certificate of Conformity (COC). The resulting increase in the registration tax will be gradually phased in over a five-year period. The period was extended with two more years in 2017 resulting in a phase-in of the extra tax resulting from the increase in fuel consumption as follows: 20% in 2017-2018, 40% in 2019, 65% in 2020, 90% in 2021 and 100% in 2022.

Electric vehicles (BEVs) were exempt from registration tax until the end of 2015. From 2016, BEVs are included in the tax scheme of petrol and diesel-driven cars. The resulting tax will also be gradually phased in, at 20% of the full tax in 2017-2018, 40% in 2019, 65% in 2020, 90% in 2021 and 100% in 2022. 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.

¹ For passenger cars with only one airbag, the taxable value increases by DKK 3,725 and by DKK 7,450 if there are no airbags. If equipped with two airbags there is no adjustment of the taxable value.

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

Hydrogen-powered and fuel-cell vehicles are exempt from registration tax until the end of 2020.

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

The 2018 rate is DKK 0 on the first DKK 59,300 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 20 6,000 (increase) for each km/l less than 20
Diesel	4,000 (reduction) for each km/l more than 22 6,000 (increase) for each km/l less than 22

There is no minimum tax rate.

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

Heavy vans and pickup trucks

For vehicles weighing at least 2,500kg, the rate is DKK 0 on the first DKK 38,200 and 30% 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 (campers) and buses

For campers and buses (vehicles designed to carry more than nine persons including the driver), a tax rate of 45% (campers) and 60% (buses) is payable on the taxable value above DKK 12,100.

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

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

1.2.6 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

Registration tax exemptions include:

- Hydrogen-powered and fuel-cell cars (until 31 December 2020)

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

1.2.8 Vehicles authorised for partial (proportional) payment of the registration tax³

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.

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

1.4 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 nine 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 1031 of 23 August 2017 (with later amendments) – the so-called 'Green owners tax'. The manufacturer measures and provides the fuel consumption based on guidelines set down in Council Directive 80/1268/EEC of 16 December 1980 (on the approximation of the laws of the Member States relating to the fuel consumption of motor vehicles) or the Regulation (EC) No 715/2007 of 20 June 2007. The fuel consumption is based on the EU test cycle NEDC and the consumption figure is recalculated into kilometres per litre (km/l).

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

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).

Because of a major reform of the car taxation in Denmark introduced by Act no 1195 of 14 November 2017 the 'Green owners tax' now have different tax rates for cars registered for the first time before and after 3 October 2017. In this section focus is on the tax rates applicable to petrol- and diesel-driven cars registered for the first time after 3 October 2017.

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

2018		1 January – 30 June	1 July – 31 December
Km/l (Petrol)		DKK Semi-annually	DKK Semi-annually
Minimum 50		330	330
Under	but not under		
50	44.4	330	370
44.4	40	330	390
40	36.4	330	410
36.4	33.3	330	430
33.3	28.6	330	460
28.6	25	330	500
25	22.2	330	540
22.2	20	330	580

20	18.2	640	890
18.2	16.7	940	1,190
16.7	15.4	1,260	1,510
15.4	14.3	1,570	1,820
14.3	13.3	1,870	2,120
13.3	12.5	2,180	2,430
12.5	11.8	2,480	2,730
11.8	11.1	2,790	3,040
11.1	10.5	3,100	3,350
10.5	10	3,410	3,660
10	9.1	4,010	4,260
9.1	8.3	4,650	4,900
8.3	7.7	5,260	5,510
7.7	7.1	5,870	6,120
7.1	6.7	6,480	6,730
6.7	6.3	7,110	7,360
6.3	5.9	7,720	7,970
5.9	5.6	8,330	8,580
5.6	5.3	8,970	9,220
5.3	5	9,580	9,830
5	4.8	10,190	10,440
4.8	4.5	10,800	11,050
4.5	-	11,430	11,680

2018		1 January – 30 June	1 July – 31 December	
		Total Green owners tax	Total Green owners tax	Thereof countervailing duty
Km/l (Diesel)		DKK Semi-annually	DKK Semi-annually	DKK Semi-annually
Minimum 56,3		130	460	130
Under	but not under			
56,3	50	130	500	130
50	45	130	520	130
45	41	130	540	130
41	37.6	130	560	130
37.6	32.1	130	590	130
32.1	28.1	600	1,100	600
28.1	25	1,060	1,600	1,060
25	22.5	1,490	1,740	1,160
22.5	20.5	1,910	2,160	1,270
20.5	18.8	2,310	2,560	1,370

18.8	17.3	2,740	2,990	1,480
17.3	16.1	3,150	3,400	1,580
16.1	15	3,580	3,830	1,710
15	14.1	4,010	4,260	1,830
14.1	13.2	4,430	4,680	1,950
13.2	12.5	4,860	5,110	2,070
12.5	11.9	5,280	5,530	2,180
11.9	11.3	5,690	5,940	2,280
11.3	10.2	6,530	6,780	2,520
10.2	9.4	7,390	7,640	2,740
9.4	8.7	8,210	8,460	2,950
8.7	8.1	9,070	9,320	3,200
8.1	7.5	9,870	10,120	3,390
7.5	7	10,710	10,960	3,600
7	6.6	11,590	11,840	3,870
6.6	6.2	12,400	12,650	4,070
6.2	5.9	13,250	13,500	4,280
5.9	5.6	14,120	14,370	4,540
5.6	5.4	14,950	15,200	4,760
5.4	5.1	15,860	16,110	5,060
5.1	-	16,720	16,970	5,290

Alternative fuel vehicles and hybrid vehicles and lack of data

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

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 gas (LNG) consumption figure in m³/100 km is recalculated into m³/km. This figure is divided with a fixed factor of 0,00907. The result is regarded as equivalent to the fuel consumption of a diesel-driven car and the consumption is used for calculating both the adjustment of the registration tax and the 'Green owners tax'.

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 100km.

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 gas (LNG) consumption figure in m³/100km is recalculated into m³/km. This figure is divided with a fixed factor of 0.00831. The result is regarded as equivalent to the fuel consumption of a petrol-driven car and the consumption is used for calculating both the adjustment of the registration tax and the 'Green owners tax'.

Fuel-cell cars will attract the 'Green owner's tax' only after 31 December 2020.

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%.

Use of LCVs for private purposes and cars taxed by weight (Weight tax)

LCVs with a total weight of up to 3,500kg that are used for private purposes are liable for a semi-annual surcharge, which is added to the 'Green owner's tax' or alternatively to the weight tax (see below) for vans and lorries up to 4,000kg total weight. The surcharge is DKK 6,250 (2018) for LCVs up to 3,000kg and DKK 18,560 for LCVs between 3,001kg and 4,000kg (2018). LCVs that are partly used for commercial purposes pay a surcharge of half of the above.

Weight tax (excise duty)

Vehicles not covered by the 'Green owner's tax' are liable for weight tax and equalisation tax/countervailing duty as specified in Act No 1071 of 7 September 2017 (weight tax law).

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

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

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

Tare weight (kg)	Weight tax (DKK) ⁴	Countervailing duty for diesel	
		Motor Vehicle	Trailer
Motorcycles (12 months)	730	530	–
Other passenger vehicles (6 months)			
≤ 600	1,060	780	–
601-800	1,290	960	–
801-1,100	1,760	1,270	–
1,101-1,300	2,340	1,620	–
1,301-1,500	3,050 (6 months) 1,550 (3 months)	– 1,030	–
1,501-2,000	4,200 (6 months) 2,110 (3 months)	– 1,380	–
> 2,000 (duty per 100kg tare weight)	120 (3 months)	78	32

⁴ 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 (2017 and 2018)

Tare weight (kg)	Weight tax (DKK per annum)	Countervailing duty for diesel (DKK) ⁵	
		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	–

C. Buses, coaches with more than 2 axles (2017 and 2018)

Tare weight	Weight tax (DKK per annum)	Motor vehicle (DKK per annum)	Trailer
Duty per 100kg	36	10	–

D. Cars for professional passenger transport (eg taxis and ambulances) (2018)

Taxis and vehicles dedicated to transportation of patients (kg)	Countervailing duty (DKK per annum)
≤ 800	2,440
801-1,100	3,030
1,101-1,300	3,590
1,301-1,500	3,940
1,501-2,000	4,350
> 2,000	5,210

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

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

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

⁵ Countervailing duty for buses is not indexed

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

A. Motor vehicles and trailers < 4,000kg permitted total weight					
Total weight (kg)	Weight tax (DKK) per annum (2018)		Countervailing duty (DKK) per annum (2018)		Surcharge for private use (DKK) per annum (2018)
	Motor vehicle	Trailer	Motor vehicle	Trailer	
≤ 500	1,060	–	590	–	6,250
501-1,000	1,360	140	840	–	6,250
1,001-2,000	2,250	270	1,150	–	6,250
2,001-2,500	3,890	340	1,430	–	6,250
2,501-3,000	4,660	430	1,630	–	6,250
3,001-4,000	4,660	530	1,840	260	18,560
B. Motor vehicles and trailers > 4,000kg permitted total weight (2018)					
a) With maximum 2 axles	Weight tax (DKK per annum)		Countervailing duty (DKK per annum)		
Total weight (kg)	Motor vehicle	Trailer	Motor vehicle	Trailer	
4,001-5,000	2,052	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	
> 15,000 Duty per 200kg	60	40	16	16	
b) With more than 2 axles	Weight tax (DKK per annum)		Countervailing duty (DKK per annum)		
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	

⁶ Registered for the first time on the 25 April 2007 or later.

Motor vehicles that are subject to duty in accordance with the Danish Act on the road use charge (2018)

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		
≤ 15,999	–	–
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. The Road use charge is applicable to both Danish and foreign trucks and covers road use in Denmark, Sweden, the Netherlands and Luxemburg, which means that charge paid in one of the countries covers use in Denmark. Belgium has left the agreement as of 1 April 2016.

Lorries with a total weight of 12t and more (Euro 2 or cleaner)⁷		
	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

⁷ 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 - 2018 (volume at day temperature)	DKK
Unleaded petrol (4.8% biofuel content)	4.216/l
Light diesel (6.8% biofuel content)	2.711/l
Auto gas (LPG)	1.848
Other bottled gas (LPG) used in motor vehicles	3.398/kg

3.2 INSURANCE TAXES

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

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

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

4 PRIVATE USE OF A COMPANY CAR

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

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

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



CHAPTER

09

ACEA TAX GUIDE 2018

Estonia

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ACEA

European
Automobile
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Association

1 TAXES ON ACQUISITION

1.1 VAT

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

1.2 REGISTRATION DUTY

Registration sheet and label: €62.00.

Vehicle registration card: €130.00.

2 TAXES ON OWNERSHIP

2.1 PASSENGER CARS

No ownership taxes apply.

2.2 HEAVY GOODS VEHICLES

An ownership tax is payable on heavy goods vehicles.

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

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

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

3 TAXES ON MOTORING

3.1 FUEL TAXES

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

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



CHAPTER

10

ACEA TAX GUIDE 2018

Finland

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ACEA

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1 TAXES ON ACQUISITION

1.1 VAT

VAT is applied at the rate of 24%.

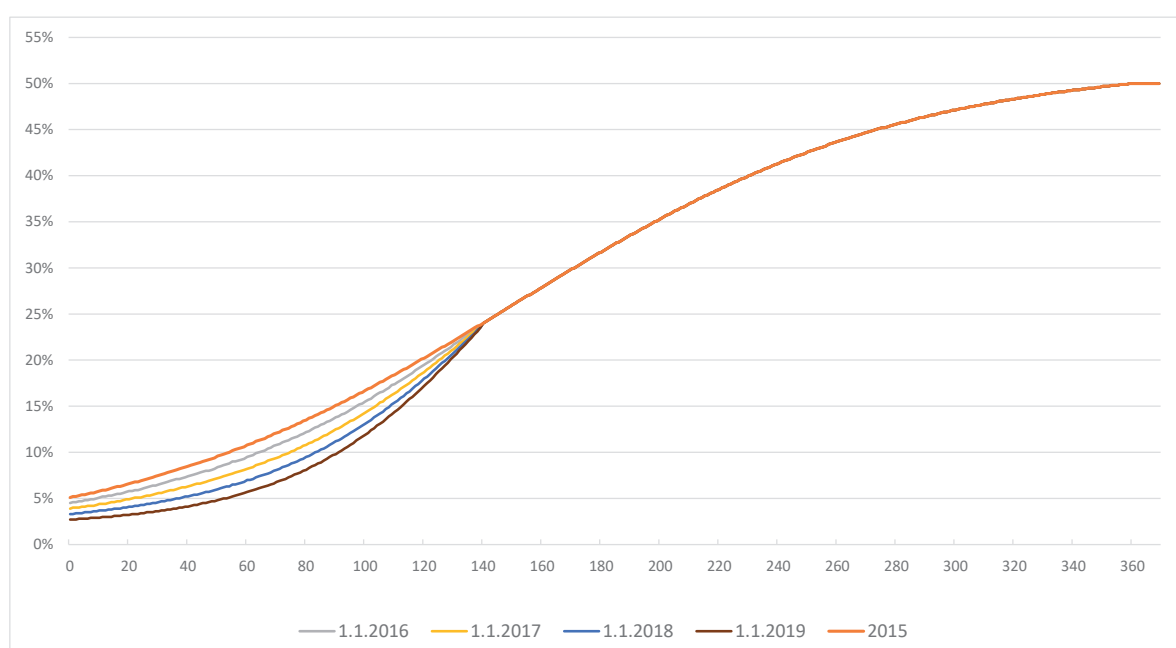
1.2 AUTOMOBILE TAX

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 2018 is 3.3% 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 (€20.08pa) for every 100kg of total mass or part thereof
Vans and recreational vehicles	0.9c/d (€3.28pa) for every 100kg of total mass or part thereof

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

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

For vans using methane, the rate is as follows:

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

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 2018

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:

$$P_A = CO_2/45 + (P/40)^{1.6}$$

where:

P_A represents the administrative or fiscal power

P is the real engine power, expressed in kilowatts

CO_2 refers to the carbon dioxide emissions, expressed in grams per kilometre (g/km).

Both real engine power and CO_2 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. See the chart below:

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

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

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 regional charges as well as the percentages of exemption for a clean vehicle (see below), are not yet all known for 2018.

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

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

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

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

Fiscal power (hp)	Amount of the tax (€)
≤ 9	0
10 - 11	100
12 - 14	300
≥ 15	1,000

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

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

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

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

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

2.4 CO2 BASED BONUS–MALUS SYSTEM

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

Depending on the vehicle CO2 emissions:

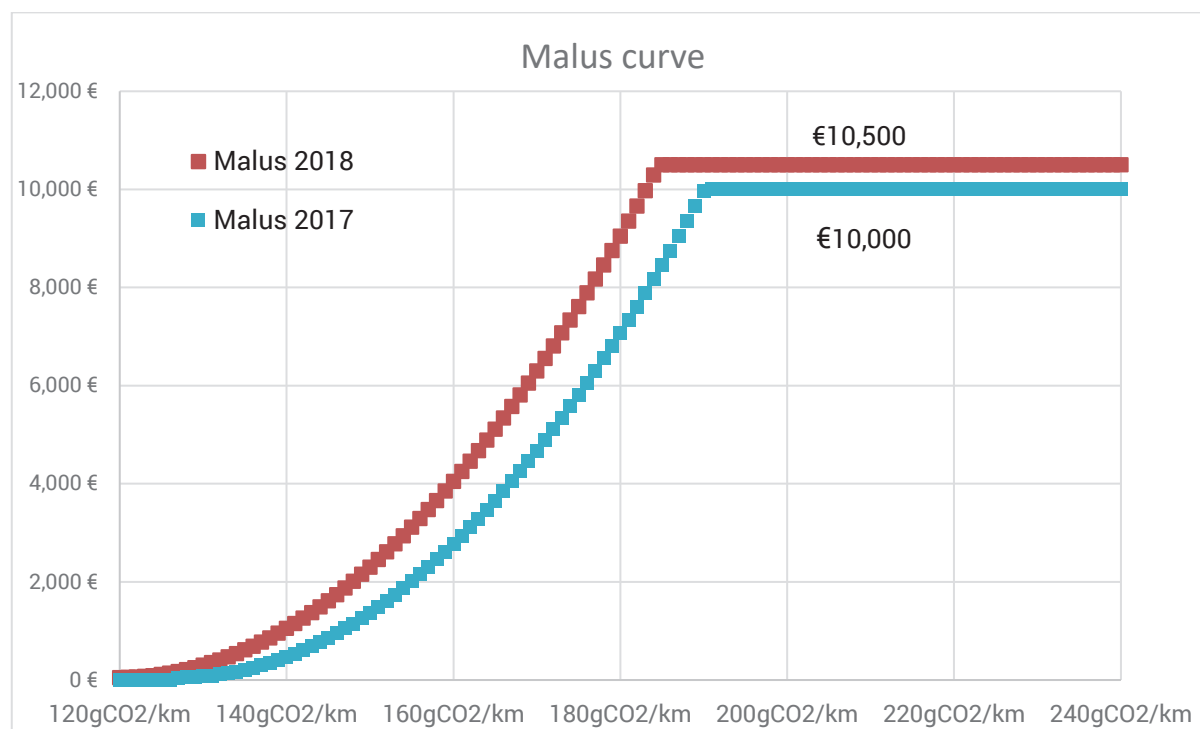
- a tax (malus) has to be paid by the car buyer;
- an incentive (bonus) is given, limited to new vehicles.

2.4.1 Malus

The bonus–malus system has to provide balance. The revenue from the malus is allocated to finance grants for the purchase of clean vehicles (see 2.4.2). As of 1 January 2018, the malus scheme was modified by:

- moving the current initial set point by setting a malus of €50 from 120g CO2 instead of 127g CO2;
- increasing the maximum amount of malus from €10,000 (for 191g CO2/km or more) to €10,500 (for 185g CO2/km or more).

The comparison between the current malus curve (2018) and the previous one (2017) is illustrated below:



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

CO2 emissions (g/km)	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 (€) = 2.5 * (X - 127)² + 50 Where: X ≥ 127 and X < 191g CO2/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

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

CO2 emissions	2010	2011	2012	2013	2014-2016	2017	2018	
≤ 119	0	0	0	0	0	0	0	
120-130	0	0	0	0	0	0	Determined by the following formula: Malus (€) = 2.5*(X-120)² + 50 Where : X ≥ 120 and X < 185g CO2/km	
131-135	0	0	0	0	150	Determined by the following formula: Malus (€) = 2.5*(X-127)² + 50		
136-140	0	0	0	100	250			
141-145	0	0	200	300	500	Where : X ≥ 127 and X < 191g CO2/km		
146-150	0	0	200	400	900			
151-155	0	200	500	1,000	1,600			
156 -160	200	750	750	1,500	2,200			
161-165	750	750	750	1,500	2,200			
166-175	750	750	750	1,500	2,200			
176-180	750	750	750	2,000	3,000			
181-184	750	750	1,300	2,600	3,600			
185	750	750	1,300	2,600	3,600			10,500
186-190	750	750	1,300	3,000	4,000			10,500
191-195	750	1,600	2,300	5,000	6,500	10,500		
196-200	1,600	1,600	2,300	5,000	6,500	10,500		
201-230	1,600	1,600	2,300	6,000	8,000	10,500		
231-235	1,600	1,600	3,600	6,000	8,000	10,500		
236-240	1,600	1,600	3,600	6,000	8,000	10,500		
241-245	1,600	2,600	3,600	6,000	8,000	10,500		
246-250	2,600	2,600	3,600	6,000	8,000	10,500		
> 250	2,600	2,600	3,600	6,000	8,000	10,500		

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

Scrapping scheme

- In all cases, when a bonus is granted, an additional bonus (or 'super bonus') of €200 is given if a vehicle aged 15 years or more is scrapped in the end of life vehicles (ELV) chain.
- In March 2015, an additional scrapping scheme was put in place, for diesel passenger cars (this scheme does not apply to LCVs) registered in 2006 or before: the *prime de reconversion* or reconversion bonus.
- In 2018, the scrapping scheme *prime de reconversion* is reviewed. A premium of €1,000 (€2,000 for non-taxable households) is granted for the scrapping of an old vehicle diesel or non-diesel (see below).

CO2 emissions level (in g/km) of the new passenger car and light commercial vehicles	Consumer income condition	Age/Energy of the old vehicle to be scrapped		Amount of the scrapping scheme (€)	
		2017	2018	2017	2018
0 - 20	Non-taxable households	Diesel before 01/01/2006	Diesel before 01/01/2001 Non-Diesel before 01/01/1997	4,000	2,500
	Taxable households or companies				2,500
21 - 60	Non-taxable households			2,500	2,000
	Taxable households or companies				
61 - 130	Non-taxable households			1,000 (for new vehicle emitting less than 110gCO2/km)	2,000
	Taxable households or companies				

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. This tax concerns passenger cars and light commercial vehicles.

A) The tax on passenger cars belonging to companies (CO2 component or fiscal power when CO2 information is 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 January 2018, gasoline hybrid vehicles emitting less than 60g/km are not subject to the TVS.

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	Gasoline and assimilated
Until 31 December 1996	600	70
From 1997 to 2000	400	45
From 2001 to 2005	300	45
From 2006 to 2010	100	45
From 2011 to 2014	40	20
From 2015	40	20

Electric vehicles and vehicles emitting less than 60g/km 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 $\geq 12t$ (except in the case of vehicles for the transportation of persons). From the 1 July 2016, the tax is paid each semester.

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

From 1 January 2017, a discount of 50% is applied on certain vehicles (vehicles for circuses or horses, collector vehicles) if they do not travel more than 25 days per semester.

The tax rates below apply from 1 July 2016.

Vehicle category	Total permissible laden weight (t)	Biannual tariff (€)	
		Pneumatic suspension or motor axle suspension	Other suspension system
I. Motor Vehicles			
a) two axles	≥ 12	62	138
b) three axles	≥ 12	112	174
c) four axles and more	12-27	74	114
	≥ 27	182	270
II. Articulated vehicles with tractive unit and semi-trailer			
a) Semi-trailer with one axle	12-20	8	16
	≥ 20	88	154
b) Semi-trailer with two axles	12-27	58	86
	27-33	168	234
	33-39	234	354
	≥ 39	314	466
c) Semi-trailer with three axles	12-38	186	258
	≥ 38	258	350
III. Trailers	≥ 16	60	60

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

4 TAXES ON MOTORING

4.1 DRIVING LICENCE TAX

This tax is levied at the regional level. From 2016, the region of Corsica is the only one where the tax is maintained, and the amount is €33. But from September 2014, replacement of a lost driving licence is subject to a charge of €25 (national level).

4.2 FUEL TAXES

The progressive alignment of gasoline and diesel fuel taxes, which started in 2015, will continue in 2018.

Breakdown of the average prices at the pump – 7 January 2018

	Super 95-E10	Super 98	Diesel	LPG
Product price (€/100l)	53.68	59.15	55.17	56.47
Internal tax and excise duties (€/100l)	67.24	69.14	60.96	11.54
VAT (€/100l)	24.18	25.66	23.23	13.60
TOTAL taxes (€/100l)	91.42	94.80	84.18	25.14
Taxes in %	0.6300	0.6158	0.6041	0.3081
Final price (€/100l)	145.10	153.95	139.35	81.61

As of the second semester of 2017, fuel taxes can be deducted by road transport companies (for transport of persons or goods) on their total fuel consumption:

- with a range between €9.1 and €13.1 per 100l for the transport of goods;
- with a range between €13.9 and €17.1 per 100l for the transport of passengers.

A special 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 €5.90 as of 1 January 2017 per insurance policy.



CHAPTER

12

ACEA TAX GUIDE 2018

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

(for every 200kg or part thereof)

With a permissible total weight exceeding 3,500kg

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

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

(for every 200kg or fraction thereof)

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

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

c) Noise category G1

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

d) Other vehicles

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

2.2.4 Trailers

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

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

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

2.2.5 Motor caravans

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

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

< 2,000kg	€40
2,000-5,000kg	€10
5,000-12,000kg	€15
> 12,000kg	€25

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

3 TAXES ON MOTORING

3.1 FUEL TAXES

Prices in eurocents/litre in February 2018:

	Diesel	Super
Fuel price including distribution costs and compulsory blending of biofuels	53.42	49.85
Excise duties	47.00	65.50
Subtotal	100.42	115.35
19% VAT	19.08	21.92
Price at the pump	119.50	137.27

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	–
	> 10t	12 months	6 months



CHAPTER

13

ACEA TAX GUIDE 2018

Greece

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1 TAXES ON ACQUISITION

1.1 VAT

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

1.2 REGISTRATION TAX

1.2.1 Passenger cars

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

The registration tax is equal to:

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

Taxable value

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

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

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

Basic coefficient

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

Net retail price (€)	Euro 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
0.5	11	9	15	11	12	9
1	22	19	30	22	25	19
1.5	25	24	33	26	25	23
2	29	28	36	30	29	27
2.5	35	32	40	33	32	33
3	37	37	43	36	36	36
3.5	44	43	50	42	41	43
4	50	49	57	48	47	49
4.5	56	55	64	54	53	55
5	62	61	72	60	59	61
5.5	66	64	74	64	63	64
6	68	67	76	67	66	67
6.5	71	70	78	69	68	70
7	73	72	80	72	71	72
7.5	75	74	81	74	73	75
8	77	76	83	76	75	77
8.5	79	78	84	78	77	78
9	80	80	85	79	79	80
9.5	82	81	86	81	80	82
10	83	83	87	82	82	83
10.5	84	83	88	83	83	84
11	85	84	89	84	84	85
11.5	86	85	89	85	85	86
12	87	86	90	86	86	87
12.5	88	87	90	87	87	88
13	88	88	90	88	87	89
13.5	89	89	91	88	88	89
14	90	89	91	89	89	90
14.5	90	90	91	89	89	91
15	90	90	91	90	89	91
15.5	90	90	91	90	89	91
16	95	95	95	95	95	95

1.2.2 Commercial vehicles

The registration tax is equal to:

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

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 > 3,001cc = €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
- €2,314 for a passenger car with an engine capacity of 3,000cc if the car is two years old
- €2,711.80 for a passenger car with an engine capacity of 4,000cc if the car is seven years old
- €0 for a passenger car with an engine capacity of 4,000cc if the car is 11 years old

2.4 USE OF A COMPANY CAR OR A LEASED CAR

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

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

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

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

2.5 ACCEPTED EXPENSES FOR COMPANY TAXATION

The annual expense of either leasing or renting a car 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%.

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

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 (€1,553/l on 2 February 2018):

Charge	Calculation/derivation	Amount (€/l)
Oil refinery cost (02/02/2018)		0.4376
State's petroleum fee	$1.2\% \times \text{€}0.4376/\text{l}$	0.0053
Regulatory Authority for Energy fee	€0.21/1.000l	0.0002
Special consumption tax (95 octane petrol)		0.7
Customs fund fee	$0.5\% \times \text{€}(0.4376 + 0.7)/\text{l}$	0.0057
VAT (24%)	$24\% \times \text{€}(0.4376 + 0.0053 + 0.0002 + 0.700 + 0.0057 + 0.1037)/\text{l}$	0.3006
TOTAL FUEL PRICE		1.4494
TOTAL RETAIL FUEL PRICE		1.5531
Petroleum company and gas station gross profit (including VAT)	$\text{€}(1.553-1.4494)/\text{l}$	0.1037

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

- €0.681/l for petrol with special additives, replacing the old leaded petrol
- €0.700/l for unleaded petrol with an octane rating of less than 96.5
- €0.700/l for unleaded petrol with an octane rating of more than 96.5
- €0.410/l for diesel 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 2018

Hungary

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1 TAXES ON ACQUISITION

1.1 VAT

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

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

1.2 PROPERTY ACQUISITION FEE

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

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

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

1.3 REGISTRATION TAX

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

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

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

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

Tax category	Engine (cc)	Euro 5	Euro 4	Euro 3	Euro 2	Euro 1 or lower
1	Below B1,100, D1,300	45,000	180,000	270,000	360,000	540,000
2	B1,100, D1,300	65,000	260,000	390,000	520,000	780,000
3	B1,400, D1,500	85,000	340,000	510,000	680,000	1,020,000
4	B1,600, D1,700	135,000	540,000	810,000	1,080,000	1,620,000
5	B1,800, D2,000	185,000	740,000	1,100,000	1,480,000	2,220,000
6	B2,000, D2,500	265,000	1,060,000	1,590,000	2,120,000	3,180,000
7	Above B2,500, D3,000	400,000	1,600,000	2,400,000	3,200,000	4,800,000
	Above B3,000, D3,500	–	–	–	6,000,000	8,000,000
8	Electric vehicle	0	–	–	–	–
9	Hybrid	76,000	–	–	–	–
2011 year: only the lowest tax (it was for Euro 4 engine), just for comparison						

Note: B, gasoline; D, diesel

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

Time since first registration (months)	Depreciation (%)
≤ 2	0.06
3–4	0.1
5–6	0.14
7–12	0.2
13–24	0.31
25–36	0.41
37–48	0.49
49–60	0.56
61–72	0.62
73–84	0.68
85–96	0.72
97–108	0.76
109–120	0.79
121–132	0.82

133-144	0.85
145-156	0.87
157-168	0.89
169	0.9
Depreciation of operational leased fleet	
Months since start of lease	Depreciation (%)
≤ 2	4
3-6	8
7-12	16
13-18	24
19-24	32
25-30	40
31-36	48
37-42	56
43-48	64
49-54	72
55-60	80
61-90	87
91-120	94
≥ 121	100

1.4 TECHNICAL EXAMINATION FEE

Vehicles must undergo a technical examination 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	7,700
51-90	22,000	11,000	8,800
91-120	33,000	22,000	11,000
> 120	44,000	33,000	22,000

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

3 TAXES ON MOTORING

3.1 FUEL TAXES

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

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

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



CHAPTER

15

ACEA TAX GUIDE 2018

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

16

ACEA TAX GUIDE 2018

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, Fermo, Firenze ⁽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, Friuli Venezia Giulia Region, Grosseto, Latina, Reggio Emilia, Siracusa, Vicenza ⁽⁵⁾
10	Matera
0	Aosta, Bolzano, Trento

Notes:

- 1) Increase of 15% for vehicles powered by LPG, CNG, hydrogen or electricity; vehicles leased without a driver; and vehicles for public transport.
- 2) No increase for vehicles leased without a driver; vehicles for public transport; and vehicles for transport of goods on behalf of third parties or on one's own account, for the benefit of undertakings engaged in road transport.
- 3) Increase of 30% for formalities that are not subject to VAT and 10% for formalities that are subject to VAT.
- 4) For vehicles powered by LPG, CNG or electricity, and for hybrids, the increase is 20%.
- 5) No increase for vehicles powered by LPG, CNG or electricity.

B. Exemption from/reduction in IPT

State laws have fixed exemptions from and/or reductions in the amount of IPT:

1. Vehicles that are at least 30 years old have a fixed rate of IPT of €51.65
2. Vehicles (diesel < 2,800cc; petrol < 2,000cc) for disabled people are duty free
3. Sales from private citizens to motor vehicle dealers are duty free
4. Each province can reduce IPT for particular types of vehicles or owners (eg green vehicles, national non-profit organisations)
5. For special vehicles (eg concrete mixers, milk tankers), IPT is one-quarter the usual rate

1.3 ALLOWABLE DEDUCTIONS

Passenger cars¹

VAT	Proportion of VAT deductible
Instrumental use (use aimed at fulfilling the object of the specific activity of the enterprise): vehicles for transportation of goods, taxis, driving schools, renting and leasing companies.	100%
Non-instrumental use (of vehicles registered in the company's name)	40% until the end of 2019 (EU Council Decision No 2016/1982/EU published in the 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	Proportion of costs deductible
Instrumental use (use aimed at fulfilling the object of the specific activity of the enterprise) (eg rental companies) Use for public services (eg taxis) Use for driving lessons	100%
Use by agents and trade representatives	80% of costs and depreciation allowances not exceeding €25,822.84
Use by professionals	20% of costs and depreciation allowances not exceeding €18,075.99
Company cars used by employees for more than 6 months + 1 day = 183 days	70% of costs
Company cars (registered in company's name) for non-instrumental use	20% of costs and depreciation allowances not exceeding €18,075.99

2 TAXES ON OWNERSHIP

2.1 BASIS

Cars	Engine rating calculated on the basis of kW and Euro standards (except cars powered by electricity, LPG or CNG and hybrid cars)
Coaches and buses	Engine rating calculated on the basis of kW
Commercial vehicles with GVW < 12t	Global weight ²
Commercial vehicles with GVW ≥ 12t	Global weight, number of axles and full pneumatic shock absorption
Special vehicles (eg road tractors, motor caravans)	Engine rating calculated on the basis of kW

¹ The treatment is the same whether these are purchased, leased or rented

² Taxation based on kW (and not on GVW) is applied to vehicles N1 < 12t GVW registered since 3 October 2006 by a body-specific code (F0), four seats or more and value kW/tonnes > 180.

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 Sicilia Umbria, Valle d'Aosta	Molise	Marche	Calabria Lazio Liguria	Toscana	Prov. Bolzano	Abruzzo Campania	Piemonte
		Base rate (BR)	BR + 7%/17%	BR + 8%	BR + 10%	BR + 5%	BR – 10%	BR + 21%	BR + 6% < 100kW 8% > 100kW 10% > 130kW
Euro 5-6	≤ 100	2.58 (2.06 Trento)	2.76	2.79	2.84	2.71	2.09	3.12	2.73
	> 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 the date of manufacture of the vehicle by 40%, 70% and 85% respectively, and after 20 years from the date of manufacture the charge is no longer due.

Buses

	Region ³					
	Calabria, Lazio, Liguria	Basilicata, Emilia Romagna, Lombardia, Piemonte, Puglia, Prov. Trento, Sicilia, Umbria, Valle d'Aosta	Prov. Bolzano	Abruzzo, Campania	Toscana	Marche
€/kw	3.23	2.94	2.65	3.56	3.39	3.17

Commercial vehicles with GVW < 12t⁴

Payload	From	To	Abruzzo	Umbria	Sicilia Prov. Trento Valle d'Aosta	Molise	Prov. Bolzano	Basilicata Emilia Romagna Lombardia Piemonte	Toscana	Calabria Lazio Puglia	Liguria	Campania
			€									
0	400		27.61	24.96	19.11	21.14	17.20	22.82	28.99	25.10	27.32	23.94
400	800		38.65	34.94	25.18	29.61	22.66	31.95	40.58	35.14	38.25	33.50
800	1,000		49.70	44.93	32.37	38.07	29.13	41.07	52.19	45.18	49.18	43.08
1,000	1,500		66.26	59.90	43.16	50.76	38.84	54.77	69.57	60.24	65.57	57.43
1,500	2,000		93.87	84.86	61.15	71.90	55.04	77.58	98.56	85.34	92.90	81.35
2,000	2,500		121.48	109.82	79.13	93.05	71.22	100.40	127.55	110.44	120.22	105.29
2,500	3,000		149.11	134.78	97.12	114.20	87.41	123.22	156.57	135.55	147.54	129.21
3,000	3,500		176.72	159.74	115.10	135.34	103.59	146.04	185.56	160.65	174.87	153.15
3,500	4,000		204.33	184.70	133.09	156.50	119.78	168.86	214.55	185.75	202.18	177.09
4,000	4,500		231.94	209.66	151.07	177.64	135.96	191.68	243.54	210.85	229.50	201.00
4,500	5,000		259.55	234.62	169.06	198.80	152.15	214.50	272.53	235.95	256.83	224.94
5,000	6,000		287.16	259.58	187.04	219.94	168.34	237.32	301.52	261.05	284.15	248.87
6,000	7,000		320.29	289.53	208.63	245.32	187.77	264.70	336.30	291.17	316.94	277.58
7,000	8,000		353.42	319.48	230.21	270.70	207.19	292.08	371.09	321.29	349.72	306.30

³ Only regions attributed to Automobile Club d'Italia (ACI) services

⁴ Only regions attributed to ACI services

Commercial vehicles with GVW \geq 12t

Class	2 axles		3 axles		4 axles or more		Abruzzo	Basilicata, Lombardia, Piemonte	Emilia Romagna	Calabria Lazio	Puglia	Liguria
	>	\leq	>	\leq	>	\leq						
Tonnes							€					
1	12	15	15	19			362.45	299.55	295.93	329.50	341.89	339.72
2			19	21	23	25	403.69	333.63	330.53	366.99	382.18	378.93
3			21	23	25	27	445.57	368.23	364.10	405.06	421.43	418.69
4	15						501.18	414.20	409.55	455.62	473.59	470.95
5			23				570.55	471.53	466.88	518.68	539.18	536.29
6					27	29	639.91	528.85	523.69	581.74	605.29	600.48
7					29		815.51	673.98	607.35	741.37	701.35	703.31

The tax is reduced by 20% when a commercial vehicle is equipped with a full pneumatic shock absorption system.

Commercial vehicles with GVW \geq 12t⁵

Class	2 axles		3 axles		4 axles or more		Toscana	Sicilia, Prov. Trento, Valle d'Aosta	Molise	Prov. Bolzano	Umbria	Campania
	>	\leq	>	\leq	>	\leq						
Tonnes							€					
1	12	15	15	19			394.88	205.55	254.20	185.00	312.97	298.08
2			19	21	23	25	441.42	229.31	283.49	206.38	349.12	333.08
3			21	23	25	27	486.75	253.06	313.33	227.75	385.28	267.45
4	15						547.00	300.58	352.01	270.52	432.79	413.06
5			23				622.76	378.56	425.51	340.70	493.73	499.31
6					27	29	699.11	396.64	449.83	356.98	552.61	528.05
7					29		810.06	587.21	661.47	528.49	644.02	775.51

The tax is reduced by 20% when a commercial vehicle is equipped with a full pneumatic shock absorption system.

⁵ Only regions attributed to ACI services

Commercial vehicles: additional tax (€) for trailers/semi-trailers⁶

Vehicle type (global weight)	Abruzzo, Campania	Basilicata, Sicilia, Valle d'Aosta	Prov. Bolzano	Emilia Romagna	Piemonte, Puglia	Toscana	Calabria, Lazio, Liguria,	Prov. Trento, Umbria	Molise	Lombardia
≤ 3.5t	31.25	25.82	–	–	–	–	28.41	–	27.63	
> 3.5t and ≤ 8t	93.74	77.47	70.20 (> 6t)	77.47	–	89.48 (> 6t)	85.22	77.47 (> 6t)	82.89	
> 8t and < 18t	312.46	258.23	234.00	258.23	258.00 (> 6t)	298.25	284.05	258.23	276.31	267.00 (> 6t)
≥ 18t	687.40	568.10	513.00	568.10	568.00	656.16	624.91	568.10	607.87	585.00
Road tractors with 2 axles	687.40	568.10	513.00	568.10	568.00	656.16	624.91	568.10	607.87	585.00
Road tractors with 3 axles	968.62	800.51	720.00	800.51	800.00	924.19	880.56	800.51	856.55	825.00

2.3 EXEMPTION/REDUCTION FROM OWNERSHIP TAX

Electric vehicles are exempt from paying vehicle taxes for five years from the date of first registration. From the end of this period, they must pay a charge equal to a quarter of the amount for the corresponding gasoline vehicles (DPR 39/53). In many regions, vehicles exclusively powered by LPG and CNG are exempted from 75% of the ownership tax five years after the first registration.

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

Reduction in annual ownership tax for cars > 30 years old (€)							
	Basilicata, Emilia Romagna, Umbria, Valle d'Aosta, Prov. Bolzano, Prov. Trento, Sicilia	Lazio, Liguria	Marche	Molise	Calabria, 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 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

⁶Only regions attributed to ACI services

3 TAXES ON MOTORING

3.1 FUEL TAXES

Prices 2017 (average national price) (€/l)	Unleaded ⁽¹⁾	Diesel ⁽¹⁾	LPG ⁽²⁾	CNG (€/m ³) ⁽³⁾
Cost of product + distribution profit	0.525	0.517	0.372	0.541
Manufacturing tax	0.728	0.617	0.147	0.003
VAT	0.276	0.250	0.114	0.126
Special funds CNG cylinders	-	-	-	0.031
Total taxes	1.004	0.867	0.262	0.129
Prices at the pump	1.529	1.385	0.634	0.701

⁽¹⁾ Prices are a weighted average of annual prices based on monthly consumption up to December 2017

⁽²⁾ Prices refer to the timely detection of 2 January 2018

⁽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 must cover the following taxes:

- A tax imposed on insurance premiums. The provinces of the ordinary statute regions have the right to vary, as from 2011, the rate of tax imposed on premiums on third-party cars. The basic rate, fixed at 12.5%, may be varied upwards or downwards by a maximum of 3.5 percentage points. Almost all of the provinces increased the rate by the maximum amount (ie to 16%)
- Tax of 10.5% allocated to the National Health Service (as partial coverage for road accident and medical costs)
- Tax of 2.5% allocated to a Road Accident Victims Warranty Fund

A rebate on insurance tariffs for electric vehicles or vehicles with black boxes is offered by some insurance companies.

Motorway usage taxes

The effective rate of the motorway usage tax varies according to:

- the class of the vehicle making use of the highways (based on the number of axles on the vehicle);

- toll per kilometre (based on features of the motorway, eg flat or mountainous);
- the owner of the motorway (state, private company or semi-public company).

In 2016, tolls income from motorways (Alpine tunnels not included) amounted to €7.765 billion, of which total taxes (ie VAT) amounted to €1.397 billion.

3.2 PERIODIC TECHNICAL INSPECTION (PTI)

The Highway Code specifies that motor vehicles and their trailers in use should be kept in conditions of maximum efficiency while ensuring safety and minimising noise and pollution. The regulation establishes the technical requirements concerning the operation of motor vehicles and itemises those devices and equipment that must be checked periodically during the review of a car. Particular attention is paid to tyres, equivalent systems, braking, visual signalling devices and lighting, to limit noise and emissions. The periodic car review thus aims to ensure security and maintenance of the noise and pollution emissions within the limits of the law.

The first review should be carried out four years after first registration. Subsequent reviews should be conducted every two years. These schedules apply to passenger cars, motor homes, vehicles for mixed transport use, vehicles of overall mass not exceeding 3,500kg used for the transportation of property and special-purpose vehicles.

An annual review is required for vehicles of more than nine seats (including the driver's seat) used for the transport of people, passenger cars used as taxis, chauffeur-driven vehicles, motor vehicles used to transport goods and whose total mass with a full load exceeds 3,500kg, trailers and motor caravans of total weight exceeding 3,500kg, buses, ambulances and atypical vehicles.

The review can be carried out at the Department of Motor Vehicles or at repair shops authorised by the provinces. The cost of the review is €66.80.

The Highway Code specifies that, in 2017, if an owner fails to have a required review carried out, a fine ranging from €159 to €639 will be imposed; the amount is to be doubled if the revision is omitted for years.

3.3 PERIODIC REVIEW OF CNG CYLINDERS

Cylinders for the storage of natural gas – in CNG4 – contained in vehicles M1 and N1, must be reviewed at the workshops of the vehicle manufacturers' network acknowledged by them.

The review of the cylinders is first performed four years after the registration of the vehicle and then every two years thereafter.

The cost of auditing and testing CNG cylinders starts at about €120 for city cars and compact sedans such as the Fiat Panda and Punto and the VW Golf. The cost of testing and auditing CNG cylinders increases from €350 to €450 for cars equipped with four or five cylinders.



CHAPTER

17

ACEA TAX GUIDE 2018

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 3 rd 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 3 rd year)	Commercial vehicles 3,500–12,000kg	
	petrol	34.55
	diesel	40.06
	petrol + LPG	37.30

	100% electric	33.06
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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:

GVW (kg)	Road traffic tax (€)
≤ 1,500	38.00
1,501-1,800	81.00
1,801-2,100	137.00
2,101-2,600	174.00
2,601-3,000	210.00
3,001-3,500	242.00
> 3,500	274.00

For passenger cars registered between 1 January 2005 and 31 December 2009, road traffic tax is calculated on maximum gross weight in kilograms plus engine capacity in cubic centimetres and engine power in kilowatts:

GVW (kg)	Road traffic tax (€)
≤ 1,500	15.00
1,501-1,800	32.00
1,801-2,100	55.00
2,101-2,600	70.00
2,601-3,000	84.00
3,001-3,500	97.00
> 3,500	110.00

Engine capacity (cc)	Road traffic tax (€)
≤ 1,500	9.00
1,501-2,000	23.00
2,001-2,500	37.00
2,501-3,000	55.00
3,001-3,500	91.00
3,501-4,000	160.00
4,001-5,000	228.00
> 5,000	297.00

Engine power (kW)	Road traffic tax (€)
≤ 55	9.00
56-92	23.00
93-129	37.00
130-166	55.00
167-203	91.00
204-240	160.00
241-300	228.00
> 300	294.00

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

CO ₂ g/km	Road traffic tax (€)
≤ 50	0.00
51-95	12.00
96-115	48.00
116-130	84.00
131-155	120.00
156-175	144.00
176-200	168.00
201-250	264.00
251-300	408.00
301-350	552.00
> 350	756.00

There is a €300 additional fee for vehicles with an engine capacity greater than 3,500cc.

For commercial vehicles, road traffic tax is calculated on maximum gross weight in kilograms:

GVW (kg)	Road traffic tax (€)
≤ 1,500	36.00
1,501-1,800	72.00
1,801-2,100	138.00
2,101-2,600	165.00
2,601-3,500	219.00
3,501-12,000	156.00
12,001-15,000 (2 axles): pneumatic suspension	170.74
mechanical suspension	170.74
> 15,000 (2 axles): pneumatic suspension	170.74
mechanical suspension	277.46

12,001–21,000 (3 axles)	
pneumatic suspension	170.74
mechanical suspension	170.74
21,001–23,000 (3 axles):	
pneumatic suspension	170.74
mechanical suspension	221.97
> 23,000 (3 axles):	
pneumatic suspension	221.97
mechanical suspension	345.76
12,001–25,000 (4 axles or more):	
pneumatic suspension	170.74
mechanical suspension	170.74
25,001–27,000 (4 axles or more):	
pneumatic suspension	170.74
mechanical suspension	230.51
27,001–29,000 (4 axles or more):	
pneumatic suspension	230.51
mechanical suspension	362.83
> 29,000 (4 axles or more):	
pneumatic suspension	362.83
mechanical suspension	537.85

Company car tax for passenger cars (monthly)

Engine capacity (cc)	Road traffic tax (€)
≤ 2,000	29.00
2,001–2,500	46.00
> 2,500	62.00

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



CHAPTER

18

ACEA TAX GUIDE 2018

Lithuania

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Manufacturers
Association

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1 TAXES ON ACQUISITION

1.1 VAT

The acquisition of vehicles is subject to VAT at the rate of 21%.

1.2 REGISTRATION FEES

1.2.1 Costs for vehicle registration procedure

	Registration fee (€)	Vehicle identity check ¹ (€)	Number plates (€)
New cars, never registered before (M, N)	14.48	15.35	15.06
All other vehicles (M, N)	10.14-12.45	15.35	15.06
Motorcycles (L)	8.98	11.58	7.53
Trailers (O)	2.32-5.50	3.77-6.08	8.11
Other registration types (diplomatic, historic, temporary)	10.14-12.45	15.35	19.40

1.2.2 Roadworthiness test fee (in €)

Motorcycles (L1 and L3)	5.21
Motorcycles (L2, L4, L5, L6 and L7)	6.37
Passenger vehicles (M1) petrol	14.48
Passenger vehicles (M1) diesel	18.20
Passenger vehicles (M1) LPG	23.40
Minibuses (M2)	19.69
Buses and trolleybuses (M3)	28.09
Joint vehicles (M3)	35.62
Trucks (N1)	19.69
Trucks (N2)	24.62
Trucks (N3)	29.83
Passenger vehicle trailers (O1)	5.21
Truck trailers (semi-trailers) (O2)	9.85
Truck trailers (semi-trailers) (O3)	16.51
Truck trailers (semi-trailers) (O4)	20.85

1.3 REGISTRATION TAXES

No registration taxes apply.

¹ Vehicle identity check is required for all vehicles on first registration in Lithuania.

2 TAXES ON OWNERSHIP

2.1 PASSENGER CARS

No ownership taxes apply.

2.2 COMMERCIAL VEHICLES

An ownership tax is payable for heavy-duty vehicles.

The annual rates (in €/year) are as follows:

Maximum authorised weight or gross laden weight (t)	Air suspension or equivalent suspension	Other type of suspension
Trucks (N2 and N3), truck trailers (O4)		
≥ 12 and < 13	86	127
≥ 13 and < 14	92	133
≥ 14 and < 15	98	139
≥ 15 and < 16	127	286
≥ 16 and < 17	133	292
≥ 17 and < 18	139	298
≥ 18 and < 19	144	304
≥ 19 and < 20	150	309
≥ 20 and < 21	156	315
≥ 21 and < 22	162	321
≥ 22 and < 23	167	327
≥ 23 and < 24	237	376
≥ 24 and < 25	243	382
≥ 25 and < 26	249	388
≥ 26 and < 27	254	393
≥ 27 and < 28	260	399
≥ 28 and < 29	266	405
≥ 29 and < 30	376	558
≥ 30 and < 31	382	564
≥ 31 and < 32	388	570
≥ 32 and < 33	393	576
≥ 33 and < 34	535	735
≥ 34 and < 35	541	741
≥ 35 and < 36	547	747
≥ 36 and < 37	553	753
≥ 37 and < 38	558	758
≥ 38 and < 39	564	764
≥ 39 and < 40	570	770

Road train (N3 and O4) 3 + 2 or 3 axles for 20, 30, 40 or 45ft ISO containers		
≥ 40 and < 41	654	967
≥ 41 and < 42	666	984
≥ 42 and < 43	680	1,013
≥ 43 and < 44	695	1,042

3 TAXES ON MOTORING

3.1 FUEL TAXES (EXCISE)

Diesel	€0.347/l
Petrol (unleaded)	€0.434/l
Petrol (leaded)	€0.579/l

Price of fuel in 2017

Liquefied petroleum gas	€0.47-0.55/l
Diesel	€0.93-1.00/l
Petrol 95 (unleaded)	€1.04-1.12/l
Petrol 98 (unleaded)	€1.04-1.13/l

All rates are inclusive of VAT at 21%.

3.2 ROAD USER TAX

A tax is levied for the use of commercial vehicles on highways and national roads (A1-A18).

The rates (in €) are as follows:

Vehicle type		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

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ACEA TAX GUIDE 2018

Luxembourg

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1 TAXES ON ACQUISITION

1.1 VAT

New vehicle

Private cars and commercial vehicles: 17%.

Second-hand vehicle

Vehicle purchased from a person not registered for VAT: no VAT.

Vehicle purchased from a person registered for VAT: 17% on:

- the gross profit margin if the vehicle was acquired by the taxable person (eg the dealer) from a person not registered for VAT; or
- the invoiced amount if the vehicle was purchased from another person registered for VAT.

1.2 VAT EXEMPTIONS

The VAT paid on the purchase of a private car or commercial vehicle by a taxable person is wholly deductible, provided that the motor vehicle is deployed in an activity giving rise to the deduction of input VAT.

This deduction is applicable to both new and second-hand vehicles.

1.3 REGISTRATION TAX

Revenue stamps amounting to €50, supplemented by:

- €24 in case of transfer of an existing registration number to a new vehicle; or
- €50 in case of a personalised registration number allocated for the first time.

Number plates are issued by a private company (*Grün Signalisation*) and cost about €15 (VAT inclusive) per plate.

1.4 INCENTIVES ON ZERO EMISSION VEHICLES

Tax allowance	Amount (€)
BEV (Battery Electric Vehicles) Electric or fuel-cell vehicles (hydrogen) Private persons Category M1	5,000
PHEV (Plug-in Hybrid Electric Vehicles) < 50g CO ₂ /km Private persons Category M1	2,500
Bikes and speed pedelecs Power <0,25 kW Particuliers	300

Tax credit for companies	%
Zero emission or fuel cell vehicles (hydrogen)	
Category M1	
Maximum 50.000€ by vehicle	
For investments < 150.000€	8
For investments > 150.000€	2

Professional use of an electric vehicle not purchased privately does not invalidate this incentive.

2 TAXES ON OWNERSHIP

2.1 BASIS OF ASSESSMENT

Private cars	CO2 or cylinder capacity
Buses and coaches	Category (M2 or M3)
Commercial vehicles	See following pages

2.2 RATES

2.2.1 Private cars (M1 category) registered after 1 January 2001

This includes vehicles powered by an electric motor or by a fuel cell and hybrid vehicles combining a piston engine with an electric motor or a fuel cell; vehicles are taxed according to their fuel system (petrol or diesel):

- Minimum annual tax: €30
- Annual tax is calculated based on CO2 emissions.
- Tax = $a \times b \times c$

a = CO2 emissions in g/km

b = 0.9 for diesel and 0.6 for other fuels

c = exponential factor: CO2 < 90g/km = 0.5, increased by 0.1 for each additional 10g/km

CO2 emissions (g/km)	Exponential factor	CO2 emissions (g/km)	Exponential factor
1 – 90	0.5	291 – 300	2.6
91 – 100	0.6	301 – 310	2.7
101 – 110	0.7	311 – 320	2.8
111 – 120	0.8	321 – 330	2.9
121 – 130	0.9	331 – 340	3.0
131 – 140	1.0	341 – 350	3.1
141 – 150	1.1	351 – 360	3.2
151 – 160	1.2	361 – 370	3.3
161 – 170	1.3	371 – 380	3.4
171 – 180	1.4	381 – 390	3.5
181 – 190	1.5	391 – 400	3.6

191 – 200	1.6	401 – 410	3.7
201 – 210	1.7	411 – 420	3.8
211 – 220	1.8	421 – 430	3.9
221 – 230	1.9	431 – 440	4.0
231 – 240	2.0	441 – 450	4.1
241 – 250	2.1	451 – 460	4.2
251 – 260	2.2	461 – 470	4.3
261 – 270	2.3	471 – 480	4.4
271 – 280	2.4	481 – 490	4.5
281 – 290	2.5	491 – 500	4.6

Example:

- Diesel car with CO₂ emissions of 145g/km $\Rightarrow 145 \times 0.9 \times 1.1 = \text{€}143.55$ rounded to €143
- Petrol car with CO₂ emissions of 225g/km $\Rightarrow 225 \times 0.6 \times 1.9 = \text{€}256.50$ rounded to €256

2.2.2 Private cars (M1 category) registered before 1 January 2001 with no CO₂ value available

Rate multiplied by 100cc:

Engine capacity (cc)	Other fuel (€)	Diesel (€)
1 – 1,600	6.00	6.00
1,601 – 2,000	7.00	7.00
2,001 – 3,000	9.50	10.50
3,001 – 4,000	11.50	13.50
$\geq 4,000$	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 (t)	Yearly tax (€)	6-month tax (€)	Empty mass	Yearly tax (€)	6-month tax (€)
$1 \leq 600$	50	–	2,601 – 2,800	237	123
601 – 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	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	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	365	187	537	273

2.2.5 Trailers

Trailers with an MVW of less than 12t:

Maximum mass (kg)		Yearly tax (€)	6-month tax (€)
From	To		
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)			
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	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	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	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-month tax (€)	Yearly tax (€)	6-month tax (€)
12,000	39,500	255	132	255	132
	≥ 39,501	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	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 10 February 2018:

	Super unleaded 95* (€/l)	Super unleaded 98* (€/l)	Diesel* (€/l)	LPG (€/l)
Cost of the product (incl. margins and costs)	0.4796	0.5266	0.4812	0.3503
Excises (1)	0.4621	0.4621	0.3350	0.1016
Climate tax + others (2)	0.0600	0.0600	0.0530	-
Price without VAT	1.0017	1.0487	0.8692	0.4519
VAT (3)	17%	17%	17%	8%
Price with VAT (3)	0.1703	0.1783	0.1478	0.0362
(1) + (2) + (3)	0.6924	0.7004	0.5358	0.1378
% of the price at the pump	59.1%	57.1%	52.7%	28.2%
Price at the pump	1.172	1.227	1.016	0.488

* Maximum 10ppm sulphur

3.2 INSURANCE TAXES

Subscription to an insurance policy attracts a 4% insurance tax (the premiums paid form the basis of the taxation).

3.3 EUROVIGNETTE

In conformity with Directive 93/89/EEC of 9 February 1994, a road toll called the Eurovignette is levied in Luxembourg on vehicles for transport of goods with an MPW exceeding 12t (see <http://www.do.etat.lu/vehaut/eurovignette.htm>).

3.4 COMPANY CARS

3.4.1 Deductibility of company car expenses in the framework of corporate income tax

All car expenses are fully deductible (including fuel expenses).

VAT deductibility

VAT on all expenses related to professional car use is fully deductible (including VAT on fuel).

3.4.2 Benefit in kind of private use of a company car

Provision of a company car that can also be used for private purposes is considered a benefit in kind (BIK) and results in the employee being liable for additional income tax. Two methods are used to determine this BIK, as set out below.

The lump-sum method

The BIK per month is a percentage of the vehicle's value when new (options and VAT included, minus discounts) in function of fuel type and CO2 emissions. The same method applies for used cars.

CO2g/Km	Petrol (+ hybrid, CNG) (%)	Diesel (+ hybrid) (%)	100% electric & hydrogen (%)	Bike & electric bike (%)
0	–	–	0.5	0.5
1-50	0.8	1.0	–	–
51-110	1.0	1.2	–	–
111-150	1.3	1.5	–	–
≥ 151	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 2018

Malta

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1 TAXES ON ACQUISITION

1.1 REGISTRATION TAX

Registration tax and congestion tax are imposed upon the buyer upon the purchase of a new M1 vehicle.

Registration tax will be as follows: the total amount of registration tax will be the sum of a percentage value (depending on CO2 emissions) multiplied by the CO2 emissions value (in g/km) multiplied by the registration value (RV) of the vehicle, plus the indicated percentage value multiplied by the length (in mm) multiplied by the registration value (RV) of the vehicle.

Therefore, the formula that will be used to calculate registration tax is as follows:

$$\text{Total registration tax} = (X\% \times \text{CO2} \times \text{RV}) + (Y\% \times \text{length} \times \text{RV})$$

Where:

X% is the percentage taken from the table on CO2 emissions

Y% is the percentage taken from the table on length

Rates will vary depending on whether the vehicle has a diesel or a petrol engine. However, where an M1 motor vehicle powered by a diesel engine has a particulate matter level not exceeding 0.005g/km (Euro 5 level), the Malta Transport Authority will apply the rates applicable to vehicles powered by a petrol engine.

X values for registration tax	
CO2 emissions (g/km)	Petrol-engine
0-100	0.13% × CO2 × RV
101-130	0.15% × CO2 × RV
131-140	0.17% × CO2 × RV
141-150	0.19% × CO2 × RV
151-180	0.21% × CO2 × RV
181-220	0.23% × CO2 × RV
221-250	0.25% × CO2 × RV
≥ 251	0.27% × CO2 × RV

Example

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

Total registration tax= (X% × 110 × 5,000) + (Y% × 4,000 × 5,000)

1.2 VALUE ADDED TAX

VAT is charged at a flat rate of 18% on the sale price of the vehicle, regardless of engine capacity.

2 TAXES ON OWNERSHIP**2.1 ANNUAL CIRCULATION TAX**

An annual circulation tax is paid upon the actual use of the vehicle on the Maltese roads.

The tax is based on CO2 emissions and the age of the vehicle:

Emissions (g/km)	Tax: first 5 years (€)
0-100	100
101-130	110
131-140	120
141-150	140
151-180	180

After the first five years in circulation, the annual circulation tax increases for all classes of vehicles.



CHAPTER

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ACEA TAX GUIDE 2018

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	73	2
74	98	63
99	144	139
145	162	229
163	-	458

As of 1 January 2018, a fixed BPM surcharge of €356 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 63g/km. The diesel surcharge per gram of CO₂ above 63g/km is €87.38 in 2018.

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 2018:

Diesel car	Price before tax	€16,000
100g CO2/km		
	BPM	
	Fixed surcharge	€356
	CO2 up to 73g/km: $73 \times €2$	€146
	CO2 74-98g/km: $25 \times €63$	€1,575
	CO2 99-144g/km: $2 \times €139$	€278
	(CO2 145-162: $0 \times €229$)	€0
	(CO2 ≥ 162 : $0 \times €458$)	€0
	Diesel surcharge ($37 \times €87.38$)	€ 3,232.91
	Total BPM	€ 5,588
	VAT at 21% $\times €16,000$	€ 3,360
	Tax-inclusive price	€ 24,948

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	19
31	50	87
51		289

The fixed BPM surcharge of €356 is not applicable for PHEVs.

Example of a BPM assessment for 1 January – 31 December 2018:

PHEV	Price before tax	€50,000
45g CO ₂ /km		
	BPM	
	Fixed surcharge	€0
	CO ₂ up to 30g/km: 30 × €19	€570
	CO ₂ 31-50g/km: 15 × €87	€1,305
	CO ₂ > 50g/km: 0 × €289	€0
	Total BPM	€1,875
	VAT at 21% × €50,000	€10,500
	Tax-inclusive price	€62,375

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	Gross Vehicle Weight, province, fuel, CO2 emissions
Buses and coaches	Gross Vehicle Weight

2.2 ROAD TAX

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

- Gross Vehicle Weight
- type of fuel used
- region (province)
- CO2 emissions

The motor vehicle tax (*motorrijtuigenbelasting*, MRB) exemption for very clean vehicles ended on 1 January 2014, for both new and current passenger cars. Since 2014, the MRB has been based only on weight. Passenger cars with no CO2 emissions are exempt from motor vehicle tax up to and including 2020. Semi-electric vehicles are significantly heavier because of the battery pack and the electric motor. As of 1 January 2017, the fixed allowance of 125kg weight deduction when setting the basis for the MRB has been replaced by a 50% discount in the MRB for these vehicles. Different MRB tariffs still apply to different types of fuel. The diesel surcharge remains in effect.

2.2.1 Passenger cars

There is no longer a list of rates available for passenger cars.

2.2.2 Vans

There is no list of rates available for vans either.

2.2.3 Lorries

Road tax for trucks is based on:

- If the truck is equipped with a coupling device
- The GVW (Gross Vehicle Weight) of the vehicle
- Type of suspension of the vehicle
- Number of axles
- Euro norm of the vehicle
- If the truck is equipped with a full-electric or hydrogen drivetrain

The rates in the tables are for vehicles compliant Euro III and over; for the following classes a surcharge applies:

- 90% for Euro 0
- 75% for Euro I
- 60% for Euro II

Road tax for a three month period, Euro III and over, without coupling device:

GVW (kg)	Without air suspension			With air suspension		
	2 axles (€)	3 axles (€)	4 or more axles (€)	2 axles (€)	3 axles (€)	4 or more axles (€)
3,501 – 14,999	77	77	77	77	77	77
15,000 – 22,999	92	77	77	77	77	77
23,000 – 24,999	115	115	77	77	77	77
25,000 – 26,999	115	115	77	77	77	77
27,000 – 28,999	121	121	121	77	77	77
29,000 – 30,999	179	179	179	121	121	121
31,000 – 32,999	179	179	179	121	121	121
33,000 – 35,999	179	179	179	121	121	121
36,000 – 37,999	179	179	179	121	121	121
38,000 – 39,999	179	179	179	121	121	121
≥ 40,000	179	179	179	121	121	121

Road tax for a three month period, Euro III and over, with coupling device:

GVW (kg)	Without air suspension		With air suspension	
	2 axles (€)	3 axles or more (€)	2 axles (€)	3 axles or more (€)
3,501 – 14,999	77	77	77	77
15,000 – 22,999	77	77	77	77
23,000 – 24,999	77	77	77	77
25,000 – 26,999	103	77	77	77
27,000 – 28,999	103	77	77	77
29,000 – 30,999	112	109	77	77
31,000 – 32,999	155	109	112	77
33,000 – 35,999	234	151	155	109
36,000 – 37,999	234	151	155	109
38,000 – 39,999	234	208	171	151
≥ 40,000	307	307	234	208

Additional to road tax for trucks in most cases you also have to pay 'Tax heavy goods vehicles' (*belasting zware motorrijtuigen (bzm)*) or better known as Eurovignet. This tax applies only to vehicles used on the motorway and if:

- the vehicle is only used for the transport of goods;
- the GVW of the vehicles (or combination) is of 12t or more.

	12 months		1 month		1 week	
	Up to 3 axles (€)	4 axles or more (€)	Up to 3 axles (€)	4 axles or more (€)	Up to 3 axles (€)	4 axles or more (€)
Euro 0	960	1,550	96	155	26	41
Euro I	850	1,400	85	140	23	37
Euro II and over	750	1,250	75	125	20	33

The tariff for 1 day is €8 for all vehicle classes.

2.2.4 Buses and coaches

There is no list of rates available for buses and coaches.

3 TAXES ON MOTORING

3.1 FUEL TAXES

Price of fuels on 1 May 2017 (€/l)

	Unleaded Euro 95	Diesel
Tax-exclusive price	0.61	0.60
Total tax (excl VAT)	0.78	0.49

Price excl VAT	1.39	1.09
VAT at 21%	0.29	0.23
Price at the pump	1.68	1.32

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

Rate at which benefit is taxable (%) for petrol and diesel cars	CO ₂ emissions (g/km)
4	0
22	≥ 1

Vehicles keep the tariff for a period that is the same as the standard lease period calculated from the moment the vehicle is registered for the first time. The Ministry of Finance has set the standard lease period at 60 months.

5 PERIODICAL INSPECTION OF VEHICLES

5.1 ORGANISATION OF THE INSPECTION

The annual inspection of private cars and light commercial vehicles (for petrol cars, starting in the fourth year after registration, with subsequent inspections in the sixth and eighth years, and annually after the eighth year; for diesel and LPG cars, after the third year) was introduced on 15 September 1985. Inspections are organised by:

- the administration;
- authorised private garages;
- the Royal Dutch Touring Club stations;
- other authorised workshops.

5.2 DURATION OF THE INSPECTION

Private vehicles and light commercial vehicles	45 minutes
Trucks	60-75 minutes



CHAPTER

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ACEA TAX GUIDE 2018

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 basis

- The taxable basis of car sales is the amount due for the sale, exclusive of VAT and excise tax (Article 104.1.1).
- The taxable basis for intra-Community car purchases is the amount the purchaser is obliged to pay (Article 104.1.2).
- The taxable basis for imports is the customs value including the customs duty and other fees and charges (Article 104.1.3).

New vehicles and second-hand vehicles

For new and second-hand vehicles, the rate of excise tax depends on the engine capacity.

The tax due is calculated using the calculation method:

tax rate × vehicle value

Electric vehicles*	0%
Plug-in hybrid electric vehicles*	0%
< 2,000cc	3.1%
> 2,000cc	18.6%

*will be introduced after EC positive decision for public aid

1.3 ALLOWABLE DEDUCTIONS

1.3.1 VAT exemption

At the end of 2016, Poland obtained from the Council of Europe another derogation on VAT. The implementation of this decision did not result in substantial changes to the VAT rules for vehicles because it was a continuation of a previous derogation. Consequently, Article 86a of the Act on the Goods and Services Tax remained the same and will remain in force at least until the end of 2019.

Article 86a.1 of the Act on the Goods and Services Tax states that 'in case of the acquisition of motor vehicles with a maximum authorised total mass not exceeding 3.5t, the amount of input tax shall be 50% of the amount stated in the invoice or the amount of tax due on intra-Community supply of goods, or the amount of tax due on the supply of goods, for which the taxable person is their purchaser. The same rule is used for amount paid for service, fuel and other amounts associated with vehicle exploitation and use of the motor vehicle'.

This means that the whole input tax can be deducted in case of vehicles that exceed 3.5t.

The Act on the Goods and Services Tax stipulates certain limits to input tax deduction. These limits (§3 of Article 86a) do not apply when vehicles comply with special technical conditions or are used only for entrepreneurial economic activities. In such cases, the taxpayer can deduct 100% of the input tax even if the vehicle does not exceed 3.5t.

Vehicles that comply with special technical conditions are vehicles carrying at least 10 persons including the driver.

Vehicles that are used only for economic activities of the entrepreneur are listed below (§4 of Article 86a).

1. Vehicles that are not passenger cars, with one row of seats and with a durable wall or partition:
 - a) classified pursuant to the Law on Road Traffic in the subcategory multi-purpose vehicle (MPV) or van;
 - b) with an open part designated for load transport.
2. Vehicles that are not passenger cars, with one row of seats in which the driver's cockpit and the car body are divided
3. Special vehicles:

- 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 3,130.90.

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 131.40/1,000l
- Fuel fee for diesel without biocomponents for the construction of motorways and roads in Poland: PLN 293.05/1,000l

VAT for both petrol and diesel oil amounts to 23%.

The tax value of the retail price of petrol amounts to approximately 55%.

The tax value of the retail price of diesel amounts to approximately 51%.

3.2 AVERAGE FUEL PRICES

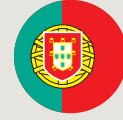
3.2.1 Registration fee

Tax-inclusive prices at the beginning of 2018 (15 February) were as follows:

- Petrol: PLN 4.64/l (Pb95) and PLN 4.94/l (Pb98)
- Diesel PLN 4.52/l
- LPG: PLN 2.07/l

4 PERIODIC INSPECTION OF VEHICLES

Motor vehicles are required to undergo a technical examination in control stations authorised by the Road Transport Inspector first after three years of motoring, then again after two years of motoring, and thereafter every year.



CHAPTER

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ACEA TAX GUIDE 2018

Portugal

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1 TAXES ON ACQUISITION

1.1 CAR TAX (ISV)

Car tax (*Imposto Sobre Veículos* (ISV)) is only applied to vehicles with a gross weight of up to 3.5t. ISV is calculated as follows:

Table A

1. Cylinder capacity component

Cylinder capacity (cc)	ISV (€)
≤ 1,000	$ISV = 0.99 \times cc - 767.50$
1,001-1,250	$ISV = 1.07 \times cc - 769.00$
> 1,250	$ISV = 5.06 \times cc - 5,600.00$

2. Environmental component

Petrol cars

CO2 (g/km)	ISV (€)
< 100	$ISV = 4.18 \times CO2 - 386.00$
100-115	$ISV = 7.31 \times CO2 - 678.87$
116-145	$ISV = 47.51 \times CO2 - 5,337.00$
146-175	$ISV = 55.35 \times CO2 - 6,454.52$
176-195	$ISV = 141.00 \times CO2 - 21,358.39$
> 195	$ISV = 185.91 \times CO2 - 30,183.74$

Diesel cars

CO2 (g/km)	ISV (€)
< 80	$ISV = 5.22 \times CO2 - 396.88$
80-95	$ISV = 21.20 \times CO2 - 1,671.07$
96-120	$ISV = 71.62 \times CO2 - 6,504.65$
121-140	$ISV = 158.85 \times CO2 - 17,107.60$
141-160	$ISV = 176.66 \times CO2 - 19,635.10$
> 160	$ISV = 242.65 \times CO2 - 30,235.96$

100% of Table A: Light passenger vehicles (LPVs) and dual-purpose passenger/cargo vehicles weighing less than 2,5t.

60% of Table A: LPVs with hybrid engines (petrol/diesel plus electric energy/solar energy) and rental LPVs with CO₂ emissions less than 120g/km.

50% of Table A: dual-purpose passenger/cargo vehicles weighing more than 2,5t and less than or equal to 3,5t.

40% of Table A: LPVs fuelled exclusively by liquefied petroleum gas (LPG) or natural gas.

30% of Table A: LPVs (taxis) with CO₂ emissions less than 160g/km.

25% of Table A: LPVs with plug-in hybrid engines (all-electric mode up to 25km or more).

0% of Table A (exempted): vehicles fuelled exclusively by electric energy or renewable energy.

In addition to the total ISV (cc + CO₂ components), a tax of €500 is levied on diesel LPVs with particulate matter (PM) emissions greater than or equal to 0.002g/km.

Table B

Cylinder capacity (cc)	ISV (€)
≤ 1,250	ISV = 4.80 × cc – 3,011.74
> 1,250	ISV = 11.38 × cc – 10,972.84

100% of Table B: passenger car-derived vans with a cargo box with a height of less than 1.20m.

50% of Table B: four-wheel drive pick-ups with a gross weight less than or equal to 3.5t and with more than three seats, including the driver's seat.

30% of Table B: motor caravans.

15% of Table B: dual-purpose passenger/cargo vehicles with a gross weight greater than 2.3t and a cargo box measuring at least 1.45m (length) by 1.3m (height); two-wheel drive pick-ups.

10% of Table B: pick-ups with a gross weight less than 3.5t with three or fewer seats, including the driver's seat; passenger car-derived (vans) with a cargo box with a height of more than 1.20m.

0% of Table B (exempted): two-wheel drive pick-ups and passenger car-derived vans with a gross weight equal to 3.5t.

In addition to the total ISV, where PM emissions are more than or equal to 0.002g/km, a tax of €250 is levied on diesel light commercial vehicles (LCVs) subject to the 10% rate of Table B and of €500 for diesel LCVs subject to other rates.

Table C – Motorcycles

Cylinder capacity range (cm ³)	Tax (€)
120 - 250	66.70
251 - 350	82.83
351 - 500	110.80
501 - 750	166.74
> 750	221.61

1.2 VAT

VAT at the rate of 23% is calculated on the net price after all discounts, but inclusive of ISV.

The private sale of second-hand vehicles between individuals is not subject to VAT.

The sale of second-hand vehicles by taxable persons is subject to VAT (at 23%), which is calculated according to the EU rules on second-hand vehicle taxation. The tax is applied to the difference between the sale price and the purchase price (gross profit). The costs of repairs are not included in the purchase price.

1.3 ALLOWABLE DEDUCTIONS

1.3.1 VAT

The VAT applied to commercial vehicles, including delivery vans, pick-ups and passenger car-derived vans (with less than three seats) is deductible by companies.

The VAT paid on diesel (23%) consumed by company cars is deductible by companies (owners of those vehicles) at the rate of 50%.

The VAT applied to the costs of acquisition, manufacture, import, leasing and transformation of cars or dual-purpose vehicles that serve as tour vehicles is deductible when those vehicles are:

- electric (with an acquisition cost less than €62,500);
- hybrid plug-in (with an acquisition cost less than €50,000); or
- powered by LPG or compressed natural gas (CNG) in the proportion of 50% (with an acquisition cost less than €37,500).

1.3.2 Depreciation and capital allowances

The straight-line method is used at rates varying according to vehicle type, as follows:

Vehicle type	Annual rate of depreciation (%)
Light vehicles (weighing up to 3.5t) (passenger vehicles and goods vehicles)	25
Heavy vehicles (passenger and buses)	20
Trailers (transport of goods)	20
Agricultural tractors	16.66

Expenses on company cars exceeding the following amounts are not considered depreciation costs of the company:

- Electric cars – €62,500
- Hybrid plug-ins – €50,000
- LPG/CNG-fuelled cars – €37,500€
- Others – €25,000

1.4 REGISTRATION CHARGES

1.4.1 Issue of a new licence plate

The registration tax is €45 for all vehicle types.

New licence plates are issued by the Government Traffic Department (*Instituto da Mobilidade e dos Transportes* (IMT)) just before purchase by the consumer and after payment of ISV.

1.4.2 Ownership registration

Vehicle type	Registration tax (€)
All types	First registration: 55
	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	Annual tax according to the year of registration (€)		
Petrol (cm3)		Other (cm3)		Total voltage	After 1995	1990-1995	1981-1989
From	To	From	To				
≤ 1,000		≤ 1,500		≤ 100	18.12	11.43	8.02
1,001	1,300	1,501	2,000	> 100	36.38	20.44	11.43
1,301	1,750	2,001	3,000		56.82	31.76	15.93
1,751	2,600	> 3,000			144.16	76.03	32.86
2,601	3,500				261.78	142.55	72.59
> 3500					466.42	239.59	110.09

Table B: Passenger cars, off-road vehicles and multipurpose vehicles weighing up to 2.5t and registered after 1 July 2007

Cylinder capacity component		Environmental component	
Cylinder capacity (cm ³)	Tax (€)	CO ₂ emission (g/km)	Tax (€)
≤ 1,250	28.92	≤ 120	59.33
1,251 to 1,750	58.04	121 to 180	88.90
1,751 to 2,500	115.96	181 to 250	193.08
> 2,500	396.86	> 250	330.76

Additional tax for passenger cars registered after 1 January 2017

CO ₂ range (g/km)	Tax (€)
180 < CO ₂ ≤ 250	28.92
> 250	58.04

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					53					
3,501 to 7,500					127					
7,501 to 11,999					206					
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	223	231	206	216	195	205	189	195	187	193
12,000-12,999	317	373	294	345	281	330	270	318	268	316
13,000-14,999	320	378	296	350	284	334	273	322	271	320
15,000-17,999	356	397	331	371	317	353	303	339	301	336

¹ Gross vehicle weight

≥ 18,000	452	503	420	467	402	446	387	427	384	423
3 axles										
< 15,000	223	317	206	293	195	280	188	270	187	268
15,001-16,999	314	354	291	329	278	316	267	301	265	298
17,000-17,999	314	362	291	336	278	321	267	308	265	305
18,000-18,999	408	450	379	418	362	400	346	385	343	381
19,000-20,999	409	450	381	418	364	404	348	385	345	386
21,000-22,999	411	456	382	422	367	454	350	388	346	431
≥ 23,000	459	510	426	476	409	454	391	434	389	431
≥ 4 axles										
< 23,000	315	352	292	327	278	314	268	298	265	296
23,000-24,999	397	447	371	416	353	397	339	382	336	379
25,000-25,999	408	450	379	418	362	400	346	385	343	381
26,000-26,999	747	846	695	789	662	751	637	721	632	714
27,000-28,999	757	866	704	807	671	770	647	741	641	734
≥ 29,000	780	879	723	817	691	783	662	750	657	745

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
Suspension type	Annual tax (€)									
GVW (kg)	Annual tax (€)									
2+1 axles										
< 12,000	222	224	205	207	194	197	188	190	186	189
12,000-17,999	307	378	288	350	276	333	267	321	265	319
18,000-24,999	408	480	382	446	367	425	353	410	349	407
25,000-25,999	440	492	414	458	395	435	382	419	380	416
≥ 26,000	820	903	770	839	735	802	708	762	704	762
2+2 axles										
< 23,000	303	348	286	324	273	308	264	296	263	294
23,000-25,999	392	443	370	414	350	395	340	380	338	377
26,000-30,999	748	852	701	794	667	757	648	728	642	721
31,000-32,999	808	875	758	814	723	780	700	747	695	741
≥ 33,000	860	1,038	808	966	771	921	747	886	741	877
2+3 axles										
< 36,000	761	857	713	798	682	761	660	732	654	724
36,000- 37,999	840	912	791	854	754	816	729	791	722	785
≥ 38,000	871	1,027	816	963	782	918	755	889	749	882
3+2 axles										
< 36,000	755	833	708	774	677	741	654	709	650	708
36,000-37,999	774	882	728	820	695	785	668	751	663	750
38,000-39,999	776	938	729	871	696	832	671	799	664	797
≥ 40,000	903	1,160	847	1,080	808	1,032	785	990	777	989
≥ 3+3 axles										
< 36,000	706	836	661	780	633	742	612	712	605	707
36,000-37,999	832	924	783	859	746	831	721	790	714	783
38,000- 39,999	840	941	790	873	753	835	728	802	721	796
≥ 40,000	859	955	806	889	770	847	746	814	738	808

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					66					
7,501 to 11,999					110					
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	129	133	121	125	114	119	110	113	109	112
12,000-12,999	150	194	141	183	135	175	131	170	130	169
13,000-14,999	152	195	143	184	137	176	133	171	132	169
15,000-17,999	186	270	175	251	168	241	161	233	159	232
≥ 18,000	219	340	204	321	195	306	189	295	187	293
3 axles										
< 15,000	128	153	120	144	113	138	109	134	108	133
15,000-16,999	152	197	143	185	137	177	133	172	132	171
17,000-17,999	152	197	143	185	137	177	133	172	132	171
18,000-18,999	183	261	173	243	164	233	159	226	157	224
19,000-20,999	183	261	173	243	164	233	159	226	157	224
21,000-22,999	185	278	174	262	167	248	160	240	159	238
≥ 23,000	277	346	261	326	247	312	240	299	238	297
≥ 4 axles										
< 23,000	152	193	143	182	137	133	133	169	132	168
23,000-24,999	215	258	200	242	191	231	186	224	184	223
25,000-25,999	244	284	230	267	220	252	213	245	212	243
26,000-26,999	397	497	373	465	356	446	343	429	340	426
27,000-28,999	400	498	375	468	357	447	344	430	342	427
≥ 29,000	450	669	421	621	404	601	389	582	386	576

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	127	128	119	119	112	112	109	109	108	108
12,000-17,999	150	192	141	181	135	173	131	168	130	167
18,000-24,999	193	253	182	238	169	228	169	221	168	291
25,000-25,999	244	361	230	338	214	323	214	314	212	311
≥ 26,000	371	496	346	465	321	443	321	428	319	425
2+2 axles										
< 23,000	150	192	141	181	135	174	131	168	130	167
23,000-24,999	182	242	172	228	163	218	157	212	156	210
25,000-25,999	213	256	198	240	190	230	184	223	182	221
26,000-28,999	306	427	286	402	273	384	265	371	263	369
29,000-30,999	368	489	343	459	328	437	318	423	316	420
31,000-32,999	433	574	408	540	389	513	377	497	374	494
≥ 33,000	577	673	542	633	516	604	500	584	496	580
2+3 axles										
< 36,000	424	488	399	458	380	435	369	422	366	419
36,000-37,999	455	640	402	600	407	573	394	555	390	550
≥ 38,000	626	693	588	650	560	620	543	600	539	596
3+2 axles										
< 36,000	360	420	337	395	323	377	313	364	311	361
36,000-37,999	431	564	406	529	387	505	376	489	373	484
38,000-39,999	566	663	533	623	507	596	492	576	487	571
≥ 40,000	785	914	736	857	702	819	680	792	673	786
≥ 3+3 axles										
< 36,000	299	390	281	367	269	349	261	337	258	335
36,000-37,999	394	489	371	459	353	437	340	423	338	420
38,000-39,999	459	495	430	463	411	442	399	427	395	424
≥ 40,000	472	667	442	628	422	599	409	580	406	575

Table E: Motorcycles, tricycles, quadricycles

Cylinder capacity (cm3)	Year of first registration	
	Annual tax (€)	
	After 1996	1992-1996
120 - 250	5.64	0.00
251 - 350	7.98	5.64
351 - 500	19.28	11.41
501 - 750	57.93	34.12
> 751	125.80	61.70

3 TAXES ON MOTORING

3.1 FUEL TAXES

Price of fuel (€/l)

	Eurosuper 95	Diesel
Price without taxes	0.436	0.457
VAT	0.252	0.214
Tax on petroleum products (ISP)	0.659	0.471
Price at the pump	1.347	1.142

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 2018

Romania

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ACEA

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1 TAXES ON ACQUISITION

1.1 VAT

The sale of new vehicles is subject to VAT at the rate of 19%, levied on the value of the vehicle. For vehicles imported from outside EU, VAT applies to the value of the vehicle plus customs duty.

1.2 REGISTRATION FEE

Registration plates: RON 40 (€9).

1.3 INCENTIVES ON VEHICLE ACQUISITION

A three-year fleet renewal scheme was launched in May 2017. It includes a scrappage program and incentive bonuses as follows:

- A scrappage bonus of €1,500 is granted for scrapping a vehicle older than eight years and for the acquisition of a new vehicle with CO₂ emissions lower than 130g/km.
- A scrappage bonus of €1,500 as well as an *Eco-bonus* of €250 (total €1,750) are granted for scrapping a vehicle older than eight years and for the acquisition of a new vehicle with CO₂ emissions lower than 98g/km.
- A subvention of €10,000 is granted for the purchase of a new pure electric vehicle to which €1,500 can be added for scrapping a vehicle older than eight years.
- A subvention of €4,500 is granted for the purchase of a new hybrid vehicle.

2 TAXES ON OWNERSHIP

2.1 OWNERSHIP TAX

The ownership tax is paid once a year to the local administration. The values are calculated as fixed sums for each 200cc of engine displacement.

For passenger cars, the rates of the annual ownership tax are:

Engine displacement (cc)	Rate for each 200cc (RON)
≤ 1,600	8
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.

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
		90 days	13
		1 year	28
B	Commercial vehicles ≤ 3.5t	1 day	–
		7 days	6
		30 days	16
		90 days	36
		1 year	96
C	Commercial vehicles > 3.5t and ≤ 7.5t	1 day	4
		7 days	16
		30 days	32
		90 days	92
		1 year	320
D	Commercial vehicles > 7.5t and ≤ 12t	1 day	7
		7 days	28
		30 days	56
		90 days	160
		1 year	560
E	Commercial vehicles > 12t with maximum 3 axles (inclusive)	1 day	9
		7 days	36
		30 days	72
		90 days	206
		1 year	720
F	Commercial vehicles > 12t with minimum 4 axles (inclusive)	1 day	11
		7 days	55
		30 days	121
		90 days	354
		1 year	1,210
G	Minibuses with ≥ 9 seats and ≤ 23 seats	1 day	2
		7 days	20
		30 days	52
		90 days	120
		1 year	320
H	Buses with > 23 seats	1 day	7
		7 days	35
		30 days	91
		90 days	210
		1 year	560

3.2 FUEL TAXES

Excise taxes on fuels, as from 15 September 2017, are as follows:

- Unleaded petrol – €431/1,000l
- Diesel – €404/1,000l

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 prices¹:

- Passenger car – RON 144
- Commercial vehicle weighing under 3.5t – RON 170
- Commercial vehicle weighing over 3.5t – minimum RON 250

¹Exchange rate: €1 = RON 4.50



CHAPTER

25

ACEA TAX GUIDE 2018

Slovakia

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ACEA

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1 TAXES ON ACQUISITION

1.1 VAT

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

VAT paid when importing the vehicle	20%
Import duty from outside the EU	10%
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 personal vehicle up to a maximum total value of €48,000 (including related costs). A personal vehicle is included in the first depreciation group (four years).

The formula for one year's depreciation is:

$$(\text{vehicle value} + \text{related costs})/4 = \text{up to } \mathbf{€12,000}$$

If the overall tax base of a taxpayer is lower than this depreciation, the difference between the fourth of real value plus related costs and the maximal depreciation (€12,000) is added to the taxpayers' tax base. Cost from operative lease can be included according to the following formula:

$$(\text{vehicle value} / 4) * 1,2$$

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 (0-36 months) and increased by 20% for vehicles aged 13 years or more. Hybrid vehicles, vehicles powered by compressed natural gas (CNG) attract 50% of the tax. Electric-powered vehicles are not subject to motor vehicle tax. The tax liability arises on the date when use of the vehicle for business begins (not from the date of purchase). It expires on the date on which the business use of the vehicle stops.

a) Vehicles in categories L, M and N powered by electric energy

Electric-powered vehicles are not subject to motor vehicle tax.

b) Passenger cars

≤ 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 maximum.

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 ¹	20
Diesel	368.00 ²	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 annual rates:

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

¹ 514,5/554 the change will occur depending on the date of the European Commission's statement by which the European Commission declaring that State Aid SA.47743 (2017 / PN) - Slovak Republic - Tax benefit for biofuels is compatible with European Union law in the Official Journal of the European Union

² 368/394 the change will occur depending on the date of the European Commission's statement by which the European Commission declaring that State Aid SA.47743 (2017 / PN) - Slovak Republic - Tax benefit for biofuels is compatible with European Union law in the Official Journal of the European Union

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

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

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

Buses (kg)	Rate (€)
For public transport only	714
≤ 5,000	731
> 5,000	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		0.105	0.095	0.082
	> 12t	2 axles	0.224	0.203	0.176
		3 axles	0.237	0.214	0.185
		4 axles	0.246	0.222	0.192
		≥ 5 axles	0.237	0.214	0.185
Buses	3.5-12t		0.062	0.051	0.031
	> 12t		0.112	0.102	0.062

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	0.224	0.203	0.176
		3 axles	0.237	0.214	0.185
		4 axles	0.246	0.222	0.192
		≥ 5 axles	0.237	0.214	0.185
Buses	3.5-12t		0.041	0.031	0.021
	> 12t		0.082	0.072	0.041

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		0.082	0.074	0.064
	> 12t	2 axles	0.176	0.159	0.136
		3 axles	0.185	0.167	0.143
		4 axles	0.189	0.171	0.146
		≥ 5 axles	0.185	0.167	0.143
Buses	3.5-12t		0.041	0.031	0.021
	> 12t		0.082	0.072	0.041

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 do not include VAT.

Discounts on toll rates

In compliance with Section 4, Subsection 3, of Act No 474/2013 Z.z. on toll collection for the use of specified road sections and on amendments and supplements to certain laws, as amended, the vehicle operator may be eligible for a discount on the prevailing toll rate in accordance with the discounts system.

The method of calculating the discounts from the toll rates is governed by Slovak Government Regulation No 497/2013 Z.z., as amended, which stipulates the method of toll calculation, the toll rate and the system of discounts that apply to the use of specified road sections.

The method and conditions of providing the discounts from toll rates:

- A specific vehicle 'liable to pay the toll' shall attract a discount provided the number of kilometres travelled on specified road exceeds the limits determined in a calendar year, ie from 1 January to 31 December of the relevant year. The number of kilometres travelled shall

not include the kilometres travelled on the specified sections of roads subject to a zero-toll rate

- The relevant discount shall apply only to the specific vehicle 'liable to pay the toll' according to the kilometres travelled, not to all the vehicles 'liable to pay the toll' owned by the specific vehicle operator
- The discount shall be applied in real time, ie when the vehicle exceeds the predetermined minimum distance travelled on the specified road section to which the predetermined limit applies. The toll payment will be calculated automatically according to the distance travelled and the appropriate discount applied
- The percentage discount on toll rates will be provided to a vehicle with a valid Contract on the Use of Specified Road Sections. A change of vehicle operator requires a new Contract on the Use of Specified Road Sections and also setting the number of kilometres travelled to 'zero'
- Discounts on toll rates do not apply to vehicles with payment liability over 3.5t used to transport more than nine persons including a driver, because these vehicles have attracted a discount of 50% from the moment the electronic toll system was put into operation

Discount from toll rates

Minimum distance travelled during a calendar year (km)	Percentage discount rates for individual vehicle categories	
	Lorries up to 12t (%)	Lorries of 12t and more (%)
> 5,000	3	-
> 10,000	5	3
> 20,000	7	5
> 30,000	9	7
> 50,000	11	9

4 PRIVATE USE OF A COMPANY CAR

The use of a company car for private motoring is treated as a benefit in kind under personal income tax. The amount to be added to an employee's income before taxation is 1% of the purchase price of the company car for each month of use.

5 PERIODICAL INSPECTION OF VEHICLES

Compulsory periodic inspections of road vehicles include regular technical inspections. Brand-new cars undergo their first inspection after four years and every two years thereafter. Emissions are measured at the same frequency.



CHAPTER

26

ACEA TAX GUIDE 2018

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 18 October 2017, the Eco Fund published two new public invitations in the Official Gazette of the Republic of Slovenia and on the website www.ekosklad.si. The Supervisory Board of Eco Fund has confirmed the public calls 55SUB-EVPO17 and 57SUB-EVOB17 for grants to new and remanufactured electric vehicles to citizens and legal entities.

On behalf of legal entities, sole proprietors and private individuals, based on a public call 55SUB-EVPO17, €1,000,000 were awarded grants for electric vehicles, and for citizens, based on a public call 57SUB-EVOB17 tendered €700,000 for non-return vehicles.

Non-refundable financial incentives may be granted for:

- the purchase of a new vehicle in categories M1, N1, L7e or L6e with zero CO2 emissions at the discharge;
- the conversion of a vehicle into an electric vehicle or the purchase of a vehicle treated as electric, with the internal combustion engine replaced by drive systems (categories M1, N1, L7e or L6e);
- the purchase of new plug-in hybrid (plug-in) or new electric vehicles with range extender, with CO2 emissions less than 50g CO2/km (categories M1 or N1).

The amount of grant aid depends on the vehicle category:

- €7,500 for a new electric vehicle with zero CO2 emissions or a battery electric vehicle (category M1)
- €4,500 for a new electric vehicle with zero CO2 emissions or a power-driven vehicle (category N1 or L7e)
- €4,500 for a new plug-in hybrid or a new electric vehicle with a range extender, with CO2 emissions at a discharge below 50g CO2/km (category M1 or N1)
- €3,000 for a new electric vehicle with zero CO2 emissions or a power-driven vehicle (category L6e)
- €1,000 for a new electric vehicle with zero CO2 emissions (category L3e, L4e or L5e)
- €500 for a new electric vehicle with zero CO2 emissions (category L1e-B or L2e)
- €200 for a new electric vehicle with zero CO2 emissions (category L1e-A)

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

27

ACEA TAX GUIDE 2018

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

The rate of VAT charged on new vehicles is 21% since 1 September 2012.

2.1.2 Acquisition of a second-hand vehicle

- Transactions between individuals are not subject to VAT but are liable to property transfer tax at the rate of 4%.
- Transactions involving car dealers are subject to the VAT provisions on second-hand goods.

The basis of taxation of motor vehicles sold under the special second-hand goods scheme (REBU, *Régimen Especial de Bienes Usados*) is the difference between the purchase and the resale price, where the resale price must be at least 10% of the purchase price.

2.2 ALLOWABLE DEDUCTIONS

2.2.1 VAT exemptions

VAT on the acquisition of a passenger car, and of its parts and accessories, is not deductible, except by enterprises involved in the sale of motor vehicles.

VAT on the acquisition of a commercial vehicle is always deductible.

Specific rules provide that VAT on the following types of vehicles is deductible:

- Vehicles for the carriage of goods
- Vehicles used exclusively for public transport
- Vehicles used in driving schools
- Vehicles used in trials, tests, demonstrations and sales promotions
- Vehicles acquired by independent brokers and intended exclusively for business or professional travel
- Vehicles used for the provision of security and surveillance
- Vehicles owned by a company the use of which cannot be considered as a benefit in kind for employees

2.2.2 Depreciation and capital allowances

Vehicles purchased by a non-transport company are depreciated annually at a rate varying between a minimum of 7.1% and a maximum of 16%.

2.3 SPECIAL TAX

The Special Tax (IEDMT, *Impuesto Especial sobre Determinados Medios de Transporte*) is applied on the first definitive registration in Spain of motor vehicles, except in following cases:

- Vehicles of categories N1, N2 and N3. The tax applies to vehicles of category N1 only when they are used in relation to an economic activity (at least 50% of the time)
- Vehicles of categories M2 and M3 and the tramway
- Vehicles for exclusive industrial, commercial or agricultural use, previously approved by the tax authorities
- Motorbikes with two or three wheels and light quad bikes
- Motorcycles and vehicles with three wheels that are not quad bikes and have an engine capacity of less than 250cc
- Special vehicles other than 'quad'-type vehicles
- Multi-purpose vehicles with a total height of more than 1,800mm, except off-road vehicles. It should be proven that the vehicle will be used in relation to an economic activity (at least 50% of the time)
- Vehicles for exclusive use by governmental institutions
- Vehicles for exclusive use by government and regional institutions in their role of surveillance, defence and security
- Ambulances and vehicles that with their specific characteristics cannot be used for any other purpose than supervising and providing assistance on roads and highways

On the other hand, the following vehicles are exempted from the tax:

- Taxis
- Vehicles for exclusive use by driving schools or rental services
- Vehicles registered by disabled persons, subject to specific requirements
- Vehicles for exclusive use by diplomatic and other similar services

2.3.1 Basis of taxation

- For new vehicles: same basis as for VAT.
- For used vehicles newly registered under an ordinary registration tax in Spain:
 - Market value, or
 - Value according to official tables published annually to be applied in ITP (*Impuesto sobre Transmisiones Patrimoniales*), or
 - Individual valuation by tax authorities.

2.3.2 Rate of tax (new framework for registration taxes based on vehicles' official CO2 emissions)

CO2 emissions (g/km)	Rate (%)		
	Península and Baleares Islands	Canary Islands	Ceuta and Melilla
≤ 120	0	0	0
> 120 - 160	4.75	3.75	0
≥ 160 - 200	9.75	8.75	0
≥ 200 ¹	14.75	13.75	0
Others ²	12	11	0

Responsibility for the Special Tax has been transferred to regional governments (*Comunidades Autónomas*), allowing them to increase the tax rate by up to 15% and to modify some other significant tax aspects (exemptions, deductions, etc).

Therefore, the rate can rise to:

- 5.4% for CO2 emissions (g/km) >120 <160
- 11.2% for CO2 emissions (g/km) ≥160 <200
- 16.9% for CO2 emissions (g/km) ≥200
- 13.8% for other rates of CO2 emissions (g/km)³.

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

(%)	Andalucía	Asturias	Baleares	Cantabria	Cataluña	Extremadura	Murcia	Valencia
>120 - 160	-	-	-	-	-	5.2	-	-
≥160 - 200	-	-	-	9.75	-	11	-	-
≥200	16.9	16	16	15	16	16	15.9	16

2.3.3 Special Tax deductions

'Large families' incentives:

A reduction in the Special Tax of 50% is granted when a large family (ie a family with three or more children) buys a vehicle (passenger car or four-wheel drive vehicle) with five or more seats.

'Motor caravans' incentives:

A reduction in the Special Tax of 30% applies for the acquisition of a motor caravans or vehicles adapted to be used as accommodation.

2.4 REGISTRATION CHARGES

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

¹ Also includes taxable vehicles whose level of CO2 emissions should have been provided but has not been proven, and vehicles in categories N2 and N3 such as motor caravans, quad-type vehicles and nautical motorcycles

² Vehicles not included in other groups and ships, boats, light aircraft, aeroplanes and airships

³ Vehicles not included in previous epigraphs and ships, boats, light aircrafts, aeroplanes and other airships.

3 TAXES ON OWNERSHIP

3.1 BASIS OF TAXATION

Private vehicles	Engine rating
Coaches and buses	Number of seats
Commercial vehicles	Payload
Motorcycles	Cylinder capacity

3.2 RATES

3.2.1 Private cars

hp	Minimum amount (€)	Taxes applied in Madrid, 2018 (€)
< 8	12.62	20
8-11.99	34.08	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, 2018 (€)
< 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, 2018 (€)
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, 2018 (€)
< 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 2017

	Euro-super petrol (ON 95)	Diesel fuel	LPG
Cost of product plus distribution profit	552.64	572.18	514.37
Excise and other taxes	461.35	367.36	32.41
VAT (21% of sales price)	212.94	197.30	114.82
Price at the pump	1,226.93	1,136.84	661.60

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 ⁴	Rate (€/1,000l)
Madrid	17
Aragón	24
Extremadura	38.4
Asturias	48 (petrol) 40 (diesel)
Galicia, Cataluña, Comunidad Valenciana, Baleares, Castilla la Mancha, Murcia, Andalucía	48

Only Castilla-León, Canarias, Cantabria, La Rioja, Navarra and País Vasco are not applying 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%.

⁴ Only Castilla-León, Canarias, Cantabria, La Rioja, Navarra and País Vasco do not apply the additional tax

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 ⁵	35,000	20
BEV/PHEV ⁶	40,000	30

Free delivery of a car previously acquired by the company

Market value, including taxes.

6 PERIODIC INSPECTION OF VEHICLES

6.1 FREQUENCY OF INSPECTION OF MOTOR VEHICLES

Motorbike	Inspection every two years after the third year
Motorcycles, quads	Inspection every two years after the fourth year
Cars	Inspection every two years after the fourth year Annually after the tenth year
Lorries	Inspection every two years from the second to the sixth year Annual inspection from the sixth to the tenth year Half-yearly inspection after the tenth year
Buses	Annual inspection up to the fifth year Half-yearly inspection after the fifth year
Trucks	Annual inspection up to the fifth year Thereafter, twice annually
Taxis	Annual inspection up to the fifth year Half-yearly inspection after the fifth year
Hire-cars	Annual inspection from the second to the fifth year Half-yearly inspection after the fifth year

⁵ Hybrid electric vehicles (HEV), liquefied petroleum gas (LPG) and compressed natural gas (CNG) vehicles

⁶ Battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV)

6.2 ORGANISATION OF THE INSPECTION

Motor vehicle inspection is carried out by the state directly or by private companies approved by the regional authorities. There are 221 depots and inspection take approximately 30 minutes for a car and 45 minutes for a commercial vehicle.

6.3 COST OF THE INSPECTION

The cost of the periodic inspection is determined by regional authorities that have not deregulated the market. Some regional authorities have deregulated it, as is the case in Madrid. Below is the price range for Madrid (2017) in euros:

Petrol cars and light commercials (< 3.5t)	24.75-49.95
Diesel cars and light commercials (< 3.5t)	34.75-62.90
Industrial vehicles (> 3.5t)	72.85-90.00
Motorbike, motorcycles	22.50-44.95



CHAPTER

28

ACEA TAX GUIDE 2018

Sweden

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1 TAXES AND INCENTIVES ON PURCHASE

1.1 VAT

The VAT rate in Sweden is 25% on most goods, including motor vehicles. The basis of VAT assessment is the sales price exclusive of VAT. On used cars, VAT is levied at 25% of the value added.

VAT is not deductible when purchasing cars, vans or buses with a gross vehicle weight (GVW) of 3.5t or less.

For other vehicles, VAT is deductible.

1.2 INCENTIVES ON PURCHASE

A so-called 'super-green car premium' (*Supermiljöbilspremie*) is paid for cars newly registered no later than 30 June 2018 having a CO₂ emission of 50g/km or less. The premium is SEK 20,000 for cars with CO₂ emissions of 1-50g/km (plug-in hybrids) and SEK 40,000 for cars with zero CO₂ emissions. The premium is applied to purchases by both private persons and companies.

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).

New bonus-malus system from 1 July 2018 – climate bonus incentive

A new bonus-malus system for incentives and taxation of light vehicles (cars and light trucks/buses) will be introduced in Sweden on 1 July 2018. The bonus-malus system is applied on light vehicles that are newly registered from 1 July 2018. Light vehicles registered before 1 July 2018 or manufactured before 1 January 2018 are not affected by the new system.

When the new bonus-malus system is introduced from 1 July 2018 the 'super green' car premium will be replaced by a 'Climate bonus' (*Klimatbonus*). This means that cars and light trucks/buses newly registered from 1 July 2018 having a CO₂ emission of maximum 60g/km will receive a bonus of up to SEK 60,000 depending on the CO₂ emission. CNG cars and light trucks/buses will receive a bonus of SEK 10,000 independent of the CO₂ emission. For electrical vehicles (BEV) with zero CO₂ emission the bonus is SEK 60,000 and plug-in hybrids (PHEV) with CO₂-emission of 60g/km receive a bonus of SEK 10,000. For every gram CO₂ above zero and up to 60g the bonus is reduced by SEK 833 from the maximum level of SEK 60,000.

Example:

Climate bonus incentive	SEK
0g CO ₂	60,000
30g CO ₂	35,010 (60,000-30 x 833)
60g CO ₂	10,000
CNG cars, light trucks/buses	10,000

The climate bonus must not exceed 25% of the new car price. For companies buying a 'super green' vehicle the bonus must not exceed 35% of the difference of the new car price of the bonus vehicle and the new car price of a comparable petrol or diesel vehicle. The bonus is paid to the first owner six months after the vehicle has been first registered. The vehicle must not change owner during this first six months if the bonus shall be paid.

1.3 TAX INCENTIVES FOR ELECTRIC VEHICLES

The five-year exemption from paying annual circulation tax for green cars and light trucks/buses is valid up to 30 June 2018 but will be abolished for green vehicles newly registered from 1 July 2018 in connection with the introduction of the new bonus-malus system.

Reduction in company car taxation: for electric and plug-in hybrid vehicles, the taxable value of the car for the purposes of calculating the benefit in kind of a company car under personal income tax is reduced by 40% compared with the corresponding or a comparable petrol or diesel car. For the period from 2017 to 2020, the maximum reduction of the taxable value is SEK 10,000.

Super green car premium/climate bonus new cars: The so called 'Super green car premium' (*Supermiljöbilspremie*) of SEK 40,000 for electrical cars (BEV), respectively SEK 20,000 for plug-in hybrids (PHEV) with CO₂-emission 1-50 g/km for the purchase of new cars is valid up to 30 June 2018. From 1 July 2018 the 'Super green premium' will be replaced by a 'Climate bonus' (*Klimatbonus*) for newly registered cars and light trucks. For electrical vehicles (BEV) with zero CO₂ emission the Climate bonus is SEK 60,000 and plug-in hybrids (PHEV) with CO₂-emission of 60g/km receive a bonus of SEK 10,000. For every gram CO₂ above zero and up to 60g the bonus for plug-in vehicles is reduced by SEK 833 from the maximum level of SEK 60,000. The bonus shall not exceed 25% of the new car price and when a company purchases the vehicle the bonus shall not exceed 35% of the price difference between the bonus vehicle and a comparable petrol/diesel vehicle.

2 TAXES ON OWNERSHIP

2.1 ROAD TAX

The amount of annual road tax depends on:

- the service weight and fuel used for passenger cars of vehicle year¹ 2005 and older. For cars of vehicle year 2006 and later, the tax is CO₂-related (see below);
- GVW, number of axles, fuel used and fulfilment of exhaust emission requirements (hybrid electric buses) for trucks and buses. Since 1 January 2011, newly registered light trucks/buses have attracted a CO₂-related annual road tax calculated in the same way as for passenger cars.

¹ Vehicle year is defined as the year model or year of manufacture, or if this information is not available, the year the vehicle was first registered. If a car is of a previous vehicle year than 2006, but meets the requirements for environmental class 2005, EI or Hybrid the vehicle also pay CO₂-related annual road tax.

Annual road tax for passenger cars of vehicle year 2005 and older

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

Annual road tax for passenger cars of vehicle year 2006 and later

A CO₂-related annual road tax is payable on passenger cars of vehicle year 2006 and later. The formula for the CO₂-related tax is:

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 × (SEK 360 + SEK 22 × 39) + SEK 250 = SEK 3,137 in annual road tax.
- E85-fuelled car with CO₂ emissions of 200g/km: SEK 360 + SEK 11 × 89 = SEK 1,339 in annual road tax.

For green cars (see definition below) newly registered from 1 July 2009 there is an exemption from annual road tax for a period of five years from the date of first registration. The exemption from annual road tax is applied to both households and companies buying green cars. A revised and more stringent definition of a green car was implemented on 1 January 2013. The five-year exemption from annual road tax has been in force since 1 January 2013, also for light trucks/buses weighing up to 3.5t and fulfilling the green car definition given below. The exemption from paying annual road tax for five years will however be abolished for cars and light trucks/buses newly registered from 1 July 2018, in connection with the introduction of the bonus-malus system. For new registrations of cars and light trucks/buses up to and including 30 June 2018 the tax exemption will still be valid for those vehicles.

The green car definition which is valid up to 30 June 2018 is related to the EU Directive 2009/443, but is more stringent than the directive. The definition is dependent on the car's CO₂ emissions in relation to its kerb weight.

The formula for petrol, diesel, hybrid electric cars and plug-in cars is as follows:

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

For ethanol and gas cars, the formula is:

Maximum CO₂ emission allowed = 150g/km + 0.0457 × (the kerb weight of the car-1,372kg)

If the actual CO₂ emissions of the car do not exceed the value calculated above, the car is regarded as a green car and will receive a five-year exemption from annual road tax if the vehicle is newly registered before 1 July 2018.

Example:

A diesel car has CO₂ emissions of 90g/km and a kerb weight of 1,250kg:

$$95 + 0.0457 \times (1,250 - 1,372) = 89.4\text{g/km}$$

As the actual value (90g/km) exceeds the calculated value (89.4g/km) the car is not classified as a green car and will not receive a five-year annual road tax exemption.

For electric cars and plug-in hybrids, the electrical energy consumption per 100km must not exceed 37kWh if the car is to be regarded as green. Plug-in hybrids must also fulfil the requirements of the CO₂ formula given above.

Bonus-malus system from 1 July 2018 - annual road tax (malus)

The bonus-malus system introduced 1 July 2018 implies that new cars and light trucks/buses newly registered from 1 July 2018 will have a higher annual road tax (malus) the first three years and from year four the tax will be reduced back to the “normal” level that was valid before the bonus-malus system was introduced. For diesel vehicles the tax from year four will also be reduced but will be somewhat higher than the level before the bonus-malus system was introduced (see below). The annual road tax according to the new bonus-malus system is based on the CO₂-emission of the vehicle. The CO₂-value to be used when calculating the annual road tax according to the bonus-malus system is up to the end of 2019 the NEDC-value and the adjusted NEDC-value when WLTP-values are available. From 2020 the WLTP value shall be used. Cars and light trucks/buses newly registered up to 30 June 2018, which are not included in the bonus-malus system, will have no change of the annual road tax.

Annual road tax on cars and light trucks/buses newly registered from 1 July 2018

Petrol cars and light trucks/buses

- **First 3 years**
SEK 360 + SEK 82 for every gram CO₂ above 95g up to 140g + SEK 107 for every g CO₂ above 140g
- **From year 4 and onwards**
SEK 360 + SEK 22 for every gram CO₂ above 111g

Diesel cars and light trucks/buses

- **First 3 years**
SEK 360 + SEK 82 for every gram CO₂ above 95g up to 140g + SEK 107 for every g CO₂ above 140g + 13.52 x the CO₂ value of the vehicle + SEK 250
- **From year 4 and onwards**
SEK 360 + SEK 22 for every gram CO₂ above 111g + 13.52 x the CO₂ value of the vehicle + SEK 250

CNG/Ethanol cars and light trucks/buses

- **First 3 years**
SEK 360 + SEK 11 for every gram CO₂ above 111g

- **From year 4 and onwards**
SEK 360 + SEK 11 for every gram CO₂ above 111g

Examples annual road tax:

Petrol car with CO₂-emission 150 g/km

Tax today: SEK 360 + SEK 22 x (150-111g CO₂/km) = SEK 1,218

Tax new reg 1 July 2018 (first 3 years): SEK 360 + 82 x (140-95) + 107 x (150-140) = SEK 5,120

Tax new reg 1 July 2018 (from year 4): SEK 360 + SEK 22 x (150-111g CO₂/km) = SEK 1,218

Diesel car with CO₂-emission 150 g/km

Tax today: $2.37 \times (\text{SEK } 360 + \text{SEK } 22 \times (150-111 \text{ g CO}_2/\text{km})) + \text{SEK } 250 = \text{SEK } 3,137$

Tax new reg 1 July 2018 (first 3 years): $\text{SEK } 360 + 82 \times (140-95) + 107 \times (150-140) + 13,52 \times 150 + \text{SEK } 250 = \text{SEK } 7,398$

Tax new reg 1 July 2018 (from year 4): $\text{SEK } 360 + \text{SEK } 22 \times (150-111 \text{ g CO}_2/\text{km}) + 13,52 \times 150 + \text{SEK } 250 = \text{SEK } 3,496$

Annual road tax for commercial vehicles

On 1 January 2011, the annual road tax on heavy commercial vehicles was lowered to the EU minimum level.

Annual road tax for commercial vehicles (January 2018) 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 2018 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 new bonus-malus system includes also light trucks/buses which means that the annual road tax for newly registered light trucks/buses from 1 July 2018 will be changed in the same way as for cars (see information above). The five-year exemption from paying annual road tax introduced on 1 January 2013 also applies to light trucks/buses weighing up to 3.5t and fulfilling the green car definition given above. The five-year exemption from paying annual road tax will however be abolished also for light trucks/buses newly registered from 1 July 2018 when the new bonus-malus is introduced.

There is a tax on accident insurance premiums. The tax is 32% of the premium. It is included in the premium paid and transferred to the state by the insurance companies.

From 1 January 2010, heavy hybrid electric buses (over 3.5t in weight) pay an annual road tax of SEK 984.

2.2 ROAD TRAFFIC REGISTER FEE

In connection with paying annual road tax, a road traffic register fee of SEK 50 per vehicle is payable.

3 TAXES ON MOTORING

3.1 FUEL TAXES

From January 2018, the fuel tax (excluding VAT) was increased by SEK 0.24/l on petrol and by SEK 0.213/l on diesel. The new rates are set out below. Including VAT the tax on petrol was increased by SEK 0.30/l and on diesel by SEK 0.266/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 2018 Unleaded 95 Environmental class 1	Diesel (SEK/l) 1 January 2018 Environmental class 1
Energy tax	4.08	2.648
Carbon dioxide tax	2.66	3.292
VAT (25%)	2.95	2.96
Total taxes	9.69	8.90
Price at pump	14.76	14.81

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 or energy tax is paid on the 85% ethanol. On 100% FAME (B100) there is no carbon dioxide tax or energy tax. On natural gas, carbon dioxide tax is paid but no energy tax. On biogas, no energy tax or carbon dioxide tax is paid.

From 1 July 2018 the fuel taxes on petrol and diesel will be reduced (see below) in connection with the introduction of a so called Green House Gas Quota (*Reduktionsplikt*) for fuel. This system means that the low-blending of biofuel in petrol and diesel will be fully taxed. The combined effect of the full taxation of the low-blending of biofuel and the reduced energy and carbon dioxide tax is intended to result in unchanged pump prices.

SEK/litre from 1 July 2018	Petrol	Diesel
Energy tax	3.87	2.341
Carbon dioxide tax	2.57	2.191

3.2 OTHER CHARGES

An exhaust emission inspection fee of SEK 40 is payable on every new car and commercial vehicle registered.

A congestion tax is payable in Stockholm, and from 2013 also in Gothenburg. The maximum fee per vehicle is SEK 105 per day in Stockholm. The Swedish government has proposed increased congestion tax in Stockholm from 1 January 2020. Among other things the maximum fee per vehicle per day is proposed to increase to SEK 135.

4 PRIVATE USE OF A COMPANY CAR

The private use of a company car is regarded as a benefit in kind taxable under personal income tax.

The value to be regarded as personal income is calculated as the sum of:

- 31.7% of the so-called base price amount. From 1 July 2018, 29% of the base price amount for bonus-malus cars;
- 75% of the government interest rate multiplied with the price of the car when new;
- 9% of the new car price up to 7.5 times the base price amount and 20% of the price over 7.5 times the base price amount.

From 1 July 2018 cars belonging to the bonus-malus system pay benefit value for the actual annual road tax. As a compensation the bonus-malus cars pay 29% (instead of 31,7%) of the base price amount.

From 1 January 2018 the employee having a company car for private use has to pay a separate benefit value related to the value (related to the private trips including commuting to and from work) of congestion tax (Stockholm and Gothenburg) as well as road, bridge and ferry charges.

The taxable amount is calculated as follows: 31.7% of the base price amount (SEK 45,500 in 2018), + 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 0.49% at the end of November 2017, 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 341,250) the price-related amount is calculated as 9% of the new car price. If the price of the car when new is over SEK 341,250, the price-related amount is calculated as 9% of SEK 341,250 plus 20% of the price over SEK 341,250.

As mentioned above, bonus-malus cars (new registrations from 1 July 2018) pay benefit value for the actual annual road tax. As a compensation the bonus malus cars pay 29% (instead of 31,7%) of the base price amount.

If the employer pays for all the fuel, the employee must treat 120% of the value of the fuel used for private driving as personal income. If the employee has a driving distance for business purposes of more than 30,000 km per year the benefit value is reduced by 25%.

There is a tax reduction for some green cars. The reduction is divided into two parts. First, a permanent reduction of the benefit value to the benefit value of a comparable petrol or diesel car. Second, a time-limited special reduction by 40% (from 2017 to a maximum of SEK 10,000) compared with a comparable petrol or diesel car.

For electric cars and plug-in hybrids² as well as for cars driven by gas (not liquefied petroleum gas (LPG)), there is a reduction of the value for personal income taxation of 40% (to a maximum of SEK 10,000) compared with the taxation value of the corresponding or a comparable car driven by petrol or diesel. The 40% reduction is valid up to and including 2020. From 1 July 2018 the reduction of the benefit value is calculated based on the new car price of the comparable car instead of the benefit value of the comparable car.

² (cars equipped with the technology to run on electricity that is supplied by recharging from an external energy source)

For electric hybrid cars, the time-limited reduction of the benefit value by 40% (to a maximum of SEK 16,000) was abolished from 2012. However, the permanent reduction of the benefit value to the benefit value of a comparable petrol or diesel car is still valid.

For cars driven by alcohol (ethanol) the time-limited reduction of the benefit value by 20% (to a maximum of SEK 8,000) was abolished since 2012. However, the permanent reduction of the benefit value to the benefit value of a comparable petrol or diesel car is still valid.

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



CHAPTER

29

ACEA TAX GUIDE 2018

United Kingdom

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1 TAXES ON ACQUISITION

1.1 VAT

1.1.1 VAT on new vehicles

The rate of VAT, across the UK, has been 20% since 4 January 2011. Previously, VAT was set at 17.5%, with a temporary reduction to 15% from 1 December 2008 until 31 December 2009.

Cars (up to 12 seats), commercial vehicles and motorised caravans are subject to VAT at the standard rate, calculated on the invoice value.

1.1.2 VAT on second-hand vehicles

Cars and motorised caravans

VAT is paid on the difference between the vendor's purchase price and sale price when the second-hand car is acquired from a taxable person registered for VAT – the Margin Scheme. If VAT was deducted on the purchase of the new car, it has to be applied on the full selling price of the second-hand car. Private individual to private individual transactions are not taxed. See VAT Notice 700/64 for more details

Commercial vehicles

VAT is paid on the resale price of the vehicle.

1.2 ALLOWABLE DEDUCTIONS

1.2.1 Deduction of VAT

New vehicles

A taxable person (registered for VAT) who is operating in the rental car, driving school or taxi sector is permitted to deduct the VAT on the purchase of a vehicle. Leasing companies providing cars for these purposes are also allowed to deduct VAT. With regard to motorised caravans, a taxable person is able to claim back the VAT. Finally, the VAT paid on the purchase of a commercial vehicle is deductible by VAT-registered taxable companies. Leasing companies and companies buying cars wholly for a business purpose are able to fully deduct VAT. Only 50% of the VAT applying to the car leasing charge is recoverable where there is any use of the car for private motoring.

Second-hand vehicles

VAT is generally not deductible on cars although taxable companies registered for VAT may claim the VAT on qualifying cars purchased wholly for a business purpose. Taxable companies registered for VAT may claim the VAT paid on their purchases of commercial vehicles.

1.2.2 Depreciation

Business cars – see also further explanatory note at end of this section

As of April 2002, certain very low CO₂-emitting cars, including electric vehicles, qualify for 100% first-year writing down allowances (FYAs). Since April 2009 the capital allowance treatment of all cars has been designed to benefit those with low CO₂ emissions. From 1 April 2013, expenditure on cars with CO₂ emissions above 130g/km attracts 8% writing-down allowance (WDA), while expenditure on cars

with CO2 emissions of 95-130g/km attracts an 18% WDA. Cars that emit less than 95g/km can claim 100% FYA. From 2015, the 100% rate will apply to cars emitting less than 75g/km. The government has reviewed the main rate thresholds and, from April 2018 until March 2021, cars that emit less than 50g/km can claim 100% FYA. Also, the main threshold rate (for determining the 8% and 18% rates) is reduced to 110g/km. These changes also amend the lease rental restriction in line with these values.

Commercial vehicles

Firms apply the reducing-balance method of depreciation at the annual rate of 18% in the general asset pool for plant and machinery (plant and machinery capital allowances).

1.3 REGISTRATION CHARGES

The first registration fee is £55 for all vehicles. The flat rate fee was introduced in 1998 at £25. It rose to £38 on 1 January 2004, to £50 on 1 May 2007 and to its current rate on 1 April 2008. As of February 2017, the rate remains at £55.

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 2017 following a major reform of the VED system for cars. There are further differences in values for direct debit and non-direct debit payments. First registration remains aligned with CO2 emissions values, but subsequent relicensing is set at a flat-rate value linked to fuel type and a supplement aligned with the list price of the car at first registration (up to £40,000 and over £40,000).

More details on the structure of the change from 1 April 2017 are available at:

www.gov.uk/government/news/new-vehicle-tax-rates-from-1-april-2017

and further details on all taxes and rates linked to vehicles is available at:

www.gov.uk/government/publications/autumn-budget-2017-overview-of-tax-legislation-and-rates-outlar/annex-a-rates-and-allowances

Private/light goods vehicles (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	150.00	82.50
> 1,549cc	245.00	134.75

Vehicles registered on or after 1 March 2001

	12 months (£)	6 months (£)
Tax Class 39	240.00	132.00

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 D, then bands AA and AAA were introduced, which were then reclassified from 1 April 2005 as bands A and B in an A to F system. A new G band for cars over 225g/km was then introduced from 23 March 2006, applying to cars only from that date onwards.

Legacy table VED standard rates¹ on relicensing up to 1 April 2017

Band	CO ₂ emissions (g/km)	Standard car		Alternatively fuelled car	
		12 months (£)	6 months (£)	12 months (£)	6 months (£)
A	≤ 100	0	-	0	-
B	101 - 110	20	-	10	-
C	111 - 120	30	-	20	-
D	121 - 130	115	63.25	105	57.75
E	131 - 140	135	75.25	125	68.75
F	141 - 150	150	82.50	140	77
G	151 - 165	190	104.50	180	99
H	166 - 175	220	121	210	115.50
I	176 - 185	240	132	230	126.50
J	186 - 200	280	154	270	148.50
K ²	201 - 225	305	167.75	295	162.25
L	226 - 255	520	286	510	280.50
M	> 255	535	294.25	525	288.75

From 1 April 2010 a new first-year/first-registration rate of VED was introduced. Cars emitting up to 130g/km CO₂ attract a zero rate of VED, while cars with CO₂ emissions between 131 and 165g/km are charged at the standard rate and cars with CO₂ emissions over 166g/km attract a considerably higher rate (for cars in the highest band, band M – over 255g/km – the rate is more than twice the standard rate). In 2013, rates for cars with CO₂ emissions under 130g/km remained at zero, with rates above rising by £5-35. The M band rate was pushed to £1,055. For cars registered on or after 1 April 2017 the thirteen bands which provide the rates were changed. Additional bands have been created below the 100g/km as well as consolidation of other bands groupings as shown in the table below.

Tax is only available for 12 months at these rates and bands and is set to change from April 2018. The UK Finance Bill from Autumn 2017 characterises between higher rate diesel vehicles, which will be subject to an increased rate based on CO₂ emissions.

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.

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

VED standard rates for cars registered on or after 1 April 2017

CO2 emissions figure (g/km)	Petrol and diesel cars (tax class 48 and 49) ³	Alternatively Fuelled car (tax class 59)
	12 months (£)	12 months (£)
0	-	-
1-50	10	0
51-75	25	15
76-90	100	90
91-100	120	110
101-110	140	130
111-130	160	150
131-150	200	190
151-170	500	490
171-190	800	790
191-225	1,200	1,190
226-255	1,700	1,690
> 255	2,000	1,990

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

	12 months (£)	6 months (£)
Vehicles registered on or after 1 March 2001	240.00	132.00
Euro 4-compliant vehicles (TC36) registered between 1 January 2003 and 31 December 2006	140.00	77.00
Euro 5-compliant vehicles (TC36) registered between 1 January 2009 and 31 December 2010	140.00	77.00

Light goods vehicles attract the same VED charges as cars without CO2 figures. From 1 January 2009, diesel vans that meet Euro 5 emissions standards and first registered between 1 January 2009 and 31 December 2010 are eligible for a reduced VED rate. Euro 4 light goods vehicles registered between 1 March 2003 and 31 December 2006 are also eligible for the concessionary rate of duty.

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.

³ Diesel vehicles will be subject to paying the value of tax in the band above their applicable CO2 emissions figure, determined in accordance with 'diesel supplement' announced at Budget 2017 as part of a transient item

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*	B	B
≤ 21,000	D	B*	B
≤ 23,000	D	C*	B
≤ 25,000	D	D*	C
≤ 27,000	D	D*	D*
≤ 44,000	D	D	E

*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*	A*	A*
≤ 28,000	C*	A*	A*
≤ 31,000	D	D*	A*
≤ 34,000	E	E	C
≤ 38,000	F	F	E
≤ 44,000	G	G	G

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

Three-axle 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
≤ 28,000	A	A	A
≤ 31,000	C	A	A
≤ 33,000	E	C	A
≤ 34,000	E	D	A
≤ 36,000	E	D*	C*
≤ 38,000	F	E	D
≤ 44,000	G	G	E

*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*	88.50*
B	200.00	110.50	160.00*	90.50*
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

*Where two or more bands show the same rate of duty, the remainder 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	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 (kg)	12 months (£)	6 months (£)
3,500-25,000	165.00	90.75
> 25,000	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)	≤ 150cc	18.00	n/a
	151-400cc	41.00	n/a
	401-600cc	62.00	34.10
	> 600cc	85.00	46.75
TC50 tricycles	≤ 150cc	18.00	n/a
	All other	85.00	46.75

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 2018 fuel prices

UK Average	Unleaded 95 Octane		Diesel		Super Unleaded		LPG
	Litres (pence)	Gallons (pence)	Litres (pence)	Gallons (pence)	Litres (pence)	Gallons (pence)	Litres (pence)
January 2017	119.5	543.3	122.0	554.62	129.9	590.50	62.00
January 2018	121.7	553.3	124.4	565.5	132.1	600.5	58.00
% taken as tax 2018	64.3		63.2		60.5		n/a

LPG, liquefied petroleum gas

Source: The AA Public Affairs Fuel Price Report uses data sourced from Experian Catalist (www.catalist.com)

The duty rates for petrol and diesel are the same in the UK. The rate is 57.95p/l. The last increase to this level was in March 2011. Since 2011 proposed changes have been consistently postponed or scrapped. Rates are set on a budget-by-budget basis. Prices at the pump in the table above are sourced from the Automobile Association (AA). VAT is payable on the duty and the underlying price of fuel.

4 PRIVATE USE OF A COMPANY CAR

The private use of a company car (and van) by employers and directors of companies is taxed in the United Kingdom as a benefit in kind. 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 2017/18 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 ⁴ (%)	2015/16	2016/17	2017/18	2018/19	2019/20
5	< 50	–	–	–	–
7	51-75	< 50	–	–	–
9	–	51-75	< 50	–	–
13	< 94	–	51-75	< 50	–
16	105-109	< 94	–	51-75	< 50
25	150-154	140-144	130-134	120-124	105-109
35	200-204	190-194	180-184	170-174	155-159
37	≥ 210	≥ 200	≥ 190	≥ 180	≥ 165

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

⁴ The supplement for diesel of three percentage points is retained, so add 3% to the rates for petrol cars as given in the above table to derive the appropriate percentage rate for a diesel car.

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 £22,200, 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

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CHAPTER

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ACEA TAX GUIDE 2018

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

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% on all motor vehicles.

1.3 REGISTRATION FEE

The registration fee for all new vehicles is ISK 5,060.

1.4 TAXES ON OWNERSHIP

The automobile charge for each charging period is based on the vehicle's recorded emissions of CO2. Recorded emissions are measured in grams per kilometre.

The automobile charge for each charging period for a vehicle with an unladen weight of 3,500kg or less is ISK 5,925 for the first 121g/km of the automobile's recorded emissions and ISK 142 for each gram per kilometre of recorded emissions beyond that.

Where a vehicle's recorded CO2 emissions are not available, the emissions of the vehicle in question are determined to be 0.12g of CO2 for each kilogram of the vehicle's registered unladen weight, in addition to 50g of CO2.

The automobile charge for a vehicle with an unladen weight of 3,500kg or greater is ISK 55,510 for each charging period in addition to ISK 2,37 for each kilogram of the vehicle's registered unladen weight beyond 3,500kg.

The automobile charge for a vehicle with an unladen weight greater than 3,500kg unladen weight will not, however, exceed ISK 87,375 for any charging period.

2 TAXES ON MOTORING

Fuel taxes (ISK/l, January 2018)

	95 unleaded	Diesel
Import duty ¹	27.35	–
Petrol tax	44.10	–
CO2 tax	8.25	9.45
Oil tax	–	61.30
VAT (24%)	40.98	40.04
Price at the pump	211.80	206.90

¹ Basis of assessment of import duty: customs price (± CIF price)



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ACEA TAX GUIDE 2018

Norway

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1 TAXES ON ACQUISITION

1.1 IMPORT TAX

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

Weight¹ tax

NOK 0.00/kg for the first 500kg of weight
NOK 25.04/kg for the following 700kg
NOK 62.41/kg for the following 200kg
NOK 195.03/kg for the following 100kg
NOK 226.83/kg for the remaining weight

CO2 tax

* NOK -1,120.29 per g/km below 40g/km of CO2 emissions
* NOK -952.20 per g/km below 70g/km (including the first 40g/km) of CO2 emissions
NOK 0.00 per g/km for the first 70g/km of CO2 emissions
NOK 929.34 per g/km for the following 25g/km of CO2 emissions
NOK 1,041.42 per g/km for the following 30g/km of CO2 emissions
NOK 2,728.96 per g/km for the following 70g/km of CO2 emissions
NOK 3,505.00 per g/km for the remaining CO2 emissions

* Only for cars with total CO2 emissions below 40g/70g

NOx tax

NOK 72.06 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 considering a 0% 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 23%.

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

1.2 VAT

VAT is levied on all motor vehicles at a rate of 25% of the amount comprising customs value, customs duty (if any) and import tax. This does not apply to purely electric cars, including fuel-cell cars.

For imported used motor vehicles, the taxable value is established by the customs authorities.

The amount of the taxable value is reduced according to the age of the vehicle as follows:

Over 1 month: 2%	Over 2 years: 30%
Over 2 months: 4%	Over 2 years and 6 months: 33%

¹ Weight of the vehicle when ready for use, ie with all equipment installed and fluid reservoirs filled with oil, water and fuel

Over 3 months: 6%	Over 3 years: 36%
Over 4 months: 8%	Over 3 years and 6 months: 39%
Over 5 months: 10%	Over 4 years: 42%
Over 6 months: 11%	Over 5 years: 45%
Over 7 months: 12%	Over 6 years: 50%
Over 8 months: 13%	Over 7 years: 55%
Over 9 months: 14%	Over 8 years: 59%
Over 10 months: 15%	Over 9 years: 63%
Over 11 months: 16%	Over 10 years: 67%
Over 1 year: 17%	Over 11 years: 70%
Over 1 year and 2 months: 19%	Over 12 years: 73%
Over 1 year and 4 months: 21%	Over 13 years: 76%
Over 1 year and 6 months: 23%	Over 14 years: 78%
Over 1 year and 8 months: 25%	15-29 years: 80%
Over 1 year and 10 months: 27%	30 years or over: NOK 3,447.00

A 'used motor vehicle' is a vehicle that was registered at the time of customs clearance. The age of the vehicle has to be proven by official documents stating the date of first registration abroad.

1.3 SPECIAL TAX

1.3.1 New vans class 1

Same taxes as passenger cars.

1.3.2 New vans class 2

For a van to be defined as class 2, it must have room for a box with the following dimensions:

- Length: 140cm
- Height: 105cm
- Width: 90cm

CO2 tax for vans

Vans Class 2

The highest level for the CO2 component does not apply.

The second highest level is 25 percent of the tax for passenger cars.

The remaining levels are 30 percent of the tax for passenger cars.

Class 2 vans attract 20% of the weight tax for similar passenger cars, except for NOx tax, which is charged at 75% of the usual rate, and CO2 tax, which varies as shown above.

1.3.3 New minibuses

New minibuses of less than 6m length and with not more than 17 seats where at least 10 seats are mounted in the direction of traffic are taxed at 40% of the import tax (similarly to passenger cars in taxation group A).

For new trucks, buses or vans with an extra seat, exceeding 7.5t in total weight, there are no special taxes.



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ACEA TAX GUIDE 2018

Switzerland

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1 TAXES ON ACQUISITION

1.1 CUSTOMS DUTIES

For imports from EU countries, no customs duties are due. However, a car tax amounting to 4% of the value of the car (as invoiced to the importer) is levied at customs.

1.2 VAT

All vehicles are subject to VAT at the rate of 7.7%.

Registration taxes are levied by the cantons. They may amount to a maximum of CHF 250.

2 TAXES ON OWNERSHIP

Motor vehicle tax is an annual tax levied by the cantons.

It is based on:

- fiscal horsepower (hp);
- cylinder capacity (cc);
- vehicle gross weight (GVW);
- horsepower in kilowatts (kW); or
- a combination of two of the elements listed above.

Several cantons have reduced taxes for electric cars and hybrids and some have also reduced them for cars fuelled by compressed natural gas.

3 TAXES ON MOTORING

Fuel taxes (CHF/l) (as at December 2017)

	Unleaded 95	Diesel
Fuel price plus distribution costs	0.707	0.757
Tax	0.43	0.46
Tax extra charge	0.30	0.30
VAT 7.7%	0.11	0.11
Import rate	0.003	0.003
Price at the pump	1.55	1.63

Other countries

Brazil	256
China	258
India	283
Japan	314
Korea	330
Russia	334
Turkey	344
United States of America	350



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CHAPTER

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ACEA TAX GUIDE 2018

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 2018

China

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This document summarises the main tax/charge categories pertinent to motor vehicles in China, as well as the corresponding tax rates, calculation methods of payable tax amount, and billing criteria (for charges). Based on taxpayer type, these vehicle-related taxes/charges are grouped into two primary categories as follows:

1. Taxes to be paid by the vehicle manufacturer/importer/marketer (as taxpayer), including:

- Import tariff
- Consumption tax
- Value added tax (VAT)

Note: Unlike the situation in the EU, consumers in China do not pay VAT directly – although the VAT amount, as a part of the vehicle's price, is eventually paid by the consumer who purchases the vehicle – since it is collected during the vehicle manufacturing, importing and marketing processes.

Other taxes payable by the vehicle manufacturer, importer or marketer that have no direct relationship to the vehicle product (business tax, enterprise income tax) fall outside the scope of this document.

2. Taxes/charges to be paid by the vehicle owner/user (as taxpayer)

Based on their nature, these taxes and charges are classified as follows:

- Taxes on acquisition: taxes/charges paid by the vehicle owner/user once only, upon vehicle purchase or prior to the start of use of the vehicle
- Taxes on ownership: taxes/charges paid annually, regardless of how the vehicle is used
- Taxes on motoring: taxes/charges on fuels or use of the vehicle

Note: The amounts of all the taxes and charges are expressed in RMB (yuan).

3. Incentives for energy-saving and new-energy vehicles (NEVs)

1 TAXES TO BE PAID BY THE VEHICLE MANUFACTURER/IMPORTER (AS TAXPAYER)

1.1 IMPORT TARIFF

For vehicles imported into China, the consignee should pay the appropriate duty to customs.

1.1.1 Tariff amount and rate

$$\text{payable tariff amount for import of a vehicle} = \text{dutiable price} \times \text{duty rate}$$

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.

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

$$\text{payable tax amount} = \text{sales amount} \times \text{tax rate}$$

Note: the sales amount is exclusive of VAT.

- b) In the case of a taxable vehicle product subcontracted for processing, the payable amount of consumption tax shall be calculated based on the sales price of the same kind of vehicle product if sold on by the subcontractor; failing that, the following formula will apply:

$$\text{payable tax amount} = (\text{material cost} + \text{processing fee}) + (1 - \text{tax rate}) \times \text{tax rate}$$

- c) In the case of an imported vehicle product, the payable amount of consumption tax shall be calculated as follows:

$$\text{payable tax amount} = (\text{customs dutiable price} + \text{customs duty}) + (1 - \text{tax rate}) \times \text{tax rate}$$

1.2.3 Extra consumption tax on an ultra-luxury small motor vehicle

As of 1 December 2016, an extra consumption tax of 10% is imposed on ultra-luxury small motor vehicles, namely passenger cars and light- or medium-duty commercial buses with a VAT-exclusive retail price of more than RMB 1.3 million. The extra ultra-luxury small motor vehicle consumption tax will be paid by the retailer based on previous consumption tax paid during the production and import phase.

$$\text{payable tax amount} = \text{retail sales amount (VAT-exclusive)} \times \text{tax rate}$$

For domestic automobile manufacturers who sell ultra-luxury small motor vehicles directly to the consumer, the consumption tax rate is calculated as the sum of the tax rate upon production and the tax rate upon retail. The formula for the consumption tax payable is below:

$$\text{payable tax amount} = \text{VAT-exclusive sales amount} \times (\text{tax rate upon production} + \text{tax rate upon retail})$$

Consumption tax rates for motor vehicle products

Taxable item	Tax rate (%)	
	Production/Imports	Retail
Small motor vehicles		
1. Passenger cars		
a) with a cylinder capacity (ie displacement volume) not exceeding 1.0l	1	
b) with a cylinder capacity (ie displacement volume) exceeding 1.0l but not exceeding 1.5l	3	
c) with a cylinder capacity (ie displacement volume) exceeding 1.5l but not exceeding 2.0l	5	
d) with a cylinder capacity (ie displacement volume) exceeding 2.0l but not exceeding 2.5l	9	
e) with a cylinder capacity (ie displacement volume) exceeding 2.5l but not exceeding 3.0l	12	
f) with a cylinder capacity (ie displacement volume) exceeding 3.0l but not exceeding 4.0l	25	
g) with a cylinder capacity (ie displacement volume) exceeding 4.0l	40	
2. Light and medium-duty commercial passenger vehicles	5	
3. Ultra-luxury small motor vehicle	As for passenger cars and light- and medium-duty commercial passenger vehicles	10

1.3 VAT

All individuals/entities engaged in the sale of motor vehicles, the provision of processing, repairs and replacement services, and the import of motor vehicles must pay VAT.

1.3.1 VAT rate

The VAT rate 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 (AS TAXPAYER)

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 January 2018 to 31 December 2020, NEVs are exempt from vehicle purchase tax.

The NEVs to be exempted from vehicle purchase tax have to be listed in the 'Catalogue of New-Energy Vehicle Models Exempted from Vehicle Purchase Tax', hereafter referred to as 'the Catalogue'.

NEVs listed in the Catalogue must comply with all the following conditions:

1. Battery electric vehicle, plug-in (including range extended) hybrid electric vehicle and fuel-cell electric vehicle that are allowed for sales in territory of China
2. New energy vehicle manufacturer or import new energy vehicle dealer (hereunder abbreviated as enterprise) shall meet the relevant requirements on product quality assurance, product conformity, after-sales service, safety monitoring, traction battery recycling and other aspects
3. Shall meet the new energy vehicle technical requirements as below:

a) Requirements on battery electric range of new energy vehicle

Category	Passenger car (km)	Bus (km)	Goods vehicle (km)	Special vehicle (km)	Testing method
Battery electric vehicle (BEV)	≥ 100	≥ 200	≥ 80	≥ 80	Adopt operating mode method for categories M1 and N1 and 40km/h constant speed method for others for the time being.
Plug-in (including range extended) hybrid electric vehicle (PHEV)	≥ 50 (Operating mode method) ≥ 70 (Constant speed method)	≥ 50	≥ 50	≥ 50	Adopt operating mode method or 60km/h constant speed method for categories M1 and N1 and 40km/h constant speed method for others for the time being.
Fuel cell electric vehicle (FCEV)	≥ 300	≥ 300	≥ 300	≥ 300	Adopt operating mode method for categories M1 and N1 and 40km/h constant speed method for others for the time being.

Notes: No requirements on battery electric range for battery electric buses using ultracapacitor and Lithium Titanium Oxide (LTO) quick charge. Category M1 includes passenger cars with no more than nine seats including the driver seat. Category N1 included goods vehicles with a maximum total mass not exceeding 3,500kg by design.

b) Technical requirements for new energy passenger cars

- Maximum thirty-minutes speed of battery electric passenger car shall not be less than 100km/h.
- Mass energy density of traction battery system of battery electric passenger car shall not be less than 95Wh/kg.
- For battery electric passenger car products, as per different kerb mass (m) of complete vehicle, the power consumption (Y) per 100km under driving mode conditions shall meet the following requirements: when $m \leq 1,000\text{kg}$, $Y \leq 0.014 \times m + 0.5$; when $1,000 < m \leq 1,600\text{kg}$, $Y \leq 0.012 \times m + 2.5$; when $m > 1,600\text{kg}$, $Y \leq 0.005 \times m + 13.7$.
- For plug-in hybrid electric passenger car of pure electric range less than 80km under driving mode conditions, the fuel consumption under condition B (excluding fuel consumption converted from electric power) is less than 70% of corresponding limit in prevailing national standard on conventional fuel consumption. For plug-in hybrid electric passenger car of pure electric range more than or equivalent to 80km under driving mode conditions, the power consumption per 100km under condition A shall meet requirements identical with battery electric passenger car.

c) Technical requirements of new energy buses

- Unit load mass energy consumption (Ekg) shall not be more than 0.24Wh/km per kg.
- Energy density of battery system of battery electric bus other than quick charging type shall be more than 95Wh/kg, quick charge multiplying power of quick charging type of battery electric bus shall be more than $3C^1$, and fuel saving rate level of plug-in hybrid electric bus (including range extended) shall be more than 40%.

d) Technical requirements for new energy goods vehicles and special vehicles

- Mass energy density of the installed traction battery system shall not be less than 95Wh/kg.
- Unit load mass energy consumption (Ekg) shall not be more than 0.49Wh/km per kg for battery electric goods vehicle and transport type of special vehicle and power consumption per t/100km shall not be more than 10kWh for other types of battery electric special vehicle (according to test mass).

e) Technical requirements for fuel cell electric vehicles

- The rated power of fuel-cell system shall not be less than 30% of the rated power of driving motor and rated power of fuel-cell system of passenger car shall not be less than 10kW, shall not be less than 30kW for commercial vehicle.

2.1.2 Motor vehicle registration fee

The nationwide unified billing criteria for the production fees for licence plates and driving licences for motor vehicles are implemented according to law.

Licence plate fees

- a) For motor vehicles:
 - Reflective licence plate, RMB 100 per pair
 - Non-reflective licence plate, RMB 80 per pair

¹ $C = \text{Capacity}[\text{Ah}] / 1[\text{h}]$, meaning C is the Current based on ampere-hour rating for total discharge in 1 hour

- 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.

2.2 TAX ON OWNERSHIP

2.2.1 Vehicle and vessel tax

The Law on Vehicle and Vessel Tax of China entered into force on 1 January 2012.

Scope

Vehicles and vessels are subject to the vehicle and vessel tax. Vehicles and vessels are:

- motor vehicles and vessels registered with the administrative departments for vehicle and vessel registration according to the laws;
- motor vehicles and vessels that do not need to be registered with the administrative departments for vehicle and vessel registration according to the laws and are driven or operated within the premises of units.

The owners or custodians of vehicles and vessels are the taxpayers of vehicle and vessel tax.

Payable amount of vehicle and vessel tax

The tax amount applicable to vehicles and vessels complies with the Schedule of Taxable Items and Tax Amounts for Vehicle and Vessel Tax below.

The people's government of each province, autonomous region or municipality directly under the central government determines the specific tax amounts applicable to vehicles in accordance with the Schedule of Taxable Items and Tax Amounts for Vehicle and Vessel Tax, and these amounts must comply with the following principles:

- For passenger vehicles, the tax amounts must increase proportionately as displacement volume increases, from small to large
- For buses, the tax amounts must increase depending on whether the approved passenger number is greater than 20 or less than or equal to 20

The specific tax amounts are reported to the State Council for the record.

Schedule of Taxable Items and Tax Amounts for Vehicle and Vessel Tax

Item		Unit	Annual reference tax (RMB)	Remarks
Passenger vehicle classified by engine cylinder capacity (exhaust volume in litre)	≤ 1.0	Per vehicle	60-360	Rated capacity ≤ 9
	> 1.0 and ≤ 1.6		360-540	
	> 1.6 and ≤ 2.0		540-660	
	> 2.0 and ≤ 2.5		660-1,200	
	> 2.5 and ≤ 3.0		1,200-2,400	
	> 3.0 and ≤ 4.0		2,400-3,600	
	> 4.0		3,600-5,400	
Commercial vehicle	For passengers	Per unit	480-1,440	Rated capacity > 9 people, trolley included
	For cargos	Kerb weight per tonne	16-120	Including semi-trailer towing vehicle, three-wheeled vehicles and low-speed trucks, etc
Trailer		Kerb weight per tonne	Calculated based on 50% of truck tax	
Other vehicle	Special-purpose vehicle	Kerb weight per tonne	16-120	Excluding tractors
	Wheeled special-purpose mechanical vehicle		16-120	
Motorcycle		Per unit	36-180	

Vessel	Motor vessel	Net tonnage	3-6	Trailers and dumb barges are calculated based on 50% of motor vehicle tax
	Yacht	Body length (m)	600-2,000	

Notes:

- Passenger vehicle: a vehicle that is mainly used for carrying passengers and baggage, this being clear from its design and technical features; the approved number of passengers including the driver must be not more than nine persons.
- Commercial vehicle: a vehicle, excluding passenger vehicles, that is used for carrying passengers and cargo, this being clear from its design and technical features; these vehicles are classified as passenger cars and trucks.
- Semi-trailer towing vehicle: a commercial vehicle equipped with a special device for towing semi-trailers.
- Three-wheeled vehicle: a truck with maximum designed speed not exceeding 50km/h and which has three wheels.
- Low-speed truck: a diesel-powered vehicle the maximum designed speed of which does not exceed 70km/h and which has four wheels.
- Trailer: a kind of non-powered road vehicle which requires to be towed by a car or tractor for normal use.
- Special-purpose vehicle: a vehicle that is used for special work, this being clear from its design and technical features.
- Wheeled special-purpose mechanical vehicle: a wheeled engineering machinery vehicle with a special structure and specialised functions, equipped with rubber wheels; it may be self-propelling and its maximum designed speed must be greater than 20km/h.
- Motorcycles: a two- or three-wheeled vehicle, regardless of the type of power used, or whether or not the vehicle has an internal combustion engine, it must have a maximum designed speed greater than 50km/h and a displacement volume greater than 50ml.

Vehicle and vessel tax must be declared and paid once per year.

For a vehicle purchased new, the taxable amount for the year the vehicle was purchased is calculated from the month that tax liability began on a monthly basis. The taxable amount is the annual taxable amount divided by 12 then multiplied by the number of taxable months.

Exemptions from vehicle and vessel tax

The following shall be exempted from vehicle and vessel tax:

- Vehicles belonging to the army and armed police
- Police vehicles
- Vehicles/vessels belonging to foreign embassies/consulates in China, offices in China of international organisations, or their personnel, which are exempted from tax in accordance with the relevant local laws or the international treaties concluded or joined by China

2.2.2 Incentive for energy-efficient and new-energy vehicles

Energy-efficient vehicles (EEVs) benefit from a 50% reduction on the vehicle and vessel tax, and NEVs are exempt from vehicle and vessel tax.

2.2.2.1 Criteria for EEVs

Criteria for energy-efficient passenger cars

EEVs are petrol- and diesel-powered passenger cars (including non-plug-in hybrid electric passenger cars 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 ≤ 2 rows of seats)	Fuel consumption (l/100km) (vehicles having ≥ 3 rows of seats)
≤ 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)*'.

2.2.2.2 Criteria for NEVs

The NEVs exempted from vehicle and vessel tax are battery electric commercial vehicles and plug-in (including range-extended) hybrid and fuel-cell commercial vehicles. Battery electric passenger cars and fuel-cell passenger cars fall outside the levying scope of vehicle and vessel tax.

NEVs exempted from vehicle and vessel tax must be battery electric commercial vehicles and plug-in (including range-extended) hybrid and fuel-cell commercial vehicles that are authorised to be sold within the territory of China.

Battery electric range must satisfy the criteria set out in the table below:

Criteria for battery electric range of NEVs

Classification	Passenger car (km)	Bus (km)	Goods vehicle (km)	Special-purpose vehicle (km)	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, titanite, etc, are exempted from the battery electric range requirements
- Category M1 refers to passenger vehicles having no more than nine seats (including the driver's seat)
- Category N1 refers to goods vehicles having a GVW not exceeding 3,500kg
- Traction battery is used, except lead-acid battery

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.

2.2.3 Periodic safety and technical inspection fee for motor vehicles

Charging criterion for the periodic safety and technical inspection fee for motor vehicles

The charging criterion is determined by the relevant provincial price authority in conjunction with the fiscal authority.

The upper limits specified by the state are as follows: 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.

2.2.4 Periodic emission testing fee for motor vehicles

The relevant regional competent authority works out the billing criteria for periodic emission testing for motor vehicles, based on the testing methods and vehicle category.

2.2.5 Annual fee for inspection of the composite performance of commercial vehicles

Road transport vehicles must undergo an annual examination and inspection as set out in the 'Composite performance requirements and detecting methods for road transport vehicles' standard.

The annual fee for inspection of the composite performance of commercial vehicles is determined by the relevant regional competent authority for transportation.

2.3 TAX ON MOTORING

2.3.1 Consumption tax on refined oil products

From 13 January 2015, consumption tax on refined oil products was increased as follows:

Petrol – RMB 1.52/l

Diesel – RMB 1.2/l

2.3.2 Motor vehicle traffic accidents liability compulsory insurance (TALCI)

Scope

The owner/custodian of any motor vehicle operating on the roads within the territory of the People's Republic of China must, as set out in the provisions of the Law of the People's Republic of China on Road Traffic Safety, take out a policy of mandatory liability insurance for traffic accidents of motor vehicles.

The policy holder must not terminate the contract for the TALCI of the motor vehicle except where the motor vehicle covered is lost or deregistered, or where discontinued travel has already been applied for.

Calculation of insurance premium

Actual premium of TALCI = base premium of TALCI × (1 + variable ratio A linked to road traffic accidents)

Base premium of TALCI

Calculation of base premium for a one-year policy

For a one-year policy for TALCI of a motor vehicle, the base premium is determined based on the corresponding amount shown in the 'Schedule of base premium rates for TALCI of motor vehicles' below.

Schedule of base premium rates for TALCI of motor vehicles (2008 version)

Vehicle category	No	Vehicle type	Premium (RMB)
I. Household vehicles	1	< 6 seats	950
	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, \leq 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, \leq 14.7kW	
	42	Transportation tractor, > 14.7kW	

Notes:

- Type 1 special-purpose vehicles: oil tankers, gas tankers and liquid tankers
- Type 2 special-purpose vehicles: specific water-purification vehicles; tankers except Type 1 tankers; and various special-purpose motor vehicles intended for wreck removal, sweeping, cleaning, hoisting, loading, lifting, agitating, excavation, earth moving, refrigeration, thermal insulation, etc
- Type 3 special-purpose vehicles: various special-purpose motor vehicles fitted with permanent, dedicated instrumentation intended for specialised monitoring, fire-fighting, cash transport, medical treatment, TV relay, etc
- Type 4 special-purpose vehicles: container tractors. Based on the nature of use, the rate for a trailer is to be calculated at 30% of that for a goods vehicle having the same tonnage

For low-speed goods vehicles, the premium rate for transportation tractors (> 14.7kW) applies.

Calculation of short-term base premium

If the effective period of the TALCI policy for a motor vehicle is less than one year, the premium is to be calculated using the short-term premium tariff coefficient (any timespan less than one month is to be regarded as one month). The calculation is done as follows: first, determine the base premium based on the 'Schedule of base premium rates of TALCI of motor vehicles' above; then select from the table below

the short-term monthly premium tariff coefficient based on the duration to be covered; finally, multiply the two figures to obtain the short-term base premium.

Schedule of short-term monthly premium tariff coefficients

Policy duration (months)	1	2	3	4	5	6	7	8	9	10	11	12
Short-term monthly premium tariff coefficient (%)	10	20	30	40	50	60	70	80	85	90	95	100

Short-term base premium = annual base premium × short-term monthly premium tariff coefficient

Factors affecting the floating premium tariff for TALCI and the ratio A

The factors affecting floating premium tariff for TALCI and the ratio A are as follows:

Factors affecting floating premium tariff			Floating ratio A (%)
Floating tariff linked with road traffic accidents	A1	No occurrence of liable road traffic accident during the preceding year	-10
	A2	No occurrence of liable road traffic accident during the preceding two years	-20
	A3	No occurrence of liable road traffic accident during the preceding three or more years	-30
	A4	One occurrence of liable road traffic accident during the preceding year, involving no death	0
	A5	Two or more occurrences of liable road traffic accident during the preceding year	10
	A6	Occurrence of liable road traffic accident during the preceding year involving a death	30

2.3.3 Highway toll

In China, highway toll rates are calculated taking into account primary factors such as vehicle type, vehicle weight, mileage actually travelled on tollable highways, provincial base rate, highway grade, etc.

Highway toll criteria are determined by the relevant provincial people's government.

3 INCENTIVES FOR ENERGY-EFFICIENT AND NEW-ENERGY VEHICLES

3.1 NATIONAL NEV PROMOTION AND INCENTIVE 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 requirement

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)



CHAPTER

35

ACEA TAX GUIDE 2018

India

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Association

1 AUTOMOBILE TAX

The Government of India moved away from the Excise Duty regime and introduced the Goods and Services Tax (GST) from 1 July 2017 as indicated below:

Vehicle category	GST Rate (%)
Passenger vehicles (petrol, diesel, CNG, electric hybrid)	28
Commercial vehicles	
Three-wheelers	
Two-wheelers	
Electric vehicles	12

Over and above, a State GST Compensation Cess¹ was announced for a few vehicle categories to compensate the state for any loss in revenue to the states due to the introduction of GST:

Vehicle category	Cess (%)	Total applied rate (%)
Small passenger vehicles (petrol, CNG, LPG) < 4m in length and < 1,200cc engine	1	29
Small passenger vehicles (diesel) < 4m in length and < 1,500cc engine	3	31
Mid-size passenger vehicles (> 4m in length with < 1,501 cc engine)	17	45
Large passenger vehicles (> 4m in length with > 1,500cc engine)	20	48
UVs/SUVs (> 4m in length with > 1,500cc engine & >169mm ground clearance)	22	50
> 350cc two-wheelers	3	31
10 – 13-seater public transport vehicles	15	43

All the other duties like state VAT, Central Sales Tax (CST), R&D Cess, National Calamity Contingency Duty, etc have all been subsumed in GST and are no longer levied separately.

Motor Vehicle Tax/Road Tax rates are still applicable and vary according to the states. Detailed rates for different types of vehicles in different states are given in the annex below.

¹ Tax

STATE-WISE RATES OF MOTOR VEHICLE TAX

ABBREVIATIONS

AC	Air Conditioning
Addl	Additional
CC	Chassis Cost
GVW	Gross Vehicle Weight
HGV	Heavy Good Vehicle
Lakh	Unit in the Indian numbering system equal to one hundred thousand
LGV	Light Good Vehicle
LTT	Life Time Tax
LW	Laden Weight
MGV	Medium Good Vehicle
MT	Metric Tonne
OTT	One Time Tax
PA	Per Annum
PM	Per Month
PQ	Per Quarter
PP	Per Passenger
PPT	Permit Period Tax
PS	Per Seat
RLW	Registered Laden Weight
Rs	Indian Rupee
RT	Road Tax
SRT	Special Road Tax
ULW	Unladen Weight
VC	Vehicle Cost
VV	Vehicle Value

State/Union Territories	Buses	Trucks/Goods vehicles, Trailers and Tractors	Two wheelers	Cars/Jeeps	Taxi/Cabs	Auto rickshaws/ Three wheelers																						
Andhra Pradesh (March 2012)	<p>Stage Carriage <u>APSRTC</u></p> <ul style="list-style-type: none"> - Urban services: 5% on Gross Traffic Earnings - Moffusil services: 7% of Gross Traffic Earnings <p><u>Private</u> 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>	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	<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. 	<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"> - <u>All India Tourist Permits:</u> ₹3,675 PS PQ - <u>State Wide Permits:</u> ₹2,625 PS PQ - <u>District Wide Permits:</u> ₹1,207 PS PQ - <u>Idle Contract Carriage:</u> ₹850 PS PQ <p>OTT ₹40,000</p>	<p>Trucks: ₹2,960 PA Tractors: ₹400 PA Trailers: ₹350 PA</p>	<p>OTT: ₹400 (5 years)</p>	<p>OTT: ₹2,000 (5 years)</p>	<p>₹1,400 PA</p>	<p>OTT: ₹450 every 3 years</p>																						

State/Union Territories	Buses	Trucks/Goods vehicles, Trailers and Tractors	Two wheelers	Cats/Jeeps	Taxi/Cabs	Auto rickshaws/ Three wheelers																																																																																
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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"> <thead> <tr> <th>GVW (MT)</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <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> </tbody> </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"> <thead> <tr> <th>VW (₹ lakh)</th> <th>Tax rate (% of VW)</th> </tr> </thead> <tbody> <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> </tbody> </table>	VW (₹ lakh)	Tax rate (% of VW)	Up to 0.60	2	0.60-4	4	>4	5	<p>Basis: value of car LTT</p> <table border="1"> <thead> <tr> <th>VW (₹ lakh)</th> <th>Tax rate (% of VW)</th> </tr> </thead> <tbody> <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> </tbody> </table>	VW (₹ lakh)	Tax rate (% of VW)	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>Contract Carriage: (i) Plying under a permit issued under the Faridabad and Gurgaon City Private Bus Service Scheme (2004): ₹18,000 PA (for half body bus) and ₹30,000 PA (for full body bus). (ii) Owned by any religious institution and used by exclusively for the carriage of its personnel and devotees: ₹200 PSPA.</p> <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> <table border="1"> <thead> <tr> <th>Engine capacity (HP)</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 (HP)	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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Jammu & Kashmir (March 2012)	<p>Commercial:</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>8-21</td> <td>600</td> </tr> <tr> <td>22-33</td> <td>1,000</td> </tr> <tr> <td>>33</td> <td>1,100</td> </tr> </tbody> </table> <p>Non-commercial:</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>8-21</td> <td>600</td> </tr> <tr> <td>22-33</td> <td>750</td> </tr> <tr> <td>>33</td> <td>1,000</td> </tr> </tbody> </table>	No of seats	Tax PQ (₹)	8-21	600	22-33	1,000	>33	1,100	No of seats	Tax PQ (₹)	8-21	600	22-33	750	>33	1,000	<p>Trucks:</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>400</td> </tr> <tr> <td>1,000-3,600</td> <td>900</td> </tr> <tr> <td>3,600-8,100</td> <td>1,000</td> </tr> <tr> <td>>8,100</td> <td>1,100</td> </tr> </tbody> </table> <p>Trailers: ₹250 PQ</p>	ULW (kg)	Tax PQ (₹)	Up to 1,000	400	1,000-3,600	900	3,600-8,100	1,000	>8,100	1,100	<p>OTT</p> <p>Motor cycle: ₹4,000 Scooter: ₹2,400</p> <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 1,400</td> <td>6,000</td> </tr> <tr> <td>>1,400</td> <td>20,000</td> </tr> </tbody> </table>	Engine capacity (cc)	Tax PQ (₹)	Up to 1,400	6,000	>1,400	20,000	<p>Engine capacity (HP)</p> <table border="1"> <thead> <tr> <th>Engine capacity (HP)</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 14</td> <td>150</td> </tr> <tr> <td>>14</td> <td>500</td> </tr> </tbody> </table>	Engine capacity (HP)	Tax PQ (₹)	Up to 14	150	>14	500	<p>Commercial pick-up jeeps: ₹1,500 PA</p> <table border="1"> <thead> <tr> <th>Engine capacity (HP)</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 14</td> <td>150</td> </tr> <tr> <td>>14</td> <td>500</td> </tr> </tbody> </table>	Engine capacity (HP)	Tax PQ (₹)	Up to 14	150	>14	500	<p>No of seats</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>250</td> </tr> <tr> <td>>5</td> <td>375</td> </tr> </tbody> </table>	No of seats	Tax PQ (₹)	Up to 5	250	>5	375	<p>No of seats</p> <table border="1"> <thead> <tr> <th>No of seats</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>250</td> </tr> <tr> <td>>5</td> <td>375</td> </tr> </tbody> </table>	No of seats	Tax PQ (₹)	Up to 5	250	>5	375
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Karnataka (March 2010)	<p>More than 12 passengers:</p> <ul style="list-style-type: none"> - ₹600 PQ; standing: ₹100 PS PQ - plying exclusively on routes notified by government: <ul style="list-style-type: none"> o Seating: ₹300 PS PQ o Standing: ₹100 PS PQ <p>Contract carriages carrying more than 12 persons:</p> <ul style="list-style-type: none"> - ₹2,500 PQ - complying with Rule 	<p>Trucks Basis: RLW</p> <table border="1"> <thead> <tr> <th>RLW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 2,000</td> <td>10,000 LTT</td> </tr> <tr> <td>2,000-3,000</td> <td>15,000 LTT</td> </tr> <tr> <td>3,000-5,500</td> <td>20,000 LTT</td> </tr> <tr> <td>5,500-12,000</td> <td>1,800 PQ</td> </tr> <tr> <td>12,000-15,000</td> <td>2,200 PQ</td> </tr> <tr> <td>>15,000</td> <td>2,200 PQ + 75 every 250kg or part above 15,000kg</td> </tr> </tbody> </table>	RLW (kg)	Tax (₹)	Up to 2,000	10,000 LTT	2,000-3,000	15,000 LTT	3,000-5,500	20,000 LTT	5,500-12,000	1,800 PQ	12,000-15,000	2,200 PQ	>15,000	2,200 PQ + 75 every 250kg or part above 15,000kg	<p>LTT: VC (₹) Tax (% of VC)</p> <table border="1"> <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>	Up to 50,000	10	>50,000	12	<p>LTT: VC (₹ lakh) Tax (% of VC)</p> <table border="1"> <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>	Up to 5	13	5-10	14	10-20	17	>20	18	<p>Taxi/Cab up to 5 passengers: ₹100 PQ</p> <p>Meter Taxis: ₹60 PQ</p> <p>Cabs and maxi-cabs permitted to carry 6 passengers: ₹750 PQ</p>	<p>Passengers: ₹2,500 (LTT)</p> <p>For good vehicles up to 1,500kg GVW: ₹2,500</p>
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Kerala (March 2012)	<p>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>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>Tractors: ₹1,500 LTT</p> <p>Trailers: ₹500 LTT</p> <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</p> <p>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:</p> <p>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></td> <td>60 PQ</td> </tr> <tr> <td>3</td> <td>120 PQ</td> <td>130 PQ</td> </tr> </tbody> </table>	No of seats	Petrol (₹)	Diesel (₹)	2		60 PQ	3	120 PQ	130 PQ
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Nagaland (March 2012)	<p>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 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	<p>OTT 15 years 5% of basic cost</p>	<p>Local: ₹600 PA plus ₹1,000 passenger tax per vehicle. Zonal: ₹800 PA plus ₹1,000 passenger tax. Local Maxi Cab: ₹4,000 PA plus ₹1,250 passenger tax. AITT Maxi Cab: ₹6,000 PA plus ₹1,500 passenger tax.</p>	<p>Passengers: ₹300 PA plus ₹750 of passenger tax per vehicle.</p>																					
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Odisha (March 2012)	<p>Basis: capacity, distance covered per day and nature of service monthly</p> <table border="1"> <thead> <tr> <th>Distance (km)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 160</td> <td>172 PA addl 576 (ordinary) 895 (express)</td> </tr> <tr> <td>160-240</td> <td>196 PA addl 720 (ordinary) 1,120 (express)</td> </tr> <tr> <td>240-320</td> <td>245 PA addl 955 (ordinary) 1,550 (express)</td> </tr> <tr> <td>>320</td> <td>294 PA addl 1,146 (ordinary) 1,746 (express)</td> </tr> </tbody> </table> <p>For every standing passenger: ₹152 PA</p>	Distance (km)	Tax (₹)	Up to 160	172 PA addl 576 (ordinary) 895 (express)	160-240	196 PA addl 720 (ordinary) 1,120 (express)	240-320	245 PA addl 955 (ordinary) 1,550 (express)	>320	294 PA addl 1,146 (ordinary) 1,746 (express)	<p>Trucks basis: RLW</p> <table border="1"> <thead> <tr> <th>RLW (MT)</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 1</td> <td>540</td> </tr> <tr> <td>1-2</td> <td>2,356</td> </tr> <tr> <td>2-5</td> <td>2,446 + 444 addl tax</td> </tr> <tr> <td>5-10</td> <td>3,773 + 1,182 addl tax</td> </tr> <tr> <td>10-13</td> <td>5,363 + 1,816 addl tax</td> </tr> <tr> <td>13-16.2</td> <td>7,800 + 2,640 addl tax</td> </tr> <tr> <td>>16.2</td> <td>7,800 + 2,640 addl tax + 120 per addl 500kg</td> </tr> </tbody> </table> <p>Trailers:</p> <table border="1"> <thead> <tr> <th>RLW (MT)</th> <th>Tax PA (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 1</td> <td>196 addl 96</td> </tr> <tr> <td>1-3</td> <td>750 addl 370</td> </tr> <tr> <td>>3</td> <td>1,500 addl 738</td> </tr> </tbody> </table>	RLW (MT)	Tax PA (₹)	Up to 1	540	1-2	2,356	2-5	2,446 + 444 addl tax	5-10	3,773 + 1,182 addl tax	10-13	5,363 + 1,816 addl tax	13-16.2	7,800 + 2,640 addl tax	>16.2	7,800 + 2,640 addl tax + 120 per addl 500kg	RLW (MT)	Tax PA (₹)	Up to 1	196 addl 96	1-3	750 addl 370	>3	1,500 addl 738	<p>ULW <91kg: ₹150 PA ULW >91kg: ₹200 PA</p>	<p>5% of vehicle cost</p>	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"> - <u>Ordinary Buses</u>: ₹2.25 per km per day - <u>Ordinary HV AC Buses</u> (3x2 seats): ₹1.00 per km per day - <u>Integral Coach</u> (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><u>Mini Buses</u>: ₹30,000 PA</p> <p><u>City Buses Service</u>: ₹60 PS PQ</p> <p><u>City Buses plying outside municipal limits ordinary bus</u>: ₹4.50 per km per bus per day</p> <p><u>HV AC Buses</u>: ₹2.00 per km per bus per day</p> <p><u>Integral Coach Buses</u>: ₹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</p> <p><u>Maxi and Motor Cabs</u>: ₹750 PS PA</p> <p>All India Tourist Permits</p> <ul style="list-style-type: none"> - <u>Maxi Cab</u>: ₹600 per day - <u>Motor Cab</u>: ₹300 per day <p>Tourist permit vehicles</p> <p><u>Maxi and Motor Cabs</u>:</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:</p> <p>₹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/maxi 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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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>Buses</p> <p>Stage carriage: ₹400 PS PQ Surcharge 25% of tax</p> <p>Tourist Omni buses</p> <ul style="list-style-type: none"> - Seating capacity <35 +1: ₹4,900 PQ for every square metre of floor area of the vehicle - 35+1 or more: ₹ 3,000 PS PQ 	<p>Trucks: basis RLW</p> <table border="1"> <thead> <tr> <th>RLW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 3,000</td> <td>19,200 LT</td> </tr> <tr> <td>3,001 – 5,500</td> <td>950 PQ</td> </tr> <tr> <td>5,501 – 9,000</td> <td>1,500 PQ</td> </tr> <tr> <td>9,001 – 12,000</td> <td>1,900 PQ</td> </tr> <tr> <td>12,001 – 13,000</td> <td>2,100 PQ</td> </tr> <tr> <td>13,001 – 15,000</td> <td>2,500 PQ</td> </tr> </tbody> </table> <p>Tractors: basis ULW</p> <table border="1"> <thead> <tr> <th>ULW (kg)</th> <th>Tax PQ (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 2,500</td> <td>110</td> </tr> <tr> <td>2,501 – 5,500</td> <td>160</td> </tr> <tr> <td>5,501 – 9,000</td> <td>1,500</td> </tr> </tbody> </table> <p>Trailers:</p> <table border="1"> <thead> <tr> <th>RLW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 3,000</td> <td>340 LT</td> </tr> <tr> <td>3,001 – 5,500</td> <td>400 PQ</td> </tr> <tr> <td>5,501 – 9,000</td> <td>700 PQ</td> </tr> <tr> <td>9,001 – 12,000</td> <td>810 PQ</td> </tr> <tr> <td>12,001 – 13,000</td> <td>1,010 PQ</td> </tr> <tr> <td>13,001 – 15,000</td> <td>1,220 PQ</td> </tr> <tr> <td>>15,000</td> <td>1,220 + 50 every 250kg and part thereof in excess of 15,000kg</td> </tr> </tbody> </table>	RLW (kg)	Tax (₹)	Up to 3,000	19,200 LT	3,001 – 5,500	950 PQ	5,501 – 9,000	1,500 PQ	9,001 – 12,000	1,900 PQ	12,001 – 13,000	2,100 PQ	13,001 – 15,000	2,500 PQ	ULW (kg)	Tax PQ (₹)	Up to 2,500	110	2,501 – 5,500	160	5,501 – 9,000	1,500	RLW (kg)	Tax (₹)	Up to 3,000	340 LT	3,001 – 5,500	400 PQ	5,501 – 9,000	700 PQ	9,001 – 12,000	810 PQ	12,001 – 13,000	1,010 PQ	13,001 – 15,000	1,220 PQ	>15,000	1,220 + 50 every 250kg and part thereof in excess of 15,000kg	LTT 8% on value	<p>Cars and jeeps: LTT</p> <table border="1"> <thead> <tr> <th>VC (₹ lakh)</th> <th>Tax (% of VC)</th> </tr> </thead> <tbody> <tr> <td>Up to 10</td> <td>10</td> </tr> <tr> <td>>10</td> <td>15</td> </tr> </tbody> </table>	VC (₹ lakh)	Tax (% of VC)	Up to 10	10	>10	15	<p>Taxi/Cabs</p> <p>Taxi: ₹4,000 for 5 years</p> <p>Tourist Taxi: ₹6,500 for 5 years</p>	<p>Auto rickshaws/ Three wheelers</p> <p>Passengers:</p> <p>LTT: 10% on value</p> <p>PPT: ₹1,400</p> <p>Goods:</p> <table border="1"> <thead> <tr> <th>RLW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>3,000</td> <td>19,200 LT</td> </tr> <tr> <td>3,001 – 5,500</td> <td>950 PQ</td> </tr> <tr> <td>5,501 – 9,000</td> <td>1,500 PQ</td> </tr> <tr> <td>9,001 – 12,000</td> <td>1,900 PQ</td> </tr> <tr> <td>12,001 – 13,000</td> <td>2,100 PQ</td> </tr> <tr> <td>13,001 – 15,000</td> <td>2,500 PQ</td> </tr> <tr> <td>>15,000</td> <td>2,500 + 75 every 250kg and part thereof in excess of 15,000kg in weight laden</td> </tr> </tbody> </table>	RLW (kg)	Tax (₹)	3,000	19,200 LT	3,001 – 5,500	950 PQ	5,501 – 9,000	1,500 PQ	9,001 – 12,000	1,900 PQ	12,001 – 13,000	2,100 PQ	13,001 – 15,000	2,500 PQ	>15,000	2,500 + 75 every 250kg and part thereof in excess of 15,000kg in weight laden
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Tripura (March 2011)	₹42 PS PA	Trucks: ₹5,250 PA Tractors/Trailers: first 500kg ₹625 + ₹250 for every addl 250kg	₹220 PA	Cars: ₹275 PA Jeeps: ₹560 PA	₹440 PA	Passengers: ₹180 PA Goods: ₹125 PA												
Uttarakhand (March 2012)	Quarterly - Up to 20 seats: ₹350 + ₹30 PS - Up to 35 seats: ₹590 + ₹35 PS 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.												

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West Bengal (March 2011)	<p>Buses</p> <p>Stage Carriage Basis: Seating Capacity ₹31.25 PS PQ + 10% quarterly total tax</p>	<p>Tractors: basis ULW</p> <ul style="list-style-type: none"> - ₹500 PQ per tonne or part thereof; - ₹1,800 PA per tonne or part thereof. <p>Agriculture Tractors are exempted from tax.</p> <p>Trucks: basis RLW (quarterly)</p> <table border="1"> <thead> <tr> <th>RLW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr><td>Up to 2,000</td><td>150</td></tr> <tr><td>2,000-3,500</td><td>262.50</td></tr> <tr><td>3,500-5,500</td><td>525</td></tr> <tr><td>5,500-7,000</td><td>712.50</td></tr> <tr><td>7,000-9,000</td><td>862.50</td></tr> <tr><td>9,000-</td><td>1,387.50</td></tr> <tr><td>12,000-</td><td>1,875</td></tr> <tr><td>14,000-</td><td>2,062.50</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-	1,875	14,000-	2,062.50	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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Chandigarh (31 March 2009) ²	<p>Basis: seating capacity</p> <table border="1"> <tr> <th>No of seats</th> <th>Tax PA (₹)</th> </tr> <tr> <td>Up to 30</td> <td>3,000</td> </tr> <tr> <td>>30</td> <td>4,200</td> </tr> </table>	No of seats	Tax PA (₹)	Up to 30	3,000	>30	4,200	<p>Trucks: basis ULW</p> <table border="1"> <tr> <th>ULW (tonnes)</th> <th>Tax PA (₹)</th> </tr> <tr> <td>Up to 1</td> <td>337</td> </tr> <tr> <td>1-2</td> <td>660</td> </tr> <tr> <td>2-3</td> <td>840</td> </tr> <tr> <td>3-4</td> <td>1,200</td> </tr> <tr> <td>>4</td> <td>1,500</td> </tr> </table> <p>Tractors: ₹840 PS</p>	ULW (tonnes)	Tax PA (₹)	Up to 1	337	1-2	660	2-3	840	3-4	1,200	>4	1,500	<p>Basis: vehicle cost (Lump sum tax)</p> <table border="1"> <tr> <th>VC (₹ lakh)</th> <th>Tax (% of VC)</th> </tr> <tr> <td>Up to 1</td> <td>3</td> </tr> <tr> <td>1-4</td> <td>4</td> </tr> <tr> <td>>4</td> <td>5</td> </tr> </table>	VC (₹ lakh)	Tax (% of VC)	Up to 1	3	1-4	4	>4	5	<p>Basis: vehicle value (Lump sum tax)</p> <table border="1"> <tr> <th>VV (₹ lakh)</th> <th>Tax (% of VV)</th> </tr> <tr> <td>Up to 20</td> <td>6</td> </tr> <tr> <td>>20</td> <td>8</td> </tr> </table>	VV (₹ lakh)	Tax (% of VV)	Up to 20	6	>20	8	₹100 PS PA	₹320 PA
No of seats	Tax PA (₹)																																					
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VV (₹ lakh)	Tax (% of VV)																																					
Up to 20	6																																					
>20	8																																					
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>Engine capacity (cc)</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>	Engine capacity (cc)	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 																	
Engine capacity (cc)	Tax PA (₹)																																					
Up to 50	15																																					
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VC (₹ lakh)	Tax rate	Imported vehicles																																				
Up to 10	2.5% of VC	5%																																				
>10	3% of VC	6%																																				

² Two-wheelers and cars tax regulation as of 5 February 2011

State/Union Territories	Buses	Trucks/Goods vehicles, Trailers and Tractors	Two wheelers	Cats/Jeeps	Taxi/Cabs	Auto rickshaws/ Three wheelers
Daman & Diu (31 March 2013)	Up to 18 seats: ₹600 PA For every additional seat over 18 seats: ₹25 PA. Passenger Tax: ₹1.50 PS PA per km of total daily km permitted or ₹24 PS PM.	Trucks: basis RLW - Diesel: ₹18 per 100 kg RLW - Fuel other than diesel: ₹15 per 100kg RLW Goods Tax: - ₹37.50 up to 1,000kg RLW - ₹60 for more than 1,000kg RLW	Basis: engine capacity Engine capacity (cc) Up to 50 15 >50 60 Additional ₹5 every side car attached.	ULW (kg) Up to 850 200 850- 250 1,200- 350 1,200- 400 2,500- 60 every 1,000kg or part thereof in excess of 5,000kg	Basis: seating capacity - Up to 3 seats: ₹225 PA - Up to 4 seats: ₹250 PA - Up to 5 seats: ₹270 PA - For every addl seat up to 7: ₹225 PA	Goods tax: - ₹37.50 up to 1,000kg RLW - ₹60 for more than 1,000kg RLW Passengers: Basis: seating capacity - Up to 3 seats used for private purpose: ₹60 PA - Up to 3 seats used for hire: ₹90 PA Goods: - Diesel: ₹18 PA per 100kg RLW - Fuel other than diesel: ₹15 PA per 100kg RLW Goods tax: - ₹37.50 up to 1,000kg RLW - ₹60 for more than 1,000kg RLW
NCT of Delhi ³ (1 November 2012)	Basis: seating capacity No of seats (excluding driver) Up to 2 305 3-4 605 5-6 1,130 7-18 1,915 >18 1,915 +280 PP PA	Trucks: Tonnes Up to 1 665 1-2 940 2-4 1,430 4-6 1,915 6-8 2,375 8-9 2,865 9-10 3,320 >10 3,320 PA + 470 each addl tonne	OTT: basis VC VC (₹) Up to 25,000 2 25,000- 40,000 4 40,000- 60,000 6 >60,000 8	OTT: basis VC VC (₹ lakh) Up to 6 4 6-10 7 >10 10	Basis: seating capacity No of seats (excluding driver) Up to 2 305 3-4 605 5-6 1,130 7-18 1,915 >18 1,915 +280 PP PA	

³ There is an additional increase of 25% on existing annual tax rates levied on motor vehicles propelled by diesel (w.e.f. 29/09/2011)

State/Union Territories	Buses	Trucks/Goods vehicles, Trailers and Tractors	Two wheelers	Cars/Jeeps	Taxi/Cabs	Auto rickshaws/ Three wheelers																																																																							
Puducherry (1 October 2010)	<p>Buses</p> <p>Stage carriage:</p> <ul style="list-style-type: none"> - <u>Urban</u>: ₹150 PS PQ - <u>Inter-State</u>: ₹260 PS PQ - <u>Inter-State Ordinary</u>: ₹360 PS PQ - <u>Inter-State Express</u>: ₹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><u>Deluxe contract carriage</u> (up to 54 persons): ₹900 PS PQ <u>Ordinary contract carriage</u> (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:</p> <p><2,500kg ULW: ₹120 PQ >2,500kg ULW: ₹150 PQ</p>	RLW (tonnes)	Tax PA (₹)	Up to 2	465	>2	925	RLW (kg)	Tax (₹)	Up to 3,000	2,000 PA	5,500	800 PQ	9,000	1,200 PQ	12,000	1,700 PQ	13,000	2,000 PQ	15,000	2,200 PQ	>15,000	200 every 1,000kg	<p>Basis: engine capacity</p> <table border="1"> <thead> <tr> <th>Engine capacity (cc)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 55</td> <td>Nil</td> </tr> <tr> <td>56-75</td> <td>60 PA</td> </tr> <tr> <td>75-170</td> <td>450 LTT</td> </tr> <tr> <td>>170</td> <td>110 PA</td> </tr> <tr> <td></td> <td>850 LTT</td> </tr> <tr> <td></td> <td>160 PA</td> </tr> <tr> <td></td> <td>1,200 LTT</td> </tr> </tbody> </table>	Engine capacity (cc)	Tax (₹)	Up to 55	Nil	56-75	60 PA	75-170	450 LTT	>170	110 PA		850 LTT		160 PA		1,200 LTT	<p>Basis: ULW</p> <table border="1"> <thead> <tr> <th>ULW (kg)</th> <th>Tax (₹)</th> </tr> </thead> <tbody> <tr> <td>Up to 700</td> <td>550 PA</td> </tr> <tr> <td>700-1,500</td> <td>4,800 LTT</td> </tr> <tr> <td>1,500-</td> <td>710 PA</td> </tr> <tr> <td>2,000</td> <td>6,000 LTT</td> </tr> <tr> <td>2,000-</td> <td>910 PA</td> </tr> <tr> <td>3,000</td> <td>8,000 LTT</td> </tr> <tr> <td>>3,000</td> <td>940 PA</td> </tr> <tr> <td></td> <td>8,000 LTT</td> </tr> <tr> <td></td> <td>960 PA</td> </tr> <tr> <td></td> <td>8,000 LTT</td> </tr> </tbody> </table>	ULW (kg)	Tax (₹)	Up to 700	550 PA	700-1,500	4,800 LTT	1,500-	710 PA	2,000	6,000 LTT	2,000-	910 PA	3,000	8,000 LTT	>3,000	940 PA		8,000 LTT		960 PA		8,000 LTT			N/A
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CHAPTER

36

ACEA TAX GUIDE 2018

Japan

CHAPTER PREPARED BY

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ACEA

European
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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 was 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 2018 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.

In the tax revision for 2018:

1. Tax exemptions for barrier-free taxis and buses were extended for three years.
2. The tax reduction for large trucks and buses equipped with a CMB and/or SCS were extended. A new tax reduction was introduced for trucks with a GVW of over 3.5t and buses with a GVW under 12t 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 2018.

Vehicle type	Environmental criteria		Tax rate	
	Emissions	Fuel efficiency		
Electric	n/a	n/a	Exempted (at initial registration and first renewal inspection)	
Fuel-cell	n/a	n/a		
Natural gas	2009 + NOx 10% reduction or 2018	n/a		
Plug-in hybrid	n/a	n/a		
Diesel	2009 or 2018	n/a		
Petrol (including petrol hybrid) LPG (including LPG hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2020 + 50%	Exempted	
		2020 + 40%		75% reduction*
		2020 + 20%		50% reduction*
		2020 + 10%		25% reduction*
		2020 achieved		0%*
2015 + 10%				
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 2018.

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**
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 2018.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted (at initial registration and first renewal inspection)
Fuel-cell	n/a	n/a	
Natural gas	2009 + NO _x 10% reduction or 2018	n/a	
Plug-in hybrid	n/a	n/a	
Petrol (including petrol hybrid),	2005 + 75% reduction or 2018 + 50% reduction	2015 + 15%	
		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: PM, particulate matter

Trucks and buses with GVW over 3.5t

Applicable only to vehicles newly registered from May 2018.

Vehicle type	Environmental requirements		Tax rate
	Emissions	Fuel efficiency	
Electric	n/a	n/a	Exempted (at initial registration and first renewal inspection)
Fuel-cell	n/a	n/a	
Natural gas	2009 + NO _x 10% reduction	n/a	
Plug-in hybrid	n/a	n/a	
Diesel (including diesel hybrid)	2009 + NO _x and PM 10% reduction or 2016	2015 + 15%	
		2015 + 10%	
		2015 + 5%	
		2015 achieved	25% reduction*
Other than above			No tax reduction**

* Only base rate is applied

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

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

Applicable only to vehicles newly registered from May 2018.

Vehicle type	Equipped with	GVW (t)	Tax rate
Trucks	CMB and SCS	3.5 < GVW ≤ 8	75% reduction (May 2018 to October 2019)
		8 < GVW ≤ 20	75% reduction (May 2018 to October 2018)
	SCS and LDW	3.5 < GVW ≤ 8	75% reduction (May 2018 to October 2019)
		8 < GVW ≤ 20	75% reduction (May 2018 to October 2018)
	CMB and LDW	3.5 < GVW ≤ 8	75% reduction (May 2018 to October 2019)
		8 < GVW ≤ 20	75% reduction

			(May 2018 to October 2018)
		20 < GVW ≤ 22	50% reduction (May 2018 to October 2018)
	CMB, SCS and LDW	3.5 < GVW ≤ 8	50% reduction (November 2019 to April 2021)
		8 < GVW ≤ 20	50% reduction (November 2018 to April 2021)
	CMB or SCS	3.5 < GVW ≤ 8	50% reduction (May 2018 to October 2019)
		8 < GVW ≤ 20	50% reduction (May 2018 to October 2018)
	with LDW	3.5 < GVW ≤ 8	25% reduction (May 2018 to October 2019)
		8 < GVW ≤ 20	25% reduction (May 2018 to October 2018)
		20 < GVW ≤ 22	25% reduction (May 2018 to October 2020)
Buses	CMB and SCS	5 < GVW ≤ 12	75% reduction (May 2018 to October 2019)
	SCS and LDW	5 < GVW ≤ 12	75% reduction (May 2018 to October 2019)
	CMB and LDW	≤ 5	75% reduction (May 2018 to October 2019)
			50% reduction (November 2019 to April 2021)
		5 < GVW ≤ 12	75% reduction (May 2018 to October 2019)
	CMB, SCS and LDW	5 < GVW ≤ 12	50% reduction (November 2019 to April 2021)
	CMB or SCS	5 < GVW ≤ 12	50% reduction (May 2018 to October 2019)
	with CMB	≤ 5	50% reduction (May 2018 to October 2019)
	with LDW	n/a	25% reduction (May 2018 to October 2019)

2 AUTOMOBILE ACQUISITION TAX

2.1 WHAT IS AUTOMOBILE ACQUISITION TAX?

Automobile Acquisition Tax is a local tax levied on the acquisition of *kei*, or mini-vehicles, small-sized vehicles and standard-sized vehicles.

The acquisition value is 90% of the vehicle price (excluding Consumption Tax), including integrated accessories (air conditioning, car audio, etc).

Tax rates were lowered in 2014 from 5% to 3% of the acquisition value for small and standard-sized vehicles and from 3% to 2% of the acquisition value for mini-cars.

2.2 REVISIONS

In 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 2018:

1. A new tax reduction was introduced for trucks with a GVW of over 3.5t and buses with a GVW under 12t equipped with a Lane Departure Warning (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 2018.

Vehicle type	Environmental requirements		Tax rate	
	Emissions	Fuel efficiency		
Electric	n/a	n/a	Exempted	
Fuel-cell	n/a	n/a		
Natural gas	2009 + NO _x 10% reduction or 2018	n/a		
Plug-in hybrid	n/a	n/a		
Diesel	2009 or 2018	n/a		
Petrol (including petrol hybrid) LPG (including LPG hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2020 +40%	80% reduction	
		2020 + 30%		60% reduction
		2020 + 20%		40% reduction
		2020 achieved		20% reduction
		2015 + 10%		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 2018.

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	

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)	2005 + 75% reduction or 2018 + 50% reduction	2015 + 15%	
		2015 + 10%	50% reduction
		2015 + 5%	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

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 or 2016	2015 + 15%	
		2015 + 10%	50% reduction
		2015 + 5%	25% reduction
		2015 achieved	25% reduction
Other than above			No tax reduction

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

Applicable only to vehicles newly registered from April 2018.

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

Buses with GVW over 12t equipped with a LDW system

Applicable only to vehicles newly registered from April 2018.

Vehicle type	Equipped with	GVW (t)	Tax exemption amount from acquisition value (JPY)
Trucks	LDW	3.5 < GVW ≤ 8	1.75m (April 2018 to March 2019)
		8 < GVW ≤ 20	1.75m (April 2018 to October 2018)
		20 < GVW ≤ 22	1.75m (April 2018 to March 2019)
Buses	LDW	≤ 12	1.75m (April 2018 to March 2019)
		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 (including LPG hybrid)	2005 + 75% reduction or 2018 + 50% reduction	2020 + 30%	50% reduction
		2020 + 10%	No tax reduction
		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)	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

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 or 2018	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 2018, 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 2004 and March 2005
Diesel (11 years or older)	Any year/month between April 2006 and March 2007

Note: LPG, liquefied petroleum gas

Table of Automobile Tax rates

Passenger vehicles

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

Trucks

Maximum load (t)	Private use (JPY)	Business use (JPY)
≤ 1	8,000	6,500
1 - 2	11,500	9,000
2 - 3	16,000	12,000
3 - 4	20,500	15,000
4 - 5	25,500	18,500
5 - 6	30,000	22,000
6 - 7	35,000	25,500
7 - 8	40,500	29,500
> 8	40,500 + 6,300/t	29,500 + 4,700/t

Buses

Capacity (persons)	Private use (JPY)	Business use (JPY)	
		Route bus	Other than route bus
≤ 30	33,000	12,000	26,500
31 - 40	41,000	14,500	32,000
41 - 50	49,000	17,500	38,000
51 - 60	57,000	20,000	44,000
61 - 70	65,500	22,500	50,500
71 - 80	74,000	25,500	57,000
> 80	83,000	29,000	64,000

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 (m)	Maximum width (m)	Maximum height (m)	Maximum displacement (cc)
3.4	1.48	2.0	660

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) ¹	Passenger vehicle	10,800	6,900
	Truck	5,000	3,800
Small-sized motorcycle (over 250cc)		6,000	
Mini-motorcycle (125-250cc)		3,600	

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.

¹ Applicable only to new vehicles



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ACEA TAX GUIDE 2018

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 3m per car (January 2012-December 2020)	Education tax cut: max KRW 0.9m per car (January 2012-December 2020)
FCEVs (fuel-cell electric vehicles)	Temporary tax reduction: max KRW 4m per car (January 2017-December 2019)	Education tax cut: max KRW 1.2m per car (January 2017-December 2019)

1.2.2 Acquisition tax

Vehicle category	Tax rates	Remarks
≤ 1,000cc	Temporary exemption (January 2013-December 2018)	Retail price: ex-factory price + excise tax + education tax + VAT
Passenger cars	7% of (retail price minus VAT)	Temporary exemption for households with 3 children or more: <ul style="list-style-type: none"> ○ 7-10 seaters: exemption ○ under 7 seaters, max KRW 1.4m tax exemption
Commercial vehicles	5% of (retail price minus VAT)	Temporary exemption for households with 3 children or more. <ul style="list-style-type: none"> ○ Bus: < 15 seaters ○ Truck: < 1t
Hybrids/PHEVs (plug-in hybrid electric vehicles)	Temporary tax reduction: 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 (passenger cars)

Vehicle category (cc)	Tax rates (KRW)	Remarks
≤ 1,000	80/cc	Education tax: 30% of annual vehicle tax Tax reduced by 5% per year (up to max 50%) starting from the third year after the initial registration of a new car
1,001-1,600	140/cc	
> 1,600	200/cc	

1.2.5 Fuel excise tax (Transportation-Energy-Environment Tax)

Fuel	Tax rates (KRW)	Remarks
Petrol	529/l	Applicable rates are adjustable ± 30% of legal rates: Petrol: KRW 475/l Diesel: KRW 340/l LPG: KRW 252/kg Education tax: 15% of fuel excise tax VAT: 10% of ex-factory price + excise tax + motor fuel tax + education tax Mini cars receive a refund of max KRW 200,000 pa (valid until December 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 2018

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).

Starting from 1 September 2017, 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)	20
New full-size SUVs (kerb weight less than 5,000kg, engine size more than 4,200cc)	14.3
Used vehicles (less than seven years old)	25

For new vehicles (less than three years old) and used vehicles (less than seven years old), a specific rate depending on the engine size is also applied: the percentage of invoice value mentioned above should be compared with the amount depending on the vehicle's engine size mentioned below – the biggest data should be applied.

Petrol engine, size (cc)	Tariff (€/cc)
≤ 1,000	0.33
1,001-1,500	0.37
1,501-1,800	0.42
1,801-3,000	0.60
> 3,000	0.78
Diesel engine, size (cc)	Tariff (€/cc)
≤ 1,500	0.40
1,501-2,500	0.60
> 2,500	0.78

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

Used vehicles (less than seven years old)

Petrol engine, size (cc)	Tariff (€/cc)
≤ 1,000	0.45
1,001-1,500	0.5
1,501-1,800	0.45
1,801-3,000	0.55
> 3,000	1

Diesel engine, size (cc)	Tariff (€/cc)
≤ 1,500	0.4
1,501-2,500	0.5
> 2,500	1

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	1.4
1,001-1,500	1.5
1,501-1,800	1.6
1,801-3,000	2.2
> 3,000	3.2

Diesel engine, size (cc)	Tariff (€/cc)
≤ 1,500	1.5
1,501-2,500	2.2
> 2,500	3.2

Vehicle value (€)	Tariff, ad valorem (%)	Tariff (€/cc)
≤ 8,500	54	2.50
8,501-16,700	48	3.50
16,701-42,300	48	5.50
42,301-84,500	48	7.50
84,501-169,000	48	15
> 169,000	48	20

Used passenger vehicles (older than three years but less than five years old):

Engine, size (cc)	Tariff, ad valorem	Tariff (€/cc)
≤ 1,000	-	1.5
1,001-1,500	-	1.7
1,501-1,800	-	2.5
1,801-2,300	-	2.7
2,301-3,000	-	3
> 3,000	-	3.6

Used passenger vehicles (older than five years):

Engine, size (cc)	Tariff, ad valorem	Tariff (€/cc)
≤ 1,000	-	3
1,001-1,500	-	3.2
1,501-1,800	-	3.5
1,801-2,300	-	4.8
2,301-3,000	-	5
> 3,000	-	5.7

The percentage of vehicle value should be compared with amount depending on the vehicle engine size – the biggest data should be applied.

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 (RUR/hp)			
	2017	2018	2019	2020
≤ 90	0	0	0	0
91-150	43	45	47	49
150-200	420	437	454	472
200-300	420	714	743	773
300-400	420	1,218	1,267	1,317
400-500	420	1,260	1,310	1,363
≥ 500	420	1,302	1,354	1,408

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) Up to 31 December 31 2017	Surcharge (coefficient to the transport tax) Starting from 1 January 2018	Vehicle's value (million RUR)	Vehicle's age = taxation period (years)
1.1	1.1	3-5	2-3
1.3	1.1	3-5	1-2
1.5	1.1	3-5	< 1
2	2	5-10	< 5
3	3	10-15	< 10
3	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 new vehicles (as proposed starting from 1 January 2018, not introduced yet)	Coefficient used vehicles (older than three years)	Coefficient used vehicles (older than three years) (as proposed starting from 1 January 2018, not introduced yet)
Electric engine	1.42	1.63	5.3	6.10
< 1,000	1.42	1.63	5.3	6.10
1,000-2,000	2.21	2.54	8.26	9.50
2,000-3,000	4.22	4.85	16.12	18.54
3,000-3,500	5.73	6.59	28.5	32.78
> 3,500	9.08	10.44	35.01	40.26

The above coefficients are applicable to the base tariff of RUB 20,000 for passenger vehicles.

The coefficients for calculation of the disposal fee for passenger vehicles imported by individuals for personal purposes are significantly lower than those for legal entities: 0.17 for new vehicles and 0.26 for used vehicles. These rates do not depend on the vehicle's engine displacement.

6 ASSEMBLY LEGISLATION

On 29 March 2005, the Russian Government adopted Resolution No 166 introducing the notion of 'industrial assembly' and setting out conditions under which local automobile manufacturers could qualify for reduced import duties on imports of components for local assembly of certain vehicles, including passenger vehicles. At that time, the adoption of the resolution was an essential part of the government's strategy to rejuvenate the automotive industry through increased investments in local production.

Under the industrial assembly regime, local production included body welding, painting and assembling, the installation of passenger/cabin compartment equipment, the installation of the power unit, steering, suspension, exhaust system, electrical equipment and exterior components, and final control testing. In addition, the investor was required to have entered into a special agreement with the Russian Ministry of Economic Development.

Local manufacturers that participated in the industrial assembly regime were exempted from import duty for a large number of major components needed for the assembly of vehicles. For most other components, the rate of import duty was reduced to 3-5%.

At the beginning of February 2011, the Russian Government adopted new conditions for local manufacturers, introducing more rigid rules. Under the new conditions, foreign manufacturers can import parts and components under special conditions (zero or minimal import duties) until the end of 2020. The main requirements are as follows:

- Production of 300,000 vehicles a year in completely new production facilities or 350,000 vehicles a year in existing facilities, which must be upgraded
- Not less than 30% of vehicles produced must have locally produced engines or gear boxes
- The level of localisation must reach 60% during the first six years
- SKD¹ can be used in addition for 5% of vehicles produced during the first three years of an agreement
- Manufacturers must create research and development centres

In 2016, the Russian Government initiated the formulation of a strategy on the development of the automotive industry for the period until 2025 that would set long-term state priorities for the industry in terms of revisions to the investment regime for manufacturers, as well as developing exports of vehicles and supplies, and increasing local production of auto components. The strategy was expected to be approved by the government in mid-2017, but it is still not in place for the moment.

¹Semi-knocked-down or incompletely disassembled kit containing parts needed to assemble a vehicle

7 INVESTMENT INCENTIVES

Various tax incentives are provided under federal and regional programmes.

Special economic zones have been created in some regions of Russia for industrial manufacturing (Lipetsk; Togliatti, Samara Region; Pskov; Elabuga, Republic of Tatarstan; Kaluga; Sverdlovsk Region) and for research and development (Zelenograd, Moscow; Tomsk; St Petersburg; Dubna, Moscow Region; Tatarstan). Furthermore, a special economic zone has been established in Kaliningrad on the basis of a special federal law.

To attract domestic and international businesses, many regions make tax incentives available in specific areas according to the so-called cluster principle. The incentives provided by the regional legislation are similar to the tax regime in the special economic zones.

Although the tax regulations may differ in their details from region to region, the main attractions are a reduced profit tax rate and a reduced or zero rate for tax on property and/or land. For example, car manufacturers located in Moscow are entitled a lower rate of corporate profit tax (13.5%), payable to the budget of Moscow, and to a zero rate of corporate property tax.

In addition, a favourable depreciation regime is available to residents of the special economic zones. Federal law also provides for protection from changes in federal tax legislation.

Moreover, residents of special economic zones enjoy customs incentives. Specifically, in the territory of a special economic zone a free customs zone procedure applies, ie foreign goods may be imported to the special economic zone and used there without payment of customs duties and taxes, and without any non-tariff limitations.

Furthermore, in October 2015 a new investment opportunity arose in Russia: the free port of Vladivostok. This special cluster is situated in the Primorsky region and is largely aimed at boosting the local economy. Residents of the free port are entitled to tax incentives such as a reduced profit tax rate and reduced social security contributions rates. As in the special economic zones discussed above, a free customs zone operates in the territory of the free port.

OEMs' investments are located mainly in industrial clusters (eg Kaluga, St Petersburg):



In June 2015, the Special Investment Contract (SpIC) was introduced into Russian law. It constitutes a measure of governmental support aimed at attracting investment to establish and modernise industrial manufacturing in Russia at federal and regional levels. Under the SpIC, the government provides an investor with various industrial benefits and preferences and ensures a stable business climate for the implementation of an investment project. The advantages of the SpIC for an investor include favourable conditions for product manufacturing, customs and tax preferences, guarantees against adverse changes in legislation, and public procurement benefits. The 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 without any further extension so far. The EV market in EAEU countries is still extremely sensitive to price.

In November 2017, 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

39

ACEA TAX GUIDE 2018

Turkey

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1 TAXES ON ACQUISITION

1.1 VAT

The purchase of motor vehicles is subject to VAT at the rate of 18%.

1.2 CONSUMPTION TAX

The purchase of a motor vehicle is also subject to Special Consumption Tax (SCT), the rates of which are now dependent on the engine capacity and pre-tax sales price. The total amount of tax for a passenger car with an engine capacity of maximum 1,600cc and pre-tax price of maximum TRY 46,000 is calculated as follows:

Pre-tax price	TRY 100
SCT (%)	45 (per car with an engine capacity of maximum 1,600cc, pre-tax price maximum TRY 46,000)
Price after SCT	$(100 \times 1.45) = \text{TRY } 145$
VAT (%)	18
Total price	$(145 \times 1.18) = \text{TRY } 171.1$
Total tax (%)	71.1

CN code	Type of vehicle	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 engines equipped with pistons, and others (golf carts and other similar vehicles). Motor vehicles (excluding those having all their wheels driven or may be driven by the engine, passenger cars, station wagons, racing cars and off-road vehicles) used in hauling goods, and with a maximum weight of 3.5t and a passenger carrying capacity¹ less than 50% of maximum load capacity (total weight of load including the driver and passengers that a vehicle can carry safely) 	-	18	-

¹ Passenger carrying capacity is calculated by multiplying the total number of passengers including the driver by 70kg. In this calculation, even if there are no regular seats in the vehicle, any fixed facilities provided for mounting seats shall be considered as seats.

	Maximum loading capacity ≤ 850kg	Piston displacement < 2,000cm ³	15	18	35.7
	Maximum loading capacity > 850kg	Piston displacement < 2,800cm ³	15	18	35.7
	Powered by electric motor only		10	18	29.8
With nine seats including driver					
	Piston displacement ≤ 3,200cm ³		15	18	35.7
	Powered by electric motor only		10	18	29.8
Others					
Engine capacity	≤ 1,600cm ³	Pre-tax price: ≤ TRY 46,000	45	18	71.1
		46,000 > TRY ≤ 80,000	50		77.0
		> TRY 80,000	60		88.8
	1,600 > cm ³ ≤ 2,000	Pre-tax price: ≤ TRY 114,000	100	18	136.0
		Additional electric motor > 50kW, ≤ 1,800cm ³ and pre-tax price: ≤ TRY 57,000	45		71.1
		57,000 > TRY ≤ 91,000 > TRY 91,000	50 110		77.0 147.8
> 2,000cm ³	Additional electric motor > 100kW, 2,000 < cm ³ ≤ 2,500 and pre-tax price: ≤ TRY 114,000	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	18	21.25
	85 < kW ≤ 120		7		26.3
	> 120kW		15		35.7
87.04	Motor vehicles designed for the transport of goods (only those subject to recording and registration) Of those with a maximum loaded weight under 4,700kg and with seating other than the driver's seat, or with side windows other than those besides the driver's seat (excluding those of vehicles without a covered body whose piston displacement is > 3,200cm ³)				
	Engine capacity	≤ 3,000cm ³	10	18	29.8
		3,000 < cm ³ ≤ 4,000	52		79.4
		> 4,000cm ³	75		106.5
Powered by electric motor only					
	Motor power	≤ 85kW	10	18	29.8
		85 < kW ≤ 120	52		79.4
		> 120kW	75		106.5
With a covered body and with a maximum loading capacity under 620kg					
	Electric motor only		10	18	29.8
	Others		10	18	29.8
Others					
	Electric motor only		4	18	22.7
	Others		4	18	22.7

2 TAXES ON OWNERSHIP

2.1 MOTOR VEHICLE TAX

The motor vehicle tax for passenger cars is based on the vehicle's engine capacity, pre-tax sales price and its age. The annual rates for 2018 in Turkish lira are as follows:

Passengers cars registered as of 1 January 2018

Engine capacity (cc)	Pre-tax price (TRY)	Age of vehicle (in years)				
		1-3	4-6	7-11	12-15	≥ 16
Passenger cars		TRY				
≤ 1,300	≤ 40,000	743	518	290	220	78
	40,000 < TRY ≤ 70,000	817	570	319	242	86
	> 70,000	892	622	348	264	94
1,301 – 1,600	≤ 40,000	1,294	970	563	398	153
	40,000 < TRY ≤ 70,000	1,423	1,067	619	437	168
	> 70,000	1,553	1,164	675	477	183
1,601 – 1,800	≤ 100,000	2,512	1,964	1,156	705	274
	> 100,000	2,741	2,142	1,262	770	299
1,801 – 2,000	≤ 100,000	3,957	3,048	1,792	1,067	421
	> 100,000	4,317	3,326	1,955	1,164	459
2,001 – 2,500	≤ 125,000	5,936	4,309	2,692	1,609	637
	> 125,000	6,476	4,701	2,937	1,755	695
2,501 – 3,000	≤ 250,000	8,276	7,200	4,498	2,420	888
	> 250,000	9,029	7,854	4,907	2,640	969
3,001 – 3,500	≤ 250,000	12,603	11,340	6,831	3,410	1,251
	> 250,000	13,749	12,371	7,452	3,720	1,365
3,501 – 4,000	≤ 400,000	19,815	17,111	10,077	4,498	1,792
	> 400,000	21,617	18,666	10,994	4,907	1,955
≥ 4,001	≤ 400,000	32,431	24,320	14,403	6,474	2,512
	> 400,000	35,379	26,531	15,713	7,062	2,741

Note: the exchange rate is €1 = TRY 4.7 (as at 14 February 2018)

Passengers cars registered before 31 December 2017 (included)

Engine capacity (cc)	Age of vehicle (in years)				
	1-3	4-6	7-11	12-15	≥ 16
Passenger cars	TRY				
< 1,300	743	518	290	220	78
1,301 – 1,600	1,294	970	563	398	153
1,601 – 1,800	2,284	1,785	1,051	641	249
1,801 – 2,000	3,598	2,771	1,629	970	383

2,001 – 2,500	5,396	3,918	2,448	1,463	579
2,501 – 3,000	7,524	6,545	4,089	2,200	808
3,001 – 3,500	11,458	10,309	6,210	3,100	1,138
3,501 – 4,000	18,014	15,555	9,161	4,089	1,629
> 4,000	29,483	22,109	13,094	5,885	2,284

Note: the exchange rate is €1 = TRY 4.7 (as at 14 February 2018)

The motor vehicle tax for motorcycles is based on the vehicle's engine capacity and its age. The annual rates for 2018 in Turkish lira are as follows:

Engine capacity (cc)	Age of vehicle (in years)				
	1-3	4-6	7-11	12-15	≥ 16
Motorcycles	TRY				
100 – 250	139	105	77	49	19
251 – 650	288	218	139	77	49
651 – 1200	739	440	218	139	77
> 1200	1,791	1,184	739	587	288

Note: the exchange rate is €1 = TRY 4.7 (as at 14 February 2018)

The annual rates for minibuses, vans, motor caravans, buses, trucks, pick-ups and road tractors for 2018 in Turkish lira are as follows:

	Age of vehicle (in years)		
	1-6	7-15	≥ 16
Motor vehicle type	TRY		
Minibus	888	587	288
Van or motor caravan (engine capacity)			
≤ 1,900cc	1,184	739	440
> 1,900cc	1,791	1,184	739
Bus (seating capacity)			
up to 25 persons	2,241	1,339	587
26-35 persons	2,687	2,241	888
36-45 persons	2,291	2,537	1,184
≥ 46 persons	3,587	2,991	1,791
Pick-up, truck or road tractor (GVW)			
≤ 1,500kg	797	529	260
1,501-3,500kg	1,611	935	529
3,501-5,000kg	2,421	2,014	797
5,001-10,000kg	2,687	2,283	1,071
10,001-20,000kg	3,229	2,687	1,611
≥ 20,001kg	4,039	3,229	1,877

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 2017, on the basis of fuel prices, the total amount of tax as a percentage of pre-tax value is 138% for petrol and 105% for diesel².

² Source: Regulatory Authority for Energy Markets



CHAPTER

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ACEA TAX GUIDE 2018

USA

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1 OVERVIEW OF VEHICLE TAX PROVISIONS IN THE UNITED STATES

In the United States, most vehicle taxes and fees are imposed at the state rather than at the federal level. However, a notable exception is a measure in the federal tax code called the 'gas guzzler tax'. More recently, the tax code has been utilised to promote the purchase of electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs) by providing tax credits to the purchaser.

Most US states impose state sales taxes on most purchases, including vehicles. Sales taxes are added to the price of goods or services that are purchased in the United States. A sales tax is a tax on consumption, which is displayed as a percentage of the sale price. Sales taxes are assessed by every state except Alaska, Delaware, Montana, New Hampshire and Oregon. Hawaii has a similar tax, although it is charged to businesses instead of consumers. In some cases, for example New York State and California, sales taxes are also assessed at the county or municipal level. California has the highest state sales tax, at 7.25%, 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 2018, 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	\$55.00
Current California Highway Patrol	\$25.00
Current VLF	\$131.00
Current county service authority for freeway emergencies fee	\$1.00
Current fingerprint ID fee	\$1.00
Current smog high polluter repair fee	\$6.00
Original smog abatement	\$6.00
Alternative fuel/tech smog fee	\$8.00
Current air quality management district	\$6.00
Current South Coast Air Basin	\$1.00
Alternative fuel/tech registration fee	\$3.00
Current vehicle theft/DUI (driving under the influence)	\$2.00
Current transportation improvement fee	\$50.00
Use/sales tax	\$1,900.00
Reflectorized licence plate fee	\$1.00
Total registration fees	\$296.00
Total use/sales tax	\$1,900.00
Grand total registration fees	\$2,196.00

Vehicle purchases are taxed based on the city and county in which the purchaser registers the vehicle, and not on the county in which the vehicle is purchased. There is therefore no advantage in purchasing a car in a cheaper county to save on sales tax.

1.3.2 North Carolina

Motor vehicle property tax

The North Carolina General Assembly recently passed legislation to implement the Tag and Tax Together programme – a more streamlined method for vehicle owners to pay their registration and vehicle taxes. Beginning in 2013, annual registration fees and vehicle property taxes will be paid to the Division of Motor Vehicles (DMV). In turn, the DMV will distribute the taxes to the appropriate counties. Prior to this change, motor vehicle taxes were collected by the county. Counties still set the tax rates, which vary from \$0.27 to \$1.03 (per \$100 valuation).

Sales tax/highway use tax

North Carolina collects a highway use tax (HUT) on vehicles rather than a state sales tax. The tax is assessed each time a title is transferred. The tax assessment is 3% on passenger vehicles. The maximum tax for commercial vehicles (vehicles with a weight greater than 26,000lbs) is \$2,000. All other vehicles are charged 3% with no ceiling.

Money that is collected for the highway use tax goes towards the North Carolina Highway Trust Fund. That money is then used to improve the roads of North Carolina. Additionally, another portion of the money collected for the highway use tax goes towards the State's General Fund.

Vehicle registration fees

The fees charged to title and register a vehicle in North Carolina are provided in the following table:

Title and register	Fee (\$)
Certificate of title	52.00
Instant title	98.00
Licence plate registration fee for private passenger vehicles	36.00
Licence plate registration fee for private truck under 4,000lbs	36.00
All electric vehicles are subject to a \$130 fee in addition to their registration fees	130.00
Regional transportation authority registration tax for vehicles registered in Wake, Durham and Orange counties	15.00
Piedmont authority for regional transportation tax for vehicles registered in Randolph county	1.00
Transfer of plate	20.00
Highway use tax: based on vehicle's purchase price or value	3%

1.3.3 New York

State and locality sales tax

New York State has a base sales tax rate on tangible personal property (including new and used vehicles) of 4%, with an additional tax rate based on locality (city or county). The locality tax rate in New York varies from an additional 3% to an additional 4.87%.

Vehicle registration fees

Vehicle registration fees are determined based on vehicle weight, according to the following table. The dollar amount listed to the right of the vehicle weight is the registration fee for two years.

Weight (lbs)	Fee (\$)
0-1,650	26.00
1,651-1,750	27.50
1,751-1,85	29.00
1,851-1,950	31.00
1,951-2,050	32.50
2,051-2,150	34.00
2,151-2,250	35.50
2,251-2,350	37.50
2,351-2,450	39.00
2,451-2,550	40.50
2,551-2,650	42.00
2,651-2,750	43.50
2,751-2,850	45.50
2,851-2,950	47.00
2,951-3,050	48.50
3,051-3,150	50.00
3,151-3,250	52.00
3,251-3,350	53.50
3,351-3,450	55.00
3,451-3,550	56.50
3,551-3,650	59.00
3,651-3,750	61.50
3,751-3,850	64.00
3,851-3,950	66.50
3,951-4,050	69.00
4,051-4,150	71.00
4,151-4,250	73.50

4,251-4,350	76.00
4,351-4,450	78.50
4,451-4,550	81.00
4,551-4,650	83.50
4,651-4,750	85.50
4,751-4,850	88.00
4,851-4,950	90.50
4,951-5,050	93.00
5,051-5,150	95.50
5,151-5,250	98.00
5,251-5,350	100.50
5,351-5,450	102.50
5,451-5,550	105.00
5,551-5,650	107.50
5,651-5,750	110.00
5,751-5,850	112.50
5,851-5,950	115.00
5,951-6,050	117.00
6,051-6,150	119.50
6,151-6,250	122.00
6,251-6,350	124.50
6,351-6,450	127.00
6,451-6,550	129.50
6,551-6,650	131.50
6,651-6,750	134.00
6,751-6,850	136.50
6,851-6,950	139.00
6,951 or more	140.00

The first time a vehicle is registered, additional original registration fees apply, amounting to \$25.00 for vehicle plates, \$50.00 for a title certificate, and the sales tax. The amount of the sales tax depends on the purchase price and locality. There is also a minimum two-year fee of \$32.50 for a vehicle that has six or more cylinders, or for an electric vehicle.

New York City tax rates

In the case of tangible personal property, including motor vehicles, the New York City sales tax rate is 4.5% (in addition to the New York State sales and use tax of 4% and the Metropolitan Commuter Transportation District surcharge of 0.37%), giving a total sales and use tax rate of 8.8%.

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)
	≥ 3,501	\$20 for two years (\$10/year)
Dutchess	≤ 3,500	\$10 for two years (\$5/year)

County	Weight (lbs)	Use tax
	≥ 3,501	\$20 for two years (\$10/year)
	Supplemental MCTD fee	\$50 for two years (\$25/year)
Erie	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Franklin	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Genesee	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Livingston	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Madison	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Monroe	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Montgomery	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Nassau	All weights	\$30 for two years (\$15/year)
	Supplemental MCTD fee	\$50 for two years (\$25/year)
Niagara	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Oneida	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Onondaga	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Orange	Supplemental MCTD fee	\$50 for two years (\$25/year)
Orleans	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Oswego	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Putnam	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
	Supplemental MCTD fee	\$50 for two years (\$25/year)
Rensselaer	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Rockland	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
	Supplemental MCTD fee	\$50 for two years (\$25/year)

County	Weight (lbs)	Use tax
Schenectady	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Schuyler	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Steuben	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Suffolk	≤ 3,500	\$30 for two years (\$15/year)
	≥ 3,501	\$60 for two years (\$30/year)
	Supplemental MCTD fee	\$50 for two years (\$25/year)
Sullivan	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Tioga	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Tompkins	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Ulster	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Warren	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Washington	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Westchester	≤ 3,500	\$30 for two years (\$15/year)
	≥ 3,501	\$60 for two years (\$30/year)
	Supplemental MCTD fee	\$50 for two years (\$25/year)
Wyoming	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)
Yates	≤ 3,500	\$10 for two years (\$5/year)
	≥ 3,501	\$20 for two years (\$10/year)