



ACEA

28.04.2009

**OVERVIEW OF CO2 BASED MOTOR VEHICLE TAXES  
IN THE EU**

A significant number of EU Member States levy passenger car taxes that are totally or partially based on CO2 emissions and/or fuel consumption. The table below provides an overview of these taxes.

COUNTRY	CO2/FUEL CONSUMPTION TAXES
<b>AUSTRIA</b>	<p>A fuel consumption tax (Normverbrauchsabsage or NoVA) is levied upon the first registration of a passenger car. It is calculated as follows:</p> <ul style="list-style-type: none"> <li>- <b>Petrol cars:</b> 2% of the purchase price x (fuel consumption in litres – 3 litres)</li> <li>- <b>Diesel cars:</b> 2% of the purchase price x (fuel consumption in litres – 2 litres)</li> </ul> <p>Under a bonus-malus system, cars emitting less than 120g/km receive a maximum bonus of €300. Cars emitting more than 180g/km pay a penalty of €25 for each gram emitted in excess of 180g/km. (160 g/km as from 1 January 2010). Alternative fuel vehicles attract a bonus of maximum €500.</p> <p>In addition, diesel cars emitting more than 5 mg of particulate matter per km pay a penalty of maximum €300. Conversely, diesel cars emitting less than 5 mg of particulate matter per km and less than 80 g of NOx per km attract a bonus of maximum €200. The same applies to petrol cars emitting less than 60 g of NOx per km.</p>
<b>BELGIUM</b>	<ol style="list-style-type: none"> <li>1. Tax incentives are granted to private persons purchasing a car that emits less than 115g CO2 /km. The incentives consist of a reduction of the invoice price with the following amount: <ul style="list-style-type: none"> <li>- Cars emitting less than 105g/km: 15% of the purchase price, with a maximum of €4,540</li> <li>- Cars emitting between 105 and 115 g/km: 3% of the purchase price, with a maximum of €850</li> </ul> </li> <li>2. The company car tax is based on CO2 emissions.</li> <li>3. The deductibility of expenses related to the use of the car (60 to 90%) is linked to CO 2 emissions.</li> <li>4. The Walloon Region operates a bonus-malus system whereby new cars emitting 145 g/km or less obtain a bonus (maximum €1,000 for cars below 105g/km) and cars emitting more than 195 g/km pay a penalty (maximum €1,000 for cars emitting more than 255 g/km).</li> </ol>
<b>CYPRUS</b>	<ol style="list-style-type: none"> <li>1. The rates of the registration tax (based on engine capacity) are adjusted in accordance with the vehicle's CO2 emissions. This adjustment ranges from a 30% reduction for cars emitting less than 120 g/km to a 20% increase for cars emitting more than 250 g/km.</li> <li>2. The rates of the annual circulation tax (based on engine capacity) are reduced by 15% for cars emitting less than 150 g/km.</li> <li>3. A premium of €683 is granted for the purchase of a new car when its CO2 emissions are below 120 g/km or when it is an electric car. For the purchase of hybrid and flexible fuel vehicles, the premium amounts to €1,196.</li> </ol>

<b>DENMARK</b>	<p>1. The annual circulation tax is based on fuel consumption.</p> <ul style="list-style-type: none"> <li>- <u>Petrol cars</u>: rates vary from 520 Danish Kroner (DKK) for cars driving at least 20 km per litre of fuel to DKK 18,460 for cars driving less than 4.5 km per litre of fuel.</li> <li>- <u>Diesel cars</u>: rates vary from DKK 160 for cars driving at least 32.1 km per litre of fuel to DKK 25,060 for cars driving less than 5.1 km per litre of fuel.</li> </ul> <p>2. Registration tax (based on price): An allowance of DKK 4,000 is granted for cars for every kilometre in excess of 16 km (petrol) respectively 18 km (diesel) they can run on one litre of fuel. A supplement of DKK 1,000 is payable for cars for every kilometre less than 16 km (petrol) respectively 18 km (diesel) they can run on one litre of fuel.</p>
<b>FINLAND</b>	<p>1. The registration tax is based on CO2 emissions. Rates vary from 12.2% for cars emitting 60g/km or less to 48.8% for cars emitting 360g/km or more. The system is fully linear and technologically neutral.</p> <p>2. The annual circulation tax (currently based on weight) will be based on CO2 emissions from 2010 onwards. Rates will vary from €20 to €605 per year.</p>
<b>FRANCE</b>	<p>1. Under a bonus-malus system, a premium is granted for the purchase of a new car when its CO2 emissions are below 130 g/km. The maximum premium is €5,000 (below 60 g/km). A “super-bonus” of €1,000 is granted when a car of at least 10 years old is scrapped and the new car purchased emits maximum 160 g/km. A malus is payable for the purchase of a car when its CO2 emissions exceed 160 g/km. The maximum tax amounts to €2,600 (above 250 g/km). In addition to this one-off malus, cars emitting more than 250 g/km pay a yearly tax of €160. The different thresholds of the bonus-malus system are strengthened by 5g/km every two years.</p> <p>2. The regional tax on registration certificates (“carte grise”) is based on fiscal horsepower, which includes a CO 2 emissions factor. Tax rates vary between €27 and €46 per horsepower according to the region.</p> <p>3. The company car tax is based on CO2 emissions. Tax rates vary from €2 for each gram emitted for cars emitting 100g/km or less to €19 for each gram emitted for cars emitting more than 250g/km.</p>
<b>GERMANY</b>	<p>The Federal Government has decided to change the basis of the annual circulation tax as from 1 July 2009. It will consist of a base tax and a CO 2 tax. The rates of the base tax will be €2 per 100 cc (petrol) and €9.50 per 100 cc (diesel) respectively. The CO 2 tax will be linear at € 2 per g/km. Cars with CO2 emissions below 120 g/km will be exempt (110 g/km in 2012-13, 95 g/km subsequently).</p>
<b>IRELAND</b>	<p>1. The registration tax is based on CO2 emissions. Rates vary from 14% for cars with CO 2 emissions of up to 120 g/km to 36% for cars with CO 2 emissions above 225 g/km. Hybrid and flexible fuel vehicles benefit from a tax relief of maximum €2,500.</p> <p>2. The annual circulation tax is also based on CO2 emissions. Rates vary from €104 (up to 120 g/km) to €2,100 (above 225 g/km).</p>
<b>ITALY</b>	<p>Purchasers of new cars emitting maximum 130 g/km (diesel) and 140 g/km (other fuels) respectively receive an incentive of €1,500 if they have a car that is 9 years old or more scrapped simultaneously. Higher incentives apply for alternative fuel vehicles (CNG, LPG, electricity, hydrogen).</p>
<b>LUXEMBOURG</b>	<p>1. The annual circulation tax is based on CO2 emissions. Tax rates are calculated by multiplying the CO2 emissions in g/km with 0.9 for diesel cars and 0.6 for cars using other fuels respectively and with an exponential factor (0.5 below 90 g/km and increased by 0.1 for each additional 10 g of CO2 /km).</p> <p>2. Purchasers of new cars emitting maximum 120 g/km receive an incentive of €2,500 if they have a car that is 10 years old or more scrapped simultaneously. The incentive is €1,500 if the car emits between 120 and 150 g/km.</p>

<b>MALTA</b>	<p>1. The registration tax is calculated through a formula that takes into account CO2 emissions, the registration value and the length of the vehicle.</p> <p>2. The annual circulation tax is based on CO2 emissions and the age of the vehicle. During the first five years, the tax only depends on CO2 emissions and varies from €100 for a car emitting up to 100 g/km to €180 for a car emitting between 150 and 180 g/km.</p>
<b>THE NETHERLANDS</b>	<p>1. The rate of the registration tax (based on price) is reduced or increased in accordance with the car's fuel efficiency relative to that of other cars of the same size (length x width). The maximum bonus is €1,400 for cars emitting more than 20% less than the average car of their size (A label), the maximum penalty is €1,600 for cars emitting more than 30% more than the average car of their size (G label). Hybrid cars benefit from a maximum bonus of €6,400. Cars emitting maximum 95 g/km (diesel) and 110 g/km (other fuels) respectively are completely exempted from this registration tax. Cars emitting more than 205 g/km (petrol) and 170 g/km (diesel) respectively pay an additional tax supplement of €125 per gram emitted in excess of these thresholds.</p> <p>2. Cars with CO2 emissions of up to 110 g/km (petrol) and 95 g/km (diesel) respectively pay a lower annual circulation tax.</p>
<b>PORTUGAL</b>	<p>1. The registration tax is based on engine capacity and CO2 emissions. The CO2 component is calculated as follows:</p> <ul style="list-style-type: none"> <li>- Petrol cars emitting up to 115 g pay [(€3.5 x g/km) - 329]. Diesel cars emitting up to 95 g pay [(€10 x g/km) - 730]</li> <li>- The highest rates are for petrol cars emitting more than 205g [(€125 x g/km) - 20,766] and for diesel cars emitting more than 170g [(€168 x g/km) - 21,610].</li> </ul> <p>2. Purchasers of new cars emitting maximum 140 g/km receive an incentive of €1,000 if they have a car that is 10 years old or more scrapped simultaneously (€1,250 if the car is more than 15 years old).</p>
<b>ROMANIA</b>	<p>The special pollution tax (registration tax) is based on CO 2 emissions, cylinder capacity and compliance with Euro emission standards. In response to the current crisis, new cars registered between 15.12.2008 and 31.12.2009 are exempt from this tax if their engine capacity is below 2000 cc and they meet Euro 4 and 5 standards or if they are hybrid cars.</p>
<b>SPAIN</b>	<p>1. The registration tax is based on CO 2 emissions. Rates vary from 0% (up to 120 g/km) to 14.75% (200 g/km and more).</p> <p>2. Purchasers of new cars emitting maximum 140 g/km and costing maximum €30,000 can obtain an interest-free loan up to €10,000 if they have a car that is 10 years old or more (or that has a mileage exceeding 250,000 km) scrapped simultaneously.</p>
<b>SWEDEN</b>	<p>1. The annual circulation tax for cars meeting at least Euro 4 exhaust emission standards is based on CO2 emissions. The tax consists of a basic rate (360 Swedish Kroner) plus SEK 15 for each gram of CO2 emitted above 100 g/km. This sum is multiplied by 3.15 for diesel cars registered for the first time in 2008 or later and by 3.3 for other diesel cars. For alternative fuel vehicles, the tax is SEK 10 for every gram emitted above 100 g/km.</p> <p>2. A premium of SEK 10,000 is granted for the purchase of "environmentally-friendly cars":</p> <ul style="list-style-type: none"> <li>- Petrol/diesel/hybrid cars with CO2 emissions up to 120 g/km</li> <li>- Alternative fuel/flexible fuel cars with a maximum consumption of 9.2 l (petrol)/8.4 l (diesel)/9.7cm/100 km (CNG, biogas)</li> <li>- Electric cars with a maximum consumption of 37 kwh/100 km</li> </ul>
<b>UNITED KINGDOM</b>	<p>1. The annual circulation tax is based on CO2 emissions. Rates range from £ 0 (up to 100 g/km) to £ 400 (petrol, diesel)/ £385 (alternative fuels) for cars emitting more than 255 g/km.</p> <p>2. Company car tax rates range from 10% of the car price for cars emitting up to 120 g/km to 35% for cars emitting 235 g/km or more. Diesel cars pay a 3% surcharge, up to the 35% top rate.</p>