

## FOREWORD

This document is the 2007 edition of the study carried out periodically by ACEA, the Association of European Automobile Manufacturers.

It gives an overview of specific taxes that are levied on motor vehicles. These include in particular:

TAXES ON ACQUISITION	taxes paid once only, by each vehicle owner, for each vehicle purchased and entered into service (sales tax, registration tax)
TAXES ON OWNERSHIP	taxes paid annually, regardless of how the vehicle is used
TAXES ON MOTORING	taxes on fuels or the use of the vehicle.

The following chapters review these taxes as they appear in the twenty-five Member States of the European Union, the countries of the European Free Trade Association as well as Bulgaria, Romania and Turkey.

These chapters have been compiled according to the information available for each country in January 2007

We wish to extend our sincerest appreciation to the national associations of motor vehicle manufacturers for their major and steady contribution in the compilation of this work.

## MOTOR VEHICLE TAXATION : EU SUMMARY

### Taxes on Acquisition

Country	VAT	Registration Tax	Total Tax (2,000cc car)
Austria	20%	Based on fuel consumption Maximum 16%	30%
Belgium	21%	Based on cc + age 2,000cc = €495	25%
Cyprus	15%	Based on cc +CO2 2,000cc = CYP 4,000	35%
Czech Republic	19%	None	19%
Germany	19%	None	16%
Denmark	25%	105% up to DKK 65,900 180% on the remainder	155%
Estonia	18%	None	18%
Spain	16%	7% < 1,600cc (petrol) 12% >1,600cc (petrol) 7% < 2,000cc (diesel) 12% >2,000cc (diesel)	28%
Finland	22%	28% - € 650 (petrol) 28% - € 450 (diesel)	53%
France	19.6%	None	19.6%
Greece	19%	Based on cc + emissions 2,000cc = 40% (Euro 4)	59%
Hungary	25%	Based on emissions HUF 960,000 for 2,000cc petrol (Euro 4)	44%
Ireland	21%	22.5% < 1,400cc 25% 1,400 – 1,900cc 30% > 1,900cc	57%
Italy	20%	IPT €150.81	21%
Lithuania	18%	None	18%
Luxembourg	15%	None	15%
Latvia	18%	€373	20%
Malta	18%	Based on cc 2,000cc = 65%	93%
The Netherlands	19%	Based on price + CO2 emissions 45.2% - €1,540 (petrol) 45.2% + €328 (diesel)	57%
Poland	22%	Based on cc 2,000cc = 3.1%	25%
Portugal	21%	Based on cc + CO2 emissions 2,000cc = 8.38x2000 – 8,333.32	77%
Sweden	25%	None	25%
Slovenia	20%	Based on price 1 –13%	29%
Slovakia	19%	None	19%
United Kingdom	17.5%	None	17.5%
Bulgaria	20%	None	20%
Romania	19%	Based on emissions 2,000cc= €700 (Euro 4)	22.5%

## Taxes on ownership

Country	Passenger Cars	Commercial Vehicles
Austria	Kilowatt	weight
Belgium	Cylinder capacity	weight, axles
Cyprus	Cylinder capacity, CO2 emissions	NA
Czech Republic	None	Weight, axles
Germany	Cylinder capacity, exhaust emissions	Weight, pollution, noise
Denmark	Fuel consumption, weight	Weight
Estonia	None	Weight, axles suspension
Spain	Horsepower	Payload
Finland	Time, weight	Weight, axles
France	None	Weight, axles, suspension
Greece	Cylinder capacity, horsepower	Payload
Hungary	Weight	Weight
Ireland	Cylinder capacity	Weight
Italy	Kilowatt	Kilowatt, pollution
Lithuania	None	NA
Luxembourg	CO2 emissions	Weight, axles
Latvia	Weight	Weight
Malta	Cylinder capacity	NA
The Netherlands	Weight, province	Weight
Poland	None	NA
Portugal	Cylinder capacity	Weight, axles, suspension
Sweden	CO2 emissions, weight	Weight, axles
Slovenia	None	NA
Slovakia	None	Weight, axles
United Kingdom	CO2 emissions	Weight, axles
Bulgaria	Kilowatt	Weight, axles
Romania	Cylinder capacity	Weight, axles

NA : not available

## Taxes on Motoring

Excise duties on fuels in €/1,000 litres		
Country	Unleaded Petrol	Diesel
Austria	417	297
Belgium	592	328
Cyprus	305	250
Czech Republic	400	336
Germany	655	470
Denmark	508	404
Estonia	288	245
Spain	396	294
Finland	588	319
France	589	417
Greece	313	260
Hungary	413	339
Ireland	443	368
Italy	564	413
Lithuania	287	245
Luxembourg	442	278
Latvia	276	236
Malta	474	332
The Netherlands	668	365
Poland	356	290
Portugal	558	339
Sweden	366	394
Slovenia	360	303
Slovakia	398	373
United Kingdom	682	693
Bulgaria	271	220
Romania	328	260
EU minimum rates	359	302

Status : July 2006

## Fiscal Income from Motor Vehicles in the EU (\*)

	AT € bn 2004	BE € bn 2004	DK DKK bn 2005	DE € bn 2005	ES € bn 2005	FR € bn 2005	GR € bn 2005	IE € bn 2005	IT € bn 2004	NL € bn 2003	PT € bn 2005	FI € bn 2004	SE SEK bn 2006	UK £ bn 2005
Purchase or transfer														
1. VAT on vehicles, servicing/repair parts, tyres	2.143	4.291	N.A.	25.000	5.868	12.477	N.A.	0.058	19.340	2.037	1.279	1.250	15.000	12.83
New vehicle sales		1.176		18.200	3.535	7.079				0.748		0.750		
Second-hand vehicle sales		0.074		2.030	0.070	0.611				0.085				
Services and repair + tyres		1.416		3.550		4.787				1.204		0.490		
Accessories and spare parts		0.865		1.220	2.261	-								
2. Fuels & Lubricants	4.270	5.765	14.775	41.100	16.801	32.087	2.357	2.339	32.337	5.855	3.428	3.074	46.600	23.346
3. Sales & registration taxes	0.440	0.319	21.109		1.374	1.536	0.878	1.712	2.067	2.874	1.211	1.310		
Annual ownership taxes	1.400	1.463	8.693	8.673	2.169	1.207	0.702	0.802	5.500	2.108	0.136	0.513	10.700	4.871
Driving license fees		0.007		0.065	0.078	-								0.07
Insurance taxes	0.280	0.449	2.040	3.330	0.699	4.057			4.300			0.219		
Tolls	1.215		0.456			7.666	N.A.	0.039	1.050					
Customs duties		0.093		0.445		-					0.119			
Other taxes	0.550	0.520		0.287	0.351	1.266	0.019	0.136		0.107	0.089		6.500	3.709
<b>TOTAL</b>	<b>10.298</b>	<b>12.148</b>	<b>47.073</b>	<b>78.900</b>	<b>27.344</b>	<b>60.296</b>	<b>3.956</b>	<b>5.086</b>	<b>64.594</b>	<b>12.981</b>	<b>5.918</b>	<b>7.606</b>	<b>78.800</b>	<b>44.826</b>
<b>EURO</b>	<b>10.3</b>	<b>12.1</b>	<b>6.3</b>	<b>78.9</b>	<b>27.3</b>	<b>60.3</b>	<b>4.0</b>	<b>5.1</b>	<b>64.6</b>	<b>13.0</b>	<b>5.9</b>	<b>7.6</b>	<b>9.8</b>	<b>65.6</b>
<b>GRAND TOTAL = € BN 360</b>														

(\*) No data are available for other EU Member States

## EURO exchange rates (5 March 2007)

	Currency	Exchange rate
DKK	Danish Krone	7,4482
GBP	Pound sterling	0,68220
SEK	Swedish krona	9,3308
CHF	Swiss Franc	1,6000
ISK	Iceland krona	90,04
NOK	Norwegian krone	8,1830
BGN	Bulgarian lev	1,9558
CYP	Cyprus pound	0,5794
CZK	Czech koruna	28,188
EEK	Estonian kroon	15,6466
HUF	Hungarian forint	254,63
LTL	Lithuanian litas	3,4528
LVL	Latvian lats	0,7063
MTL	Maltese lira	0,4293
PLN	Polish zloty	3,9100
ROL	Romanian leu	3,4000
SIT	Slovenian tolar	239,54
SKK	Slovak koruna	34,420
TRY	Turkish lira	1,9049

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## 1. TAXES ON ACQUISITION

### 1.1. VAT (Umsatzsteuer)

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

VAT is levied on the effective invoice price (including pollution tax - 1.2).

A person registered for VAT is allowed to deduct the VAT on the purchase of commercial vehicles for professional use. With the exception of certain exemptions like cars for driving schools and taxis, deductions are not allowed for passenger cars and combination cars.

### 1.2. Fuel consumption/pollution tax (Normverbrauchsabgabe - NoVA)

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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 inter alia for electric or electrohydraulic cars, cars in driving schools, taxis, ambulances, vehicles for diplomatic use, and vehicles for disabled persons.

The percentage is calculated as follows:

Motorcycles exceeding cc 125 cm<sup>3</sup>:  $0.02\% \times (\text{cylinder capacity in cm}^3 \text{ minus } 100 \text{ cm}^3)$

**Passenger cars (including mini-buses, caravans) & combination cars:**

$2\% \times (\text{fuel consumption in litres minus } 3 \text{ l, respectively minus } 2 \text{ l for diesel vehicles})$ ; NoVA must not exceed 16% of the invoice price.

The fuel consumption is calculated according to EC-Directive 1980/1268 (update 1993/116 and 1999/100) based on the Motor Vehicle Emission Group-Cycle (MVEG-Cycle).

The NoVA can be refunded for rental/leasing cars exported from Austria based on the common value of the car.

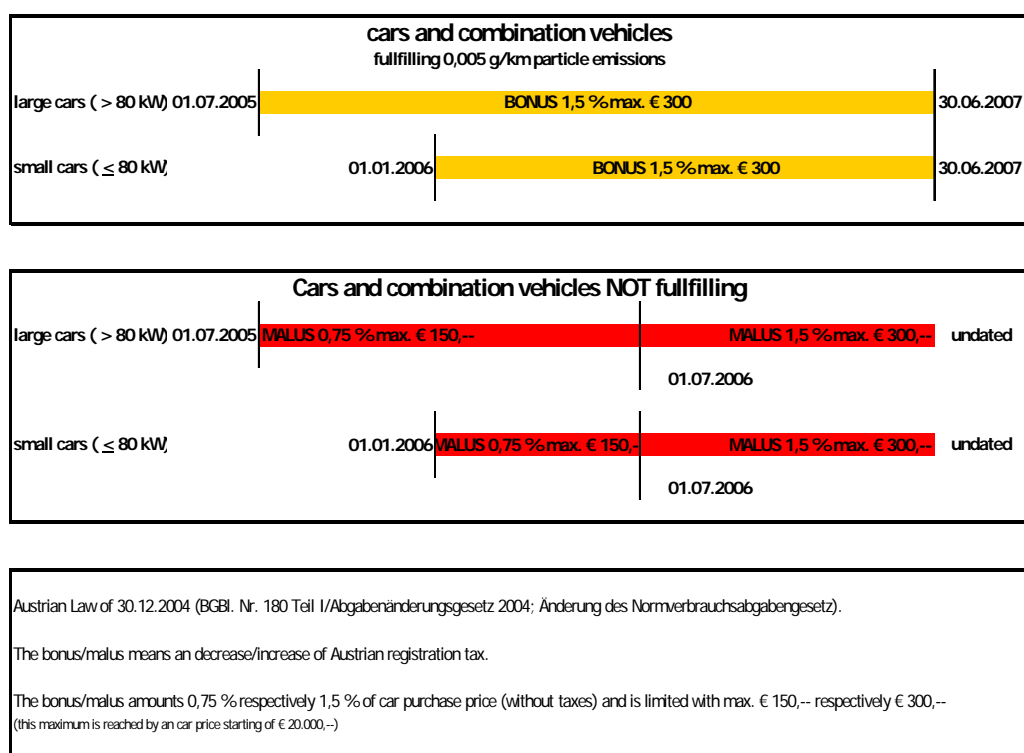
Since 1.1.2007 the NoVA can be refunded for vehicles exported from Austria in proportion with the common value of the vehicle.

NoVA is incorporated in the basic retail price of the vehicle and VAT is applied to the total.

**Bonus-Malus-System for particle emissions:** For Diesel-engined cars and combination vehicles with air-polluting particles of less than 0.005 g/km a tax reduction is applied of EUR 300,- (valid between 1 July 2005 and 30 June 2007).

For Diesel-engined cars and combination vehicles with polluting particles of more than 0.005 g/km a tax increase of 0.75% (maximum EUR 150,-) is applied between 1 July 2005 and 30 June 2006). From 1 July 2006 a tax increase of 1.5% (maximum EUR 300,-) is applied. For Diesel-engined vehicles not exceeding 80 Kilowatts these rules will apply only from 1 January 2006.

The following graph illustrates the Bonus-Malus-System:



### 1.3. Tax allowances

Taxable persons have several possibilities to use the acquisition and the operation of a business vehicle in their financial records.

- **Deduction of VAT**  
For business vehicles that are not passenger cars or combination cars (exception: cars for driving schools, taxis, or leasing companies) the VAT of the purchase price can be deducted.
- In case of the sale of a vehicle owned for at least seven years, the profit resulting from the difference between the selling price and the registered book value can be deducted from the acquisition price of new goods (instead of being treated like profit from sale).
- Depreciation can be applied to all vehicles as long as they are used for business purposes.  
Depreciation of a vehicle is generally calculated over 8 years (passenger cars) or 3 - 10 years (all other vehicles) on the basis of the purchase price (including pollution tax and VAT as long as it is not deductible); If the value of a car is such that it is considered as a luxury product (purchasing price exceeding € 34,000 for 2004 / € 40,000 for 2005) only the percentage up to this amount of the purchase price (including all other accessories) is deductible in the tax declaration for depreciation.
- Operating costs can be deducted from profit, at least in the percentage of the business usage of the car. (If the car is used for private means to a certain extent, this percentage of the total cost is not deductible from corporate income.) The operating costs (including depreciation) of a private car used for business reasons can be deducted at a rate of € 0.376 per kilometre.

## 1.4. Registration charges

For registration of vehicles the following administration fees are charged:

Vehicle Type	New vehicles	Second-hand
Passenger cars, combination cars	167.75	167.75
Lorries, coaches	167.75	167.75
Work machines	158.75	158.75
Special vehicles, trailers	158.75	158.75
Motorcycles	158.75	158.75
(De-registration)	---	---

## 2. TAXES ON OWNERSHIP

### 2.1. Vehicle tax (KRAFTFAHRZEUGSTEUER/ MOTORBEZOGENE VERSICHERUNGSTEUER)

Vehicle Tax is levied on all Austrian vehicles and on all foreign vehicles registered in Austria. The basis of taxation is the cylinder capacity for motorcycles and the horsepower for all other vehicles. In the case of passenger cars and combination vehicles subject to compulsory third-party insurance - from 1.1.1997 for all vehicles with a gross weight below 3.5t - the "engine-related insurance tax" (motorbezogene Versicherungssteuer) is applicable, whereas the vehicle tax (Kraftfahrzeugsteuer) applies to all other vehicles.

#### 2.1.1. Calculation of the Vehicle Tax

The monthly rates can be calculated using the following formula

Type of vehicle	Monthly rate in €	Notes	Minimum rate	Maximum rate
Motorcycles (3)	0.022/cm <sup>3</sup> (for yearly payment in advance)	Per cm <sup>3</sup> cylinder capacity		
Passenger cars, combination cars & vehicles < 3.5t (gross weight)(1)(2)	0.55 x (kw-24)*f (f=number of months for yearly payment in advance)	kw = kilowatts	5.50	60 (does not apply to passenger and combination cars)
Vehicles 3.5t - 12t (gross weight)	5.09 per t	per ton (gross weight)	43.60	
Vehicles 12t - 18t (gross weight)	5.45 per t	per ton (gross weight)		
Vehicles > 18t (gross weight)	6.17 per t	per ton (gross weight)		246.80
Trailers (2) : 3.5t - 12t; 12t - 18t; > 18t	5.09; 5.45; 6.17 per t	t = (gross weight)	43.60	197.44

- (1) The tax is payable together with the insurance premium. The rate is increased by 20% for vehicles registered before 01.01.1987 if they do not follow certain emission regulations.
- (2) For monthly payment in advance the rate is increased by 10% (§6 VStG) i.e. € 0.605 /month and a maximum rate of € 66 applies. An increase of 6% / 8% applies to a 6-month-payment/quarter-payment.
- (3) For monthly payment in advance the rate is increased by 10%. For motorcycles the monthly payment rate of € 0.0242/cm<sup>3</sup> applies.

### 2.1.2. Tax exemptions

The main tax exemptions refer to vehicles used in official services (local authority, ambulances, fire brigade, etc.), buses, coaches, taxis, vehicles for the disabled, electric cars, works trucks and digging machines etc., motorcycles with a cylinder capacity below 100 cm<sup>3</sup>, exemptions due to bilateral contracts (e.g. holiday traffic etc.) and vehicles over 3.5t gross weight used for combined transport to and from inland railway stations only.

According to EU law, there are further exemptions for vehicles with a gross weight of over 12 tons registered abroad but in an EU member country; cars for foreign students registered abroad within the EU but used in Austria; passenger cars and combination cars registered within the EU and used in Austria for a period not exceeding six months.

## 3. TAXES ON MOTORING

### 3.1. Fuel taxes (Mineralölsteuer - MöSt)

In €/1000 l	Unleaded	Diesel	LPG	Eurosuper	Super100
Product cost incl. profit	449.62	516.86	389.00	466.13	547.70
Pflichtnotstandsreserve	7.55	8.14	0.00	7.70	7.80
fuel tax <sup>(1),(2)</sup>	417.00	302.00	261.00	417.00	417.00
sub total	874.17	845.00	650.00	890.83	972.50
VAT in %	20.00%	20.00%	20.00%	20.00%	20.00%
Price at the pump	1,049.00	1,014.00	780.00	1,069.00	1,167.00

Status: February 2007

Some tax exemptions exist for certain official services for liquid gas for vehicles used in public transport

(1) Fuel tax for Unleaded / Eurosuper / SuperPlus-fuel (Pb<0.013 g/l) with high sulfur content (>10 mg/kg) is charged with EUR 432,-- (1000 l).

(As of 1 October 2007 fuel tax for Unleaded / Eurosuper / SuperPlus-fuel (Pb<0.013 g/l) covering low sulfur content (<10 mg/kg) and biogenous ingredients (44 l/1000 l) will be charged with EUR 412,-- (1000 l) otherwise with EUR 445,--.)

(2) Fuel tax for Diesel-fuel with high sulfur content (>10 mg/kg) is charged with EUR 317,-- (1000 l).

(As of October 2005 fuel tax for Diesel-fuel covering low sulfur content (<10 mg/kg) and biogenous ingredients (44 l/1000 l) will be charged at EUR 297,-- (1000 l) otherwise with EUR 325,--.)

### 3.2. Insurance taxes (Versicherungssteuer)

Subscription to a third-party insurance policy is compulsory for all vehicles. Insurance policies are subject to an insurance tax amounting to 11% of the annual fee.

### 3.3. Toll/road pricing (Vignette/fahrleistungsabhängige Maut)

#### Passenger cars and light commercial vehicles

It is compulsory for motorcycles, passenger cars, vehicles with a gross weight of up to 3.5 tonnes to carry a toll label for circulation on all Austrian highways and expressways.

Tolls on other specified roads can be levied additionally.

TOLL LABEL PRICES (incl. VAT)	Yearly toll label in €	2-month toll label in €	10-days toll label in €
Validity	1 Dec of the previous year to 31 Jan of the following year	2 consecutive calendar months	0:00 hours on the day of issue to 24:00 hours on the 9th consecutive day
Motorcycles	29.00	10.90	4.30
Cars and vehicles up to 3.5t gross weight (1)	72.60	21.80	7.60

- (1) Trailers towed by these vehicles are not obliged to carry toll labels.  
Camping vehicles require only one toll label for the vehicle category up to 3.5t regardless of the actual gross weight.

The revenue from the toll labels will be appropriately used for construction and maintenance on the highly developed sections of the road network.

Certain Austrian road sections (e.g. Brenner, Tauerntunnel, Bosruck/Gleinalm, Karawankentunnel, Arlbergtunnel) do already have a distance related toll. The circulation on these roads does not require the purchase of the toll label (vignette).

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

- Commuters on their way to work do not have to pay for these separate toll-roads.
- With the possession of a yearly toll label (vignette) € 40,- will be deducted from the purchase price of a yearly toll-road ticket for certain Austrian road sections (e.g. Brenner, Tauerntunnel, Arlbergtunnel).

#### Heavy commercial vehicles

A distance-related Road Pricing system has been introduced on 1 January 2004 for all vehicles, vehicle combinations and buses exceeding 3.5 t in gross weight for circulating on all Austrian highways and expressways. The Road Pricing-Charge is based on kilometres depending on the number of axles of the vehicle:

Category	Buses, vehicles and vehicle combinations < 3.5t gross weight	Road Pricing per Km in € (excl. VAT)
2	2 axles	0.130
3	3 axles	0.182
4	4 or more axles	0.273

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

For certain Austrian road sections (e.g. Brenner, Tauerntunnel, Arlbergtunnel) that already had a distance related toll system before the toll will be now charged electronically through the "GO-BOX".

## 4. PRIVATE USE OF A COMPANY CAR

The private use of a company car is considered as a benefit in kind. The total benefit is estimated at 1.5% of the purchase price (incl. VAT accessories etc...) per month; The maximum amount is € 600.

A reduction to 0.75 % is possible if a maximum of 500 kilometres of private usage can be proven each month at a maximum amount of € 300. If the car is only sporadically used for private reasons (up to 300 km per month), the benefit amounts to € 0.50 per kilometre (€ 0.72 if a driver is added). The benefit of fuel is not charged separately.

Employers as well as employees are obliged to pay National Insurance Contributions for this sum.



## 5. PERIODICAL INSPECTION OF VEHICLES

Periodical inspections (§57a) have to be carried out annually. The cost in € of the inspection is as follows:

Passenger cars	36.00
Taxi, rental car, lorry < 3.5 tons gross weight	36.00
Lorry 3.5 t - 7.5 t gross weight	54.00
Lorry > 7.5 t – 18 t gross weight	78.00
Lorry > 18 t – 26 t gross weight	84.00
Lorry > 26 t gross weight	84.00
Bus, Coach	84.00
Trailer < 0.750 t gross weight; Motorcycles	14.40
Trailer > 0.750 t, gross weight, 3 axles and more	54.00

plus an additional administration fee of € 1.45 for the inspection sticker.

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

## 1. ENGINE RATINGS

### 1.1. Cars - estate cars - minibuses

The engine rating of motor vehicles is determined by means of the formula:  $P = 4 Cy + K$

The coefficient K varies according to the cylinder capacity of the engine.

CYLINDER CAPACITY		COEFFICIENT K
not exceeding	0.9 litre inclusive	1.5
from 1.0	to 1.2 litres inclusive	1.75
from 1.3	to 1.5 litres inclusive	2
from 1.6	to 1.7 litres inclusive	2.25
from 1.8	to 1.9 litres inclusive	2.5
from 2.0	to 2.1 litres inclusive	2.75
from 2.2	to 2.3 litres inclusive	3
from 2.4	to 2.6 litres inclusive	3.25
from 2.7	to 3.3 litres inclusive	3.50
from 3.4	to 3.9 litres inclusive	3.75
from 4.0	to 4.9 litres inclusive	4
from 5.0	to 5.9 litres inclusive	4.5
in excess of 6 litres		5

#### Resultant table (Fiscal Horse Power)

CYLINDER CAPACITY		FISCAL HP	CYLINDER CAPACITY		FISCAL HP
Up to	750 cc	4	from	3951 to 4150	20
from	751 to 950	5	from	4151 to 4350	21
from	951 to 1150	6	from	4351 to 4650	22
from	1151 to 1350	7	from	4651 to 4850	23
from	1351 to 1550	8	from	4851 to 5050	24
from	1551 to 1750	9	from	5051 to 5250	25
from	1751 to 1950	10	from	5251 to 5550	26
from	1951 to 2150	11	from	5551 to 5750	27
from	2151 to 2350	12	from	5751 to 5950	28
from	2351 to 2550	13	from	5951 to 6150	29
from	2551 to 2750	14	from	6151 to 6350	30
from	2751 to 3050	15	from	6351 to 6650	31
from	3051 to 3250	16	from	6651 to 6850	32
from	3251 to 3450	17	from	6851 to 7150	33
from	3451 to 3650	18	from	7151 to 7350	34
from	3651 to 3950	19	from	7350 to 7550	35

## 1.2. Buses and coaches

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Formula:  $P = k \times d^2 \times s \times n$

k = variable coefficient

d = bore (diameter, in metres)

s = stroke (in metres)

n = number of cylinders

Computation of the variable coefficient k:

### A. Petrol and gas engines

Bore in millimetres, up to and including:

69	6000	80	4943
70	5887	81	4864
71	5777	82	4788
72	5672	83	4714
73	5570	84	4642
74	5471	85	4572
75	5376	86	4504
76	5284	87	4438
77	5194	88	4373
78	5108	89	4310
79	5024	90 and above	4250

### B. Diesel fuel engines

≤ 89	3400
≥ 90	3500

## 1.3. Vans - trucks - articulated goods vehicles - trailers

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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. VAT

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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.

### 2.2. Tax on first registration

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A "Tax on the first registration" (TMC-BIV Taxe de mise en circulation - Belasting op de inverkeersstelling) is levied in Belgium on new cars, minibuses and motorcycles at the moment of the first registration. The tax is also levied on second-hand vehicles.

The bases and rates of the tax for new and second-hand vehicles are set out on page 4.

### 2.3. Allowable deductions

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#### 2.3.1. VAT Exemptions

Taxable persons are entitled to deduct 50% of the VAT paid on the purchase of cars for professional use and on goods and services relating to them.

The (50%) deduction entitlement does not apply to the following:

- trucks, vans and buses;
- 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 paid transport of persons (taxis);
- specially adapted cars, which are 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.

#### 2.3.2. Deduction of the registration tax

The registration tax is not deductible (see point 2.3), but 75% of this amount is admissible as a general expense and may be amortized in proportion to the net realisable or resale value of these vehicles.

#### 2.3.3. Depreciation and capital allowances

The following are deductible from corporate income and salaries:

- depreciation of the purchase value (exclusive of VAT for companies, inclusive of VAT for individuals): depreciation of cars is generally made over 5 years.
- this depreciation is restricted to :
  - 75% of the purchase value for saloon cars, estate cars and minibuses
  - 100% for other vehicles
- for cars, estate cars and minibuses :
  - 75% of the value of goods and services intended for these vehicles.
  - 100% may be claimed for some costs: these include the cost of fuel, interest and other financial charges related to the purchase, leasing or renting of the vehicle and the purchase and installation costs of a mobile phone.
- for other vehicles:
  - 100% of the value of goods and services which are intended for them.

## 2.4. Registration charges

As from 1 January 2006 the flat-rate charge is € 31 for the registration certificate and the number plates has been suppressed.

Amounts of the T.M.C. applied to cars, minibuses and motorcycles (all amounts expressed in €)

CV (Fiscal horsepower)	To 8 CV (1550 cc)	9 CV (1551-1750 cc)	10 CV (1751-1950 cc)	11 CV (1951-2150 cc)	12 CV (2151-2350 cc)	13 CV (2351-2550 cc)	14 CV (2550-2750 cc)	15 CV (2751-3050 cc)	16 CV (3051-3250 cc)	17 CV (3251-3450 cc)	> 17 CV (> 3450 cc)
kW	To 70	71-85	71-85	86-100	101-110	101-110	101-110	111-120	121-155	121-155	> 155
<b>New Vehicle</b>	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
<b>Vehicles which have been registered during</b>	< 1 y	61.50	123.00	123.00	495.79	867.00	867.00	867.00	1,239.00	2,487.00	4,957.00
	< 2 y	61.50	110.70	110.70	445.50	780.30	780.30	780.30	1,115.10	2,230.20	4,461.30
	< 3 y	61.50	98.40	98.40	396.00	693.60	693.60	693.60	991.20	1,982.40	3,965.60
	< 4 y	61.50	86.10	86.10	346.50	606.90	606.90	606.90	867.30	1,734.60	3,469.90
	< 5 y	61.50	73.80	73.80	297.00	520.20	520.20	520.20	743.40	1,486.80	2,974.20
	< 6 y	61.50	61.50	61.50	272.25	476.85	476.85	476.85	681.45	1,362.90	2,726.35
	< 7 y	61.50	61.50	61.50	247.50	433.50	433.50	433.50	619.50	1,239.00	2,478.50
	< 8 y	61.50	61.50	61.50	222.75	390.15	390.15	390.15	557.55	1,115.10	2,230.65
	< 9 y	61.50	61.50	61.50	198.00	346.80	346.80	346.80	495.60	991.20	1,982.80
	< 10 y	61.50	61.50	61.50	173.25	303.45	303.45	303.45	433.65	867.30	1,734.95
	< 11 y	61.50	61.50	61.50	148.50	260.10	371.00	371.00	371.00	743.40	1,487.10
	< 12 y	61.50	61.50	61.50	123.75	216.75	216.75	216.75	309.75	619.50	1,239.25
	< 13 y	61.50	61.50	61.50	99.00	173.40	173.40	173.40	247.80	495.60	991.40
	< 14 y	61.50	61.50	61.50	74.25	130.05	130.05	130.05	185.85	371.70	743.55
	< 15 y	61.50	61.50	61.50	61.50	86.70	86.70	86.70	123.90	247.80	495.70
	≥ 15 ys	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 horsepower and in kilowatt, leads to the imposition of two different tax amounts, the highest amount is due.

### Purchasing of a vehicle in Belgium by a person living in Belgium

#### Cars, minibus, motorcycles, camping vehicles, light commercial, heavy commercial, buses and coaches

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

## Purchasing of a vehicle in Belgium by a person not living in an EU member state

The purchasing of a vehicle by a person not living in an EU member state is not due to VAT on condition that the Belgian dealer can prove the export of the vehicle

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

### Cars, minibus, motorcycles

State of the vehicle	Seller	Purchaser	VAT	TMC
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 commercials, heavy commercials, attics

State of the vehicle	Seller	Purchaser	VAT	TMC
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 the vehicle	Seller	Purchaser	VAT	TMC
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

## Purchasing 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

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

### Cars, minibus, motorcycles, camping vehicles, light commercial, heavy commercial, buses and coaches

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

## Purchasing of a vehicle in Belgium by a person not living in an EU member state

The purchasing 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 the export of the vehicle

## 3. TAXES ON OWNERSHIP

### 3.1. Basis of ownership taxes

Private vehicles	engine rating
Coaches and buses	engine rating
Commercial vehicles	deadweight

### 3.2. Ownership tax rates

#### 3.2.1. Passenger cars

The charge on road tax (based on the engine rating) varies according to the 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.

A supplementary tax (called "taxe compensatoire des accises") is levied on cars, estate cars and minibuses equipped with a diesel engine.

#### Roadtax for cars, estate cars and minibuses (from 01-07-2006 to 30-06-2007)

##### PETROL

CC	Fiscal HP	Roadtax €	10% Municipal tax €	Total €
from	to	(1)	(2)	(1)+(2)
0	750	4	59.76	65.74
751	950	5	74.76	82.24
951	1150	6	108.00	118.80
1151	1350	7	141.12	155.23
1351	1550	8	174.48	191.93
1551	1750	9	207.96	228.76
1751	1950	10	240.84	264.92
1951	2150	11	312.60	343.86
2151	2350	12	384.36	422.80
2351	2550	13	455.88	501.47
2551	2750	14	527.52	580.27
2751	3050	15	599.28	659.21
3051	3250	16	784.92	863.41
3251	3450	17	970.68	1,067.75
3451	3650	18	1,156.56	1,272.22
3651	3950	19	1,341.96	1,476.16
3951	4150	20	1,527.72	1,680.49
for each additional HP above 20				+ 91.61

### Additional tax for diesel cars, estate cars and minibuses (TCA)

to be added to the above mentioned tax

CC	Fiscal HP	TCA € 2003	TCA € 2004	TCA € 2005	TCA € 2006	TCA € 2007	TCA € 2008
from	to						
0	750	4	24.24	11.28	0.00	0.00	0.00
751	950	5	30.36	17.40	4.32	0.00	0.00
951	1150	6	43.92	30.96	17.88	0.00	0.00
1151	1350	7	57.24	44.28	31.20	5.16	0.00
1351	1550	8	70.80	57.84	44.76	18.72	0.00
1551	1750	9	84.36	71.40	58.32	32.28	0.00
1751	1950	10	97.68	84.72	71.64	45.60	5.76
1951	2150	11	126.84	113.88	100.80	74.76	34.92
2151	2350	12	155.88	142.92	129.84	103.80	63.96
2351	2550	13	277.20	264.24	251.16	225.12	185.28
2551	2750	14	428.04	415.08	402.00	375.96	336.12
2751	3050	15	486.12	473.16	460.08	434.04	394.20
3051	3250	16	636.84	623.88	610.80	584.76	544.92
3251	3450	17	787.44	774.48	761.40	735.36	695.52
3451	3650	18	937.92	924.96	911.88	885.84	846.00
3651	3950	19	1,088.40	1,075.44	1,062.36	1,036.32	996.48
3951	4150	20	1,239.24	1,226.28	1,213.20	1,187.16	1,147.32
for each additional HP above 20			+ 67.56				

The reduction of the additional tax above will be compensated by an increase in the excise tax on diesel.  
**As from 2008, the additional tax on diesel cars will be suppressed.**

#### A supplementary road tax is levied on vehicles equipped for LPG

to compensate for the abolition of excises (€ 0.06) on LPG (Liquefied Petroleum Gas) fuel.

This annual tax 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 nor are they subject to municipal taxes.

#### CO<sub>2</sub> incentives for purchase of new cars

Tax reduction equivalent to 15% of the sale price for taxpayer who buys a car emitting less than 105g CO<sub>2</sub>/km with a maximum of €4270

Tax reduction equivalent to 3% of the sale price for taxpayer who buys a car emitting between 105g and 115g CO<sub>2</sub>/km with a maximum of €800

The tax incentive consists of a reduction of the amount expressed above from the purchaser's taxable income under personal income tax. These tax reductions are not available for companies.

#### Tax reduction for purchase of new cars equipped with a diesel particle filter (DPF)

As from 1st January 2007 a tax reduction will be granted for new diesel cars equipped with a DPF and emitting less than 130g CO<sub>2</sub>/km. The tax incentive consists of a reduction of €150 from the purchaser's taxable income under personal income tax. This tax reduction is not available for companies.



### 3.2.2. Commercial vehicles

#### Buses and coaches

Road tax (assessed on engine rating) is indexed. As of 1 July 2006, the minimal amount is € 59.92.

→ if ≤ 10 fiscal HP: € 4.44/HP, with a minimum of € 59.92 (plus municipal tax 10%)

→ if > 10 fiscal HP: € 4.44/HP + € 0.24/HP, with a maximum of € 12.48/HP (plus municipal tax 10%)

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

#### Vans (up to 3500 kg)

The road tax, based on the maximum permissible weight is fixed at € 19.32 for every 500 kg, with a minimum of € 28.44 (inclusive municipal tax).

Maximum permissible weight (in kg)		Exclusive of municipal tax (in €)	Inclusive of municipal tax (in €)
From	To		
-	500	25.85	28.44
501	1000	38.64	42.50
1001	1500	57.96	63.76
1501	2000	77.28	85.01
2001	2500	96.60	106.26
2501	3000	115.92	127.51
3001	3500	135.24	148.76

#### Trucks (> 3,500 kg) and combinations for transport of goods

When the Maximum Permissible Weight (MPW) exceeds 3,500 kg, the tax is based on tables taking into account the MPM, the number of axles and the kind of the suspension (pneumatic or not).

In the case of solo vehicle, the MPW to be taken into account equals its own MPW.

In the case of a combination of vehicles, the MPW equals the sum of all the MPW's of the combination.

There are in total 338 categories, within 10 tables.

#### Solo vehicles

		Nbr of categories	from (in €)	to (in €)
1.	with max 2 axles	30	59.97	337.04
2.	3 axles	22	209.67	448.59
3.	4 axles	18	284.44	552.11
4.	more than 4 axles	58	59.97	552.11

#### Combinations

		Nbr of categories	from (in €)	to (in €)
5.	with max 2 axles and trailer or semi-trailer with 1 axle	50	59.97	524.15
6.	with 2 axles and trailer or semi-trailer with 2 axles	30	260.29	705.98
7.	with 2 axles and trailer or semi-trailer with 3 axles	16	471.00	771.35
8.	with 3 axles and trailer or semi-trailer with max 2 axles	16	429.20	844.70
9.	with 3 axles and trailer or semi-trailer with 3 axles	16	286.07	771.35
10.	other than 5 to 9	82	59.97	808.01

## Trailers with less than 3,500 kg MPW

Maximum permissible weight (in kg)		Exclusive of municipal tax (in €)	Inclusive of municipal tax (in €)
From	To		
0	500	27.96	30.76
501	3500	58.08	63.89

## 4. TAXES ON MOTORING

### 4.1. Fuel taxes

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The selling price of fuel is made up of two elements: the basic price and taxation.

The maximum sales 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, but are levied at the time of production or importation.

The excise duty is € 0.574/litre for unleaded Eurosuper (95 RON).

For diesel fuel, the duty is € 0.340/litre. 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 imposed both on the product and on the excises.

#### 4.1.3. Total taxation

The taxation of fuel at present may be summarised as follows:

	Excise Duty	VAT
Unleaded (95)	€ 0.5922/L	21%
Unleaded (98)	€ 0.5922/L	21%
Diesel fuel	€ 0.3282/L	21%
LPG		21%

#### 4.1.4. Maximum price in €/litre on 16/02/2007 for Belgium

Maximum prices 16/02/2007	EUROSUPER* UNLEADED 95 €	SUPER* UNLEADED 98 €	DIESEL* €	LPG €
Cost of the product	0.3117	0.3214	0.3454	0.2335
Distribution Costs	0.1568	0.1568	0.1577	0.1549
Excises + energy tax (1)	0.5922	0.5922	0.3282	0.000
Price without VAT	1.0607	1.0703	0.8313	0.3884
VAT: 21% (2)	0.2227	0.2248	0.1746	0.0816
(1)+(2)	0.8149 (63.5%)	0.8170 (63.1%)	0.5028 (50.0%)	0.0816 (17.4%)
<b>Price at the pump</b>	<b>1.283</b>	<b>1.295</b>	<b>1.006</b>	<b>0.470</b>

Source: Belgian Petroleum Federation

\* max 10 ppm sulphur

#### 4.2. Insurance taxes

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Subscription to a "third-party" insurance policy is obligatory 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% towards the Occupational Rehabilitation Fund for the Handicapped
- 0.25% for the Red Cross
- 10% for the INAMI (National Institute for Sickness-Disability Insurance)

The total charge is therefore 27%.

Of the various supplementary "car" insurances (the so-called "omnium"), in addition to the annual tax, the State only collects the 7.5% contribution to the Occupational Rehabilitation Fund for the Handicapped. Thus, the charge to tax amounts to 16.75%.

In addition to the 16.75%, the State levies an additional tax of 10%.

As a result, the total charge now amounts to 26.75%.

### 4.3. Eurovignette

A road toll called "Eurovignette" is levied in Belgium for vehicles for transport of goods with a Maximum Vehicle Weight exceeding 12 tons (based on ECDirective 93/89).

The amounts are:

EUROVIGNETTE as from 01.04.2001

Country of registration	Annually Axles		Quarterly Axles		Monthly Axles		Weekly Axles		Daily
	≤ 3	≥ 4	≤ 3	≥ 4	≤ 3	≥ 4	≤ 3	≥ 4	

#### BELGIUM

before EURO 1	960	1150	288	465	-	-	-	-	-
EURO 1	850	1400	255	420	-	-	-	-	-
EURO 2 and less polluting	750	1250	225	375	-	-	-	-	-

#### GREECE (until 30.06.2002)

before EURO 1	480	775	-	-	48	77.5	13	20.5	4
EURO 1	425	700	-	-	42.5	70	11.5	18.5	4
EURO 2 and less polluting	375	625	-	-	37.5	62.5	10	16.5	4

#### OTHER COUNTRIES (Vehicles with "merchant" and temporary Belgian plates)

before EURO 1	960	1550	-	-	96	155	26	41	8
EURO 1	850	1400	-	-	85	140	23	37	8
EURO 2 and less polluting	750	1250	-	-	75	125	20	33	8

## 5. PRIVATE USE OF A COMPANY CAR

For persons using a company car both for private and personal business use, 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.

Where there is no reimbursement, the private usage is regarded as a benefit in kind. This amount must be added to other income of the party concerned.

Principle: the number of private kilometres is multiplied by a certain sum per km:

If the journey home-work (one way) is less than 25 km it will be assumed that the private usage of the car is 5,000 km/year (7,500 km/year if the journey is > 25km).

For example: someone owning a company car and making 20km (simple journey) distance home-work with a car with an engine rating of 10 HP, will add to his revenue as a benefit in kind:  
 $5,000 \times \text{€ } 0.3046 = \text{€ } 1,523$

ENGINE RATING (HP)	LIABILITY (€/km travelled)
4	0.1649
5	0.1936
6	0.2139
7	0.2366
8	0.2581
9	0.2808
10	0.3107
11	0.3406
12	0.3609
13	0.3836
14	0.3980
15	0.4147
16	0.4267
17	0.4350
18	0.4458
more than 18	0.4541

Where there is no reimbursement, the private usage is regarded as a benefit in kind. This amount must be added to other income of the party concerned.

#### CO<sub>2</sub> based taxation of company cars

As from 1 January 2005, employers have to pay a tax ("cotisation de solidarité": solidarity contribution) for company cars and light duty vehicles (M1 and N1) if they allow private use of these vehicles by their employees.

The monthly tax is based on the CO<sub>2</sub> emissions of the vehicle according to EU directive 80/1268/CEE and computed as follows:

Gasoline vehicles:  $[(Y * \text{€}9) - 768] / 12$

Diesel vehicles :  $[(Y * \text{€}9) - 600] / 12$

LPG vehicles :  $[(Y * \text{€}9) - 990] / 12$

(Y: CO<sub>2</sub> emissions expressed in g/km)

NB: For 2006, the amounts must be multiplied by 1.0225

but shall in any case never be lower than €20.83 per month.

If the CO<sub>2</sub> emissions data are not available, they will be assumed to be for:

vehicles with gasoline engine: 182 g/km

vehicles with diesel engine: 165 g/km

#### Examples

Opel Astra 1.4 16V      CO<sub>2</sub>: 151 g/km      monthly tax: €50.36

Volvo S60 D5            CO<sub>2</sub>: 166 g/km      monthly tax: €76.18

## 6. PERIODICAL INSPECTION OF VEHICLES

### 6.1. Cost of the periodical inspection

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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	€ 24.50	+ € 3.00 ("environment control") petrol
		+ € 9.00 ("environment control") diesel
Buses	€ 43.50	
Other vehicles under 3,500 kg	€ 27.50	+ € 11.00 ("environment control")
Other vehicles over 3,500 kg	€ 43.50	

### 6.2. Frequency of vehicle inspection

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#### Annual inspection

- for all private vehicles:
  - new cars from the fifth year after registration
  - second-hand cars from the second year
- for minibuses used privately
- for vehicles designed for the transport of goods
- for vehicles used for driving lessons

#### Inspection twice annually

- for all cars and minibuses used for the paid transport of passengers
- for all vehicles adapted for the carriage of hazardous materials
- for all vehicles other than cars which are used for driving instruction

#### Inspection three times per year

- for all coaches and buses
  - Inspection before entry into service
- of all vehicles in private use other than cars
- of newly repaired vehicles after a serious accident

## 1. TAXES ON ACQUISITION

### 1.1. VAT

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The purchase of motor vehicles is subject to VAT at the rate of 15%.

### 1.2. Registration tax

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A tax is imposed upon the registration of new vehicles. The rates are as follows (in Cypriot Pounds per cc):

#### Passenger cars

< 1650 cc : 0.30  
1651 – 2250 cc : 2.00  
2251 – 3000 cc : 3.50  
> 3000 cc : 4.50

#### Vans

< 1450 cc : 0.10  
1451 – 1650 cc : 0.25  
> 1651 cc : 0.75

#### CO<sub>2</sub> emissions adjustment :

The rates mentioned above are adjusted in accordance with the vehicle's CO<sub>2</sub> emissions:

< 120 g/km : - 30%  
121 – 165 g/km : - 20%  
166 – 200 g/km : - 10%  
201 – 250 g/km : + 10%  
> 250 g/km : + 20%

### 1.3. Registration fee

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An administrative fee is due upon registration of a vehicle.

The rates are as follows (in Cypriot Pounds per cc) :

Engine capacity	Registration fee
< 1450 cc	0.10
1451-1650 cc	0.15
1651-2050 cc	0.25
2051-2250 cc	0.30
2251-2650 cc	0.60
>2650 cc	0.60

**CO<sub>2</sub> emissions adjustment :** The rates are reduced by 15% for vehicles that emit less than 150g of CO<sub>2</sub> per kilometer.

## 2. TAXES ON OWNERSHIP

### 2.1. Road tax

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The rates of the annual road tax are as follows (in Cypriot Pounds per cc) :

Engine capacity	Road tax
< 1450 cc	0.025
1451-1650 cc	0.035
1651-2050 cc	0.070
2051-2250 cc	0.085
2251-2650 cc	0.115
> 2650 cc	0.115

**CO2 emissions adjustment** : The rates are reduced by 15% for vehicles that emit less than 150g of CO2 per kilometer.



# 1. TAXES ON ACQUISITION

## 1.1. VAT

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The important legislation concerning VAT was:

*Act No. 235/2004 Coll. of 1 April 2004 - "Act on value added tax"*  
It was issued on 23 April 2004 and came into force on 1 May 2004.

Since May 2004 this Act was several times amended.  
The latest amendment is included in:

*Act No. 319/2006 Coll. of 25 May 2006 - "Act on.....amending Act No. 235/2004 Coll. on value added tax"*  
It was issued on 30 June 2006 and came into force on 15 July 2006.

### 1.1.1. Generally

Value added tax ("VAT") has existed in the CR for more than 10 years. While modifications have been made to the law, these were generally considered fine-tuning to modernize the law, align it with that of the European Union, or to implement rate changes for various goods and services to reflect government policy or prevent tax fraud. However, the new VAT Act, generally effective from 1 May 2004 has changed VAT law in this country substantially.

The new law contains the reverse-charge mechanism, new place of supply rules for goods and services, intra-community supply rules, acquisition VAT, triangulation, VAT-only registration, new documentary requirements, and so on. As part of accession negotiations, the CR has been granted three VAT exceptions. A lower VAT rate is applied to heating and residential housing supplies and the registration threshold is set at the equivalent of about € 35 000 (CZK 1 mn) for a 12-month period.

The principles of the new Czech VAT Act increase the scope of who is required to register for VAT. A large number of entities that were not considered taxpayers, or whose VAT activities were narrowly defined, have a greater registration risk after accession. This includes local authorities, educational establishments, hospitals, and non-profit making bodies. Entities acquiring goods from abroad with a total value exceeding € 10 000 in a 12-month period are required to register for VAT regardless of their own turnover. If an entity acquires services of any value from abroad, VAT registration is compulsory.

A taxpayer may also voluntarily register for VAT in the appropriate circumstances. A person, including a joint venture, is required to be registered when its turnover from VAT-taxable operations exceeds approximately € 35 000 (CZK 1 mn) in a 12-month period. Therefore, a substantially greater number of VAT payers will be created in the CR after accession than was the case in the past. Taxpayers are required to calculate their net VAT position according to a taxable period and to file a return with the tax authorities within 25 days of the end of the taxable period. A taxable period is either a calendar month or calendar quarter, depending upon the annual turnover of the taxpayer. If the VAT taxpayer owes tax to the authorities, payment must be made by the due date for the return filing period. If the taxpayer is due a refund of tax, the taxpayer is entitled to the refund automatically and within 30 days of the assessment of the tax, which is normally the deadline for filing the return. As is common with other VAT systems, a taxpayer who makes supplies subject to VAT (charges output tax) is entitled to recovery of VAT levied on purchases (input tax) and it is the net of these two sums that determines the taxpayer's position in each return period. If a taxpayer is not registered or does not make supplies subject to VAT (exempt supplies), the related input tax is not recoverable by the taxpayer and it is a cost to that taxpayer.

The exception here is when the supply is an exempt supply, giving the right to input tax recovery (sometimes called a zero-rated supply). Supplies in this category are typically exports of supplies from the CR to outside the EU or within the EU to other VAT payers. Taxpayers in this position recover input tax, but having no output tax, are in a net position in terms of recovery from the authorities. The sum due to the taxpayer is normally refunded within the stipulated 30-day period. It is not uncommon for taxpayers to make supplies subject to output tax, exempt with credit, exempt without credit, and outside the scope of VAT. In such cases, the correct recognition of input tax is paramount to ensure that only the qualifying input tax is recovered.

The place, time, and value of supplies are important in determining whether VAT must be paid and in determining the amount of the output tax. In general, VAT is added to the price for which supplies are made and the liability falls due at the time that the supply is made. For goods, this is normally when the goods are delivered. For services, the tax point is normally when the service is rendered or payment made, whichever is earlier. However, as with all taxes, the tax point (time of supply) can be altered by contract terms or by law in any number of circumstances.

The place of supply is also an important factor in determining whether the supply is subject to the Czech VAT Act provisions or not. If the supply is not deemed to be within the Czech Republic, then VAT output tax is invariably not due. The place-of-supply rule is also important for the operation of the reverse-charge mechanism on the import of services. As for acquisition VAT on the receipt of goods from other EU member states, rules stipulate where the tax may be due, and by whom.

### 1.1.2. Rates

There are two VAT rates:

- 19% - basic - for most supplies of goods and services
- 5% - lower - for limited range of goods and services

VAT rates - examples (%)

Almost all vehicles (both new and used), parts, accessories	19 %
Electrical vehicles (Code TARIC 8703 90 10)	19 %
Hand steering and controls for disabled persons (Code Group TARIC 8708)	5 %
Car children seats (Code Group TARIC 9401 20)	5 %
Rental of passenger cars	19 %
Sales mediation of motor vehicles, parts, accessories	19 %
Road goods transport	19 %
Regular passenger public transport	5 %
Fuels and lubricants	19 %

Source: Collection of Acts CR

## 1.2. Allowable deductions

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### 1.2.1. VAT Exemptions

Exemptions essentially fall into two categories: exemption with credit and exemption without credit. Exemption with credit results in supplies not attracting output tax, but at the same time, the taxpayer can recover the related input tax. Exemption without credit also results in supplies not attracting output tax, but there is no recovery of the related input tax, i.e., input tax is part of the actual cost of doing business.

As to the motor sector, a person registered for VAT is allowed to deduct the VAT on the purchase of commercial vehicles for professional use. Deductions are still not allowed for passenger cars, estate (combi) cars etc. (ECE Cat. M1) purchased by an end user. The deduction for LCVs up to 3.5t GVW (ECE Cat. N1) is still possible.

One unit of used passenger car (older than 6 months since the first registration and with more than 6 000 km) imported from EU for personal use only, thus not for business use, is not subject to VAT in the CR (VAT is paid in the country where it is purchased).

New cars imported from EU (younger than 6 months since the first registration and with less than 6 000 km) are subject to VAT in the CR (VAT is refunded in the country where they are purchased).

### 1.2.2. Corporate Tax, Exemptions, Depreciation and Capital Allowances

The legislation concerning the income tax (including also the corporate income tax) is:

Act No. 438/2003 Coll. of 2 December 2003 - "Act amending Act No. 586/1992 Coll. on income taxes and some other acts"

It was issued on 18 December 2003 and came into force on 1 January 2004, some parts later.

Since January 2004 this Act has been already several times amended.

The last significant amendment is included in:

Act No. 545/2005 Coll. of 8 December 2005 - "Act amending Act No. 586/1992 Coll. on income taxes and some other acts"

It was issued on 30 December 2005 and came into force on 1 January 2006, some parts later.

Liable to corporate income tax are all persons that are not natural persons. If their seat or the registered offices of their management are on the territory of the Czech Republic, they are liable to pay the tax on income derived from sources on the territory of the Czech Republic, as well as on income originating from sources in other countries. The object of the tax is income derived from all activities and from handling property. Excluded from this liability are certain incomes, for example income gained by inheritance and donation, in addition to some other selected income. Certain forms of legal persons, such as "non-profit" organizations, are covered by specific regimes of taxation.

The starting point for determining tax liability is fixing the tax base. The tax base is the difference by which income exceeds expenses, while respecting their relationship as regards the matter and time in the particular tax period. Tax expenses are expenses incurred in generating, insuring, and maintaining income. To establish the tax base in the case of legal persons, the result of the person's economic activity is ascertained from the accounts, while excluding the influence of international accounting standards. The economic result thus ascertained is further adjusted in accordance with the provisions of the law. The tax period is the calendar year and in relation to accounting the business year or the accounting period. In accordance with these periods the legal person states its tax liability in its tax return. The payer is obliged to calculate the amount of the tax and pay it within the set time limit to the competent tax administrator - the Revenue Authority. From a certain level of the assessed tax the payer is required to pay six- or three-month advances on the tax. For the 2004 tax period the rate of income tax has been fixed at 28 per cent, with a gradual reduction to 26 per cent in the year 2005 and 24 per cent in the year 2006. In the case of pension funds, the rate is 15 per cent. As from 1 May 2004, the rate for investment and mutual funds is 5 per cent down from the original 15 per cent. A special tax rate (withholding tax) applies to a certain type of

income, which in most cases amounts to 15 per cent, exceptionally to 25 per cent. The possibility of redeeming a tax loss for tax periods begun after 1 May 2004 has been reduced to five years from the previous seven years.

A number of tax-deductible expenses are comprehensively defined. The most important tax-deductible expense is depreciation.

Rebate on income tax may be claimed by domestic and foreign legal and natural persons, after meeting the requirements set by the law, as one of the elements of the investment incentives system. The rules for granting a tax rebate are defined separately for investments in new manufacturing facilities, where the rebate may be allowed for ten subsequent tax periods, and for investments to enlarge existing manufacturing facilities, where, as a new provision, a rebate for ten subsequent tax periods may also be allowed. As the amount of the rebate is derived from the tax liability whose final amount may be considerably influenced by the taxpayer's decision, the law lays down the duty to apply all provisions of the income tax act to reduce the tax base as widely as possible.

The income tax act, especially as regards legal persons, implements four Council Directives concerning direct taxation. They are Council Directive No. 90/434/EEC on the common system of taxation applicable to mergers, divisions, transfers of assets, and exchanges of shares; Council Directive No. 90/435/EEC on the common system of taxation applicable in the case of parent companies and subsidiaries; Council Directive No. 2003/49/EEC on the common system of taxation applicable to licence fees and interest; and Council Directive No. 2003/48/EEC on the taxation of interest on savings. The first three directives have been transposed into the Income Tax Act and became effective on 1 May 2004, i.e. on the date of the Act on the Accession of the Czech Republic to the European Union, except for the exemption of "licence fees", where the Czech Republic applied for a transition period (until the end of the year 2010). In the case of the directive on the taxation of interest on savings, which applies to legal persons only with regard to the collection and transfer of information, the effectiveness depends on the effective date of that directive.

The list of deductible costs is similar to that in other countries. Generally, costs are tax-deductible if incurred to generate, insure and maintain the taxable income (for instance depreciation of assets, bought material and services, wages and salaries including social security and health insurance contributions paid by the employer etc).

### **Investment allowance**

In addition to tax depreciation, a certain percentage of the value of specified tangible fixed assets may be deducted from the tax base in the year the assets are acquired. The percentage rate is 10%, 15%, or 20% of the input price of newly purchased assets provided the taxpayer is the first owner or the first lessee of assets. The assets' net book value is not affected (the investment allowance is not applicable for instance for land, building, furniture, passenger cars). If the company is entitled to claim tax relief (as an investment incentive), it must deduct from its tax base all deductible items before it claims tax relief.

The investment allowance is applicable for almost all vehicles but for passenger cars M1 only up to the amount CZK 1 500 000 (except for cars used for road transport, taxis, driving schools cars, ambulances, funeral vehicles).

### **Depreciation of fixed assets**

A company can use either straight-line or accelerated depreciation for any fixed asset (except e.g. land), although once it has elected to use a method for a particular asset this method may not be changed during the useful life of such asset.

If a fixed asset is sold, half of the annual depreciation charge can be claimed in the year of sale for tax purposes.

The Czech Income Taxes Act includes a definition of tangible fixed assets and intangible fixed assets. Tangibles are those assets whose input price is over CZK 40 000 and whose expected operational and technical life exceeds 1 year (buildings, moveable assets).

Tangible fixed assets are divided into 6 categories for depreciation purposes.

Intangible fixed assets are defined as assets whose input price exceeds CZK 60 000 and operational and technical life exceeds 1 year (industrial know-how and similar rights, software, and technical or other exploitable knowledge, etc).

#### Classification of fixed assets by depreciation categories

Depreciation category	Minimum depreciation period (years)
1. computers and office equipment, measuring and control devices etc.	3
1a. cars (M1), LCVs (N1)	4
2. buses (M2,M3), trucks and special trucks (N2,N3), tractors, motorcycles, accessories, machinery and equipment, technical know-how etc.	5
3. engines, metal structures, metal products, machinery and equipment for the metal industry, ships, lifts etc.	10
4. gas and oil pipe-lines, water mains, pillars, chimneys etc.	20
5. buildings, bridges, roads, tunnels, water works, cableways etc.	30
6. some buildings	50

Depreciation Categories	Straight-line depreciation Annual Depreciation Rates (%)			Accelerated depreciation Coefficients for accelerated depreciation		
	first year	subsequent years	for increased input price	first year	subsequent years	for increased residual price
1	20.0	40.0	33.3	3	4	3
1a	14.2	28.6	25.0	4	5	4
2	11.0	22.25	20.0	5	6	5
3	5.5	10.5	10.0	10	11	10
4	2.15	5.15	5.0	20	21	20
5	1.4	3.4	3.4	30	31	30
6	1.02	2.02	2.0	50	51	50

Source: Collection of Acts CR

### 1.3. Registration charges

#### Registration Fee

The fee for this official act (the entry into the Vehicle Register) is:

CZK 800	for cars, CVs including buses
CZK 300	for motorcycles < 50 cc
CZK 500	for motorcycles > 50 cc

## 2. TAXES ON OWNERSHIP

There are no typical ownership taxes in the Czech Republic. The road tax can be only very approximately included into this Chapter as it is paid only by a part of vehicle owners.

### 2.1. Road tax

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The legislation concerning the road tax is:

Act No. 207/2002 Coll. of 24 April 2002 - "Act amending Act No. 16/1993 Coll. on road tax"

It was issued on 24 May 2002 and came into force on 1 January 2003.

This Act was amended by:

- Act No. 102/2004 Coll. of 11 February 2004 - "Act amending Act No. 16/1993 Coll. on road tax, and some other acts"

It was issued on 5 March 2004 and came into force on 5 March 2004, possibly 1 May 2004

- Act. No. 635 of 26 November 2004 – "Act amending some other acts related to approval of the Act on fees" It was issued on 17 December 2004 and came into force on 16 January 2005, some parts on 1 January 2005.

The regular income of the State from the road tax has been about CZK 5 bn per year since year 2001 and the State Fund of Transport Infrastructure has made use of it mainly.

#### 2.1.1. Generally

Road tax is payable on vehicles with license plates of the CR, that are used for business purposes in the CR (not on vehicles of private persons used exclusively for personal use).

Road tax is calculated according to:

engine size	for passenger cars
weight and axle size	for commercial vehicles incl. coupled

The tax period is the calendar year.

#### 2.1.2. Legislation

##### History

The road tax was introduced in the CR in 1993 year by Act No. 16/1993 Coll. The legislation concerning road tax, as amended especially by Acts No. 303/2000 Coll. and No. 492/2000 Coll., which were used for the first time in the tax year 2000, was further amended in 2001 by Act No. 493/2001 Coll. Legislation concerning the technical conditions for the operation of vehicles, including terminology used in road tax legislation, changed as of 1 July 2001. Act No. 493/2001 Coll., thus also already contained transitory provisions which stipulated that road tax was payable by the natural person or corporate body registered as the vehicle owner in the Registration Book, as well as by a private person or corporate body which is the vehicle operator registered in the Vehicles Register according to Act No. 56/2001 Coll., which came into force on 1 July 2001. The basis of the tax for trucks and tractors has been the total weight recorded in the Registration Book, as well as the maximum allowed weight, which has been recorded in the Registration Book from 1 July 2001, in accordance with Act No. 56/2001 Coll. The tax basis for semi-trailers has been the sum of the permitted axle loads recorded in the semi-trailer Registration Book, as well as the maximum allowed weight on the axles, which is recorded in the semi-trailer Registration Book from 1 July 2001, in accordance with Act No. 56/2001 Coll.

### 2.1.3. Allowable Deductions and Incentives

#### **Vehicles not taxed:**

- with less than 4 wheels (L)
- diplomatic
- for public passenger transport provided 80% of their mileage during the tax period is run for this transport
- special (army, police, fire brigade, rescue etc.)
- for road maintenance
- with electrical drive
- commercial vehicles not used for enterprise

Commercial vehicles used in agricultural production may apply for a 25% reduction.

Vehicles used for combined transport (railways, water) may apply for a reduction of 25% - 100% according to a number of combined transports per tax period.

#### **Vehicles meeting EURO emissions limits:**

- As of 1 January 2002, only **motor vehicles (not passenger cars)** complying with the **EURO 2** level of the UN ECE special regulations were entitled to 25% tax abatement till 31 December 2003, now 60% till 31 December 2006 and then 40% till 31 December 2007.
- For **motor vehicles (not passenger cars)** complying with **EURO 3 or higher** level limits under the UN ECE special regulations, the annual tax abatement was 50 % also for the tax periods of 2002 and 2003, now 66% till 31 December 2006 and then 48% till 31 December 2007.

The road tax payer should prove to the tax administrator his entitlement to the annual tax abatement by a record in the vehicle Registration Book (Technicky prukaz), or by a separate document issued by the vehicle producer or by his authorized local representative in the Czech Republic, i.e. by the accredited importer of the particular make of vehicles.

### 2.1.4. Rates

Tax rates are assessed as annual fixed rates

- for vehicles with Czech registration used for business or similar activity in the Czech Republic rates range:  
from CZK 1 200 (on vehicles with engines up to 800 cc)  
to CZK 50 400 (on heavy-duty vehicles over 36 tonnes with 3 axles)
- together with the annual tax rate abatement for commercial vehicles complying with EURO 2, EURO 3 and higher, the amended legislation has increased the relevant annual tax rates. The increase amounts to 15% and applies to all vehicles registered in the Czech Republic before 31 December 1989.

## 3. TAXES ON MOTORING

### 3.1. Fuel taxes

Neither wholesale nor retail prices are regulated. The prices are adjusted on the basis of competition. There are no financial incentives except for the supporting system for the production of biofuels (blended diesel fuels containing diesel oil and MERO = RME = Colza Oil Metylester).

#### Fuel taxes in 2006

Fuel	Excise duty	VAT (%)
Petrol (Pb contents below 0.013 g/litre)	CZK 11 840 / 1000 litres	19
Petrol (Pb contents over 0.013 g/litre)	CZK 13 710 / 1000 litres	19
Diesel oil	CZK 9 950 / 1000 litres	19
Blended diesel fuel (minimum 30% RME)	CZK 6 866 / 1000 litres	19 (5)
LPG (for road transport)	CZK 3 933 / ton	19
CNG (for road transport)	CZK 3 355 / ton	19

Source: MF CR (Ministry of Finance)

The important legislation concerning excise duties was:

*Act No. 353/2003 Coll. of 26 September 2003 - "Act on excise duties"*

It was issued on 24 October 2003 and came into force on 1 January 2004.

Since January 2004 this Act was several times amended, e.g. by:

*Act No. 217/2005 Coll. of 3 May 2005 - "Act on amending Act No. 353/2003 Coll. on excise duties..."*

It was issued on 3 June 2005 and came into force on 1 July 2005.

*Act No. 575/2006 Coll. of 30 November 2006 - "Act on amending Act No. 353/2003 Coll. on excise duties..."*

It was issued on 27 December 2006 and came into force on 1 January 2007.

#### Average fuel prices incl. VAT in 2006

Fuel	Local name	Code	Price (CZK / litre)
Petrol	Benzin Special	BA - 91	29.30
Petrol	Benzin Natural	BA - 95	29.82
Petrol	Benzin Normal (Natural)	BA - 91	29.64
Petrol	Benzin Super plus (Natural)	BA - 98	33.12
Diesel fuel	Nafta motorova	NM	29.04
Bio-fuel	Bionafta		27.51

Source: MF CR (Ministry of Finance)



## 3.2. Insurance

The existing legislation concerning the motor third-party liability insurance is:  
Act No. 47/2004 Coll. of 14 January 2004 - "Act amending Act No. 168/1999 Coll. on liability insurance for damage caused by operation of vehicle"  
It was issued on 12 February 2004 and came into force on 1 May 2004.

### 3.2.1. Generally

Subscription to a third party insurance (motor liability insurance) policy is compulsory for all vehicles. The Czech Insurers' Bureau comprising the most important insurance companies was entitled to propose the minimal level of rates in 2002 but since 1 January 2003 the rates are not regulated at all and are fully in the hands of insurance companies. The insurance companies must apply such rates, which enable them to fulfill all obligations, to create sufficient technical reserves and to cover contributions to the Czech Insurers' Bureau.

### 3.2.2. Rates

In the table below there is an example of MTPL (Motor Vehicle Third Party Liability) insurance yearly rates applied by the biggest insurance company Ceska Pojistovna for new clients (Standard Package).

Rates of MTPL insurance, Ceska pojistovna, Standard Package, Year 2007

Tariff Class	CZK / year	
2-wheelers, 3-wheelers, 4-wheelers (< 400 kg GVW)	< 50 cc	327
	50 - 350 cc	784
	350 - 500 cc	1 994
	> 500 cc	2 451
Passenger Cars (< 3500 kg GVW incl. all modifications), 3-wheelers and 4-wheelers (> 400 kg GVW)	< 1000 cc	3 176
	1000 - 1350 cc	3 983
	1350 - 1850 cc	5 867
	1850 - 2500 cc	9 420
	> 2500 cc	12 972
Motorhomes	< 8000 kg GVW	6 531
Ambulances		7 128
Road Tractors (=Artics)		71 277
Trucks	< 3500 kg GVW	13 220
	3500 - 12000 kg GVW	17 627
	> 12000 kg GVW	25 085
Tractors		1 438
Hand Controlled Tractors, Fork Lift Trucks		497
Buses for public city transport		11 384
Trolleybuses for public city transport		8 580
Other buses	< 5000 kg GVW	15 546
	> 5000 kg GVW	28 137
Trailers	< 750 kg GVW	250
	> 750 kg GVW	654
Semi-trailers for Trucks		11 780

Source: Ceska pojistovna

### 3.2.3. Road pricing

#### Highway fees (tolls)

Within the Czech Republic, the use of highways (motorways) and dual carriageways (motor roads) by motor vehicles with at least four wheels or vehicles plus trailers is subject to a fee.

A proof of payment of the fee is a 2-part coupon (label) for vehicles with GVW < 12 t:

Part one of the coupon is to be stuck inside windscreen

Part two of the coupon is to be retained

Coupon prices are stipulated by Czech Government Regulation No. 484/2006 Coll. of 18 October 2006 and depend on the vehicle category and the time validity.

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

#### Validity of the coupons 2007

Annual (R)	From December 1, 2006, until January 31, 2008
1 month (M)	The day marked on the coupon and 1 immediately following month
7 days (D)	The day marked on the coupon and 6 immediately following calendar days

#### Toll development by coupon type, GVW and year (CZK)

Category	Type	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
GVW < 3,5 t	R	400	400	400	800	800	800	800	800	800	900	900	900	900
	M	x	x	x	x	x	200	200	200	200	250	x	x	300
	2M	x	x	x	x	x	x	x	x	x	x	300	300	x
	10D	x	x	x	x	x	100	100	100	100	150	x	x	x
	15D	x	x	x	x	x	x	x	x	x	x	200	200	x
	D	x	x	x	x	x	x	x	x	x	x	x	x	200
GVW > 3,5 t < 12 t	R	1000	1000	1000	2000	4000	6000	6000	6000	6000	7000	7000	7000	7000
	M	x	x	x	x	x	800	1000	1000	1000	1200	x	X	1750
	2M	x	x	x	x	x	x	x	x	x	x	1750	1750	x
	10D	x	x	x	x	x	300	400	400	400	450	x	X	x
	15D	x	x	x	x	x	x	x	x	x	x	650	650	x
	D	x	x	x	x	x	x	x	x	x	x	x	X	650
GVW ≥ 12 t	R	2000	2000	2000	4000	8000	12000	12000	12000	12000	14000	14000	14000	x
	M	x	x	x	x	x	1600	2000	2000	2000	2300	x	x	x
	2M	x	x	x	x	x	x	x	x	x	x	3500	3500	x
	10D	x	x	x	x	x	600	800	800	800	900	x	x	x
	15D	x	x	x	x	x	x	x	x	x	x	1300	1300	x
	1D	x	x	x	x	x	x	300	300	300	250	250	250	x

Source: MF CR (Ministry of Finance), RSD (Highway Authority), SFDI (State Fund for Transport Infrastructure)

Remarks: R = annual, M = one month, 2M = two months, 10D = ten days, 15D = fifteen days, 1D = one day, D = seven days

The data stated in the Vehicle Registration Document (Registration Book) are used for the classification by GVW. If towed vehicles are used (trailers, semitrailers) their GVW is added to the GVW of towing vehicles.

E-Toll is applied to vehicles including buses with GVW >12t (GVW > 3.5 t is being discussed for year 2009). Toll rates for the use of 1 km of a tolled road are stipulated by Czech Government Regulation No. 484/2006 Coll. of 18 October 2006 and depend on the number of axles and the emissions class of the vehicle. A fine may be imposed if a road subject to a fee is used without a toll payment.

Toll Rates [CZK/km]					
Emission Class Euro 0-2			Emission Class Euro 3-5		
Number of Axles					
2	3	4+	2	3	4+
2.30	3.70	5.40	1.70	2.90	4.20

## 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. PERIODICAL INSPECTION OF VEHICLES

### 5.1. Inspections

Compulsory periodical inspections of road vehicles include the Regular Technical Inspections (RTI) and the Regular Emission Measurements (REM)

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

### 5.2. Costs

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

RTI and REM costs (CZK, 19% VAT incl.) by vehicle type

Vehicle type (ECE Cat.)	RTI	REM
Passenger cars (M1)	700	550 (petrol)
		800 (diesel)
	800	1100 (LPG,CNG)
LCVs (N1)	700	550 (petrol)
		1100 (diesel)
CVs (N2, N3, M2, M3)	1300	1100 (diesel)
Trailers unbraked < 0.75t GVW (O1)	450	
Trailers braked < 0.75t GVW (O1)	600	
Trailers > 0.75t GVW (O2)	650	
Motorcycles (L)	450	

Source: Inspection stations

### 5.3. Frequency

Frequency (years) of RTIs and REMs by vehicle type

(data in brackets are valid for individually imported vehicles)

Vehicle type	Interval since first registration	Subsequent intervals
Small motorcycles (< 50 cc or max. speed < 50 km/h)	6	4
Other motorcycles	4 (2)	2 (2)
Cars, LCVs, trailers < 3.5t GVW	4 (2)	2 (2)
Cars, LCVs < 3.5t GVW with priority rights, driving school vehicles, taxis, rent-a-car vehicles	1	1
CVs and trailers > 3.5t GVW	1	1
CVs > 3.5t GVW with priority rights	1	1
Buses	1	1
Driving school vehicles > 3.5t GVW	1	1
Unbraked trailers < 0.75t GVW	6	4

Source: Inspection stations

# 1. TAXES ON ACQUISITION

## 1.1. VAT

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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

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### 1.2.1. VAT exemptions

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

### 1.2.2. Depreciation and capital allowances

#### 1.2.2.1. Private cars

Private cars for professional use are generally written-down over 6 years.

#### 1.2.2.2. Commercial vehicles

##### A. Commercial vehicles (General depreciation rules)

The depreciation of commercial vehicle 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	< 7.5 t	> 7.5 t
Articulated semi-trailer, dumper	6 years	5 years
Trailer and semi-trailer	6 years	
Containers	5 years	

## 1.3. Registration charges

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The duties collected at the time of registration amount to:

Initial registration	€ 26,30
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## 2. TAXES ON OWNERSHIP

### 2.1. Basis of taxation

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Private cars	cylinder capacity and emission group
Trucks, coaches and buses	total weight in kilogrammes, exhaust emission group and noise
Trailer	total weight in kilogrammes

### 2.2. Rates

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#### 2.2.1. Two-wheeled vehicles

€ 1.84 for every 25 cm<sup>3</sup> of cylinder capacity per annum.

#### 2.2.2. Private cars

Rates vary in accordance with the EU emission standards that the cars comply with.

Old and new motor vehicle tax rates in € per 100 cubic centimeter category

Emission group	Petrol engines	Diesel engines
Euro 3, Euro 4	6.75	15.44
Euro 2	7.36	16.05
Euro 1 and equivalent	15.13	27.35
Non-low-pollution cars that may be driven during ozone alarms	21.07	33.29
Low-pollution cars which may not be driven during ozone alarms	25.36	37.58
Other cars	25.36	37.58

A limited tax exemption is granted to the following cars that meet advanced emission standards (amounts in €):

Advanced emission standards	Petrol	Diesel
Euro 4*	306.78	613.55

\*First registered before 1 January 2005

### 2.2.3. Other vehicles

#### 2.2.3.1. With a permissible total weight up to 3500 kg

< 2000 kg	€ 11.25	( for every 200 kg or fraction thereof )
2000 - 3000 kg	€ 12.02	
3000 - 3500 kg	€ 12.78	

#### 2.2.3.2. With a permissible total weight exceeding 3500 kg

##### a) Pollution category S2, S3, S4, S5 and EEV (with/without category G1)

< 2000 kg	€ 6.42	( for every 200 kg or fraction thereof )
2000 kg - 3000 kg	€ 6.88	
3000 kg - 4000 kg	€ 7.31	
4000 kg - 5000 kg	€ 7.75	
5000 kg - 6000 kg	€ 8.18	
6000 kg - 7000 kg	€ 8.62	
7000 kg - 8000 kg	€ 9.36	
8000 kg - 9000 kg	€ 10.07	
9000 kg - 10 000 kg	€ 10.97	
10 000 kg - 11 000 kg	€ 11.84	
11 000 kg - 12 000 kg	€ 13.01	
12 000 kg - 13 000 kg	€ 14.32	
> 13 000 kg	€ 15.77	
Up to a maximum of € 664.68		

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

< 2000 kg	€ 6.42	( for every 200 kg or fraction thereof )
2000 kg - 3000 kg	€ 6.88	
3000 kg - 4000 kg	€ 7.31	
4000 kg - 5000 kg	€ 7.75	
5000 kg - 6000 kg	€ 8.18	
6000 kg - 7000 kg	€ 8.62	
7000 kg - 8000 kg	€ 9.36	
8000 kg - 9000 kg	€ 10.07	
9000 kg - 10 000 kg	€ 10.97	
10 000 kg - 11 000 kg	€ 11.84	
11 000 kg - 12 000 kg	€ 13.01	
12 000 kg - 13 000 kg	€ 14.32	
13 000 kg - 14 000 kg	€ 15.77	
14 000 kg - 15 000 kg	€ 26.00	
> 15 000 kg	€ 36.23	
Up to a maximum of € 1022.58		

**c) Noise category G1**

< 2000 kg	€ 9.64	( for every 200 kg or fraction thereof )
2000 kg - 3000 kg	€ 10.30	
3000 kg - 4000 kg	€ 10.97	
4000 kg - 5000 kg	€ 11.61	
5000 kg - 6000 kg	€ 12.27	
6000 kg - 7000 kg	€ 12.94	
7000 kg - 8000 kg	€ 14.03	
8000 kg - 9000 kg	€ 15.11	
9000 kg - 10 000 kg	€ 16.44	
10 000 kg - 11 000 kg	€ 17.74	
11 000 kg - 12 000 kg	€ 19.51	
12 000 kg - 13 000 kg	€ 21.47	
13 000 kg - 14 000 kg	€ 23.67	
14 000 kg - 15 000 kg	€ 39.01	
> 15 000 kg	€ 54.35	
Up to a maximum of € 1533.88		

**d) Other vehicles**

< 2000 kg	€ 11.25	( for every 200 kg or fraction thereof )
2000 kg - 3000 kg	€ 12.02	
3000 kg - 4000 kg	€ 12.78	
4000 kg - 5000 kg	€ 13.55	
5000 kg - 6000 kg	€ 14.32	
6000 kg - 7000 kg	€ 15.08	
7000 kg - 8000 kg	€ 16.36	
8000 kg - 9000 kg	€ 17.64	
9000 kg - 10 000 kg	€ 19.17	
10 000 kg - 11 000 kg	€ 20.71	
11 000 kg - 12 000 kg	€ 22.75	
12 000 kg - 13 000 kg	€ 25.05	
13 000 kg - 14 000 kg	€ 27.61	
14 000 kg - 15 000 kg	€ 45.50	
> 15 000 kg	€ 63.40	
Up to a maximum of € 1789.52		

For vehicles of 12 to 16 tonnes in the two above-mentioned categories (2.2.3.2c) and d)), the annual tax was reduced by € 153.39 in 1996. This reduction applies retroactively from 1 January 1995 until 31 December 1998.

This scale is also applicable to private cars fitted with engines other than the Wankel-standard and electric engines. In calculating the tax for electric engines, the total permissible weight of the vehicle must be divided by two.

## 2.2.4. Trailers

For every 200 kg or fraction thereof	€ 7.46
Up to a maximum of	€ 894.76

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

This surcharge is based on the total maximum permissible weight of the heaviest trailer or semi-trailer that can be drawn by the vehicle concerned. The rates are as follows:

Total maximum permissible weight	
< 10 tonnes	€ 373.24
10 - 12 tonnes	€ 447.89
12 - 14 tonnes	€ 522.54
14 - 16 tonnes	€ 597.19
16 - 18 tonnes	€ 671.84
> 18 tonnes	€ 894.76

For semi-trailers, the total maximum permissible weight of the coupling mechanism to the tractive unit should be deducted.

## 2.2.5. Motor caravans

The basis of the motor vehicle tax for motor caravans as from January 1<sup>st</sup>, 2006 is the permissible total weight in kilogrammes and the pollutant emissions.

<b>Emission group S 4</b>		
< 2000 kg	€ 16	( for every 200 kg or fraction thereof )
> 2000 kg	€ 10	
Up to a maximum of € 800		
<b>Emission group S 1 – S 3</b>		
< 2000 kg	€ 24	
> 2000 kg	€ 10	
Up to a maximum of € 1000		
<b>Non reduced-emission</b>		
< 2000 kg	€ 40	
2 000 kg - 5 000 kg	€ 10	
5 000 kg - 12 000 kg	€ 15	
> 12 000 kg	€ 25	

As from January 1<sup>st</sup>, 2010 motor caravans of the emission class S1 are taxed according to the rate for non reduced-emission vehicles.



### 2.2.6. Tax relief for retrofitting of reduced-emission diesel passenger cars

The Federal Government intends to promote the retrofitting of reduced-emission diesel passenger cars. Vehicle holders who retrofit their diesel passenger car (registration date before 1 January 2007) shall receive a motor vehicle tax reduction of € 330. The period of relief shall last from 1 January 2006 to 31 December 2009.

The vehicle tax will be raised by 1.20 €/100 cc of cylinder capacity for diesel passenger cars (registration date before 1 January 2007) which will not be retrofitted and for new cars with PM emissions exceeding 5mg/km. This surtax will be raised between 1 April 2007 and 31 March 2011.

## 3. TAXES ON MOTORING

### 3.1. Fuel taxes

Prices in cents/liter in January 2007

	Diesel	Normal	Super	Super Plus
Fuel price incl. distribution costs and compulsory blending of biofuels	43.8	36.6	38.3	42.9
Excise duties				
non sulphur (less than 10 ppm = Standard)	47.0	65.5	65.5	65.5
sulphur (more than 10 ppm)	(48.67)	(66.98)	(66.98)	(66.98)
Sub-total	90.8	102.1	103.80	108.4
19 % VAT	17.2	19.4	19.7	20.6
Price at the pump	108	121.5	123.5	129*

\* estimate

## 3.2. Insurance taxes

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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 basis for taxation is determined according to 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% of the gross catalogue price per km of the distance between the residence and the office of the employee per month.

## 5. PERIODICAL INSPECTION OF VEHICLES

### 5.1. Inspection

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- **Two road safety tests** are set out under paragraph 29 of the StVZO (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, paragraph 47a StVZO provides for a **pollutant emission test** for vehicles (Abgasuntersuchung/AU).
- Finally, there are **some tests** for vehicles specially designed for the transport of hazardous materials.

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

### 5.2. Cost of the inspection

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#### Principal test (Hauptuntersuchung)

< 3.5 t	€ 26.10	-	38.90
3.5 t – 7.5 t	€ 46.50	-	56.20
7.5 t – 12 t	€ 58.70	-	71.50
12 t – 18 t	€ 63.80	-	79.10
18 t – 32 t	€ 71.50	-	86.80
> 32 t	€ 84.30	-	102.10

#### Safety test (Sicherheitsprüfung)\*

7.5 t - 12 t	€ 46.00	-	58.80
12 t - 18 t	€ 51.10	-	63.90
18 t - 32 t	€ 56.20	-	71.60
> 32 t	€ 69.00	-	86.90

### Pollutant emission test for petrol driven vehicles\*

Without OBD	€ 10.20	-	30.70
With OBD	€ 7.70	-	23.00

### Pollutant emission test for diesel driven vehicles\*

	€ 15.30	-	92.00
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\* for garages, no price limit

### 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	< 3.5 tonnes	24 months	-
	3.5 – 7.5 tonnes	12 months	-
	7.5 – 12 tonnes	12 months	6 months
	> 12 tonnes	12 months	6 months
Trailers	< 0.75 tonnes	36 months (first test)	
		24 months (subsequent tests)	-
	0.75 – 3.5 tonnes	24 months	-
	3.5 – 10 tonnes	12 months	-
	> 10 tonnes	12 months	6 months

# 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 a new condition.

## 1.2. Registration tax

The Danish car registration tax is governed by Act n° 222 of 14 April 1999 with later additions. The taxable vehicle value is the dealer's sales price including a 9% profit margin and including VAT.

### 1.2.1. New Passenger Cars

The following rates apply to ordinary private passenger cars and motorcycles (and scooters):

	Taxable value	Tax rate
Passenger cars *	< DKK 65,900	Max. 105% of the vehicle's value
	> DKK 65,900	Max. 105% of 65,900 + max. 180% of the remaining value
Motorcycles	< DKK 15,200	105% of the amount exceeding DKK 8,300
	> DKK 15,200	105% of DKK 8,300 + 180% of the remaining value

\* Registration tax rates on passenger cars including taxis are adjusted monthly based on changes in the general net price index and the net car price index.

Period	< DKK 65,900	> DKK 65,900
January 2007	105,08	180,00
February 2007	105,00	180,00
March 2006	105,00	180,00

For passenger cars with no airbags or with only one airbag, the taxable value increases by DKK 7,450 and 3,725 respectively.

Traffic safety devices attracting a reduction in taxable value:

Equipment	Reduction in taxable value (DKK)
Per airbag	1,280 (Max. 4 airbags)
ABS brakes	4,165
ESP	1,300 (2007)    700 (2008)

#### 1.2.1.1. Eco-friendly and hybrid vehicles

Gasoline and diesel passenger cars using (combined driving) less than 4 litres and 3.6 litres fuel per 100 km respectively are subject to a rebate on the registration tax accordingly to the tax scheme known as "Lex Lupo".

Hybrid vehicles are not subject to any specific rebate on registration tax.

### 1.2.2. Vans and lorries

The rate is DKK 0 on the first DKK 15,900 and 95% on the remaining value for:

Vehicles with a legal total weight < 2,000 kg

Vehicles with a legal total weight > 2,000 kg but < 4,000 kg - If vehicles of the same factory make are marketed with a similar body in a passenger car design (station wagon and the like).

For other vehicles, the rate is DKK 0 on the first DKK 34,100 + 30% on the remaining value.

However, the maximum rate on vehicles > 3,000 kg is DKK 56,800.

For these vehicles, a reduction in taxable value of:

DKK 1,280 per airbag (max. 4) is allowed + DKK 4,165 if the vehicle is equipped with ABS brakes.

Vehicles taxed at the "95% rate" attract an additional tax of:

DKK 7,450 if the vehicle is not equipped with airbags

DKK 3,725 if it has only one airbag.

No increase in taxable value applies to vehicles taxed at the "30% rate" with no or only one airbag installed.

Vehicles > 4,000 kg: no tax.

### 1.2.3. New motor caravans and buses

For camper vans and buses (vehicles designed for carrying more than nine persons including the driver), a tax of 60% of the taxable value above DKK 12,100 is payable. The taxable value is increased by DKK 7,450 for cars not fitted with airbags and DKK 3,725 for cars with only one airbag.

**Traffic safety devices attracting a reduction in taxable value:**

Equipment	Reduction in taxable value (DKK)	
Per airbag	1,280 (Max. 4 airbags)	
ABS brakes	4,165	
ESP	1,300	700 (2008)

### 1.2.4. New Taxis

A tax of 20% of the taxable value above DKK 12,100 is payable on taxis. The taxable value is increased by DKK 7,450 for cars with no airbag and DKK 3,725 for cars with only one airbag.

**Traffic safety devices attracting a reduction in taxable value:**

Equipment	Reduction in taxable value (DKK)	
Per airbag	1,280 (Max. 4 airbags)	
ABS brakes	4,165	
ESP	1,300	700 (2008)
Diesel Particulate filters	4,000 (2006-2009)	

### 1.2.5. Tax exemptions

- Electric cars and vans with a total weight not exceeding 2t
- Lorries with a total weight exceeding 4t
- Vehicles approved for carrying one or more persons in wheelchairs
- Vehicles owned by persons who are generally exempted from taxes and fees (The royal family, foreign diplomats)
- Caravans, tractors and work equipment, fire trucks, ambulances, hearses, etc.

### **1.2.6. Acquisition of a used vehicle**

The import of a used vehicle by a consumer is taxed according to the age of the vehicle.

**Age of the vehicle 105% of the value amounting to:**

< 1 year	DKK	56,000
1 to 2 years	DKK	47,900
2 to 3 years	DKK	39,600
3 to 4 years	DKK	31,400
4 to 5 years	DKK	23,100
5 to 6 years	DKK	15,000
> 6 years	DKK	6,700

and 180% on the balance

## **1.3. Allowable deductions**

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### **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.

### **1.3.2. Deduction of the registration tax**

The registration tax is not deductible under any circumstances.

### **1.3.3. Depreciation and capital allowances**

- Depreciation is permissible according to the following method:  
In the year of acquisition (registration): 25% of the purchase price of the vehicle  
In the following years: up to a limit of 25% of the residual value
- Depreciation is not permissible on vehicles used exclusively for private use

## **1.4. Registration charges**

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

## 2. TAXES ON OWNERSHIP

### 2.1. Green owner's tax, weight tax and equalisation tax

All taxable passenger cars first registered after 1 July 1997 are taxed on the car's fuel consumption. This is provided in Act N° 360 of 2 June 1997. The manufacturer measures and provides the fuel consumption on the basis of guidelines set down in EC Directive N° 93/116. The fuel consumption is measured under mixed driving conditions, i.e. driving in the city, on the open road and motorways. "Cold starts" are also included in the measurement.

Petrol-driven passenger cars					Diesel-driven passenger cars				
Kilometres per litre of petrol			Duty in DKK		Kilometres per litre of diesel			Duty in DKK	
Semi-annually					Semi-annually				
Minimum	20.0			260	Minimum	32.1			80
Under	20.0	Not under	18.2	510	Under	32.1	Not under	28.1	370
Under	18.2	Not under	16.7	760	Under	28.1	Not under	25.0	660
Under	16.7	Not under	15.4	1,010	Under	25.0	Not under	22.5	980
Under	15.4	Not under	14.3	1,260	Under	22.5	Not under	20.5	1,300
Under	14.3	Not under	13.3	1,510	Under	20.5	Not under	18.8	1,610
Under	13.3	Not under	12.5	1,750	Under	18.8	Not under	17.3	1,930
Under	12.5	Not under	11.8	2,000	Under	17.3	Not under	16.1	2,250
Under	11.8	Not under	11.1	2,250	Under	16.1	Not under	15.0	2,570
Under	11.1	Not under	10.5	2,500	Under	15.0	Not under	14.1	2,890
Under	10.5	Not under	10.0	2,750	Under	14.1	Not under	13.2	3,210
Under	10.0	Not under	9.1	3,240	Under	13.2	Not under	12.5	3,540
Under	9.1	Not under	8.3	3,750	Under	12.5	Not under	11.9	3,860
Under	8.3	Not under	7.7	4,250	Under	11.9	Not under	11.3	4,170
Under	7.7	Not under	7.1	4,740	Under	11.3	Not under	10.2	4,810
Under	7.1	Not under	6.7	5,240	Under	10.2	Not under	9.4	5,460
Under	6.7	Not under	6.3	5,740	Under	9.4	Not under	8.7	6,090
Under	6.3	Not under	5.9	6,230	Under	8.7	Not under	8.1	6,740
Under	5.9	Not under	5.6	6,730	Under	8.1	Not under	7.5	7,350
Under	5.6	Not under	5.3	7,240	Under	7.5	Not under	7.0	7,990
Under	5.3	Not under	5.0	7,740	Under	7.0	Not under	6.6	8,640
Under	5.0	Not under	4.8	8,230	Under	6.6	Not under	6.2	9,270
Under	4.8	Not under	4.5	8,730	Under	6.2	Not under	5.9	9,910
Under	4.5			9,230	Under	5.9	Not under	5.6	10,570
					Under	5.6	Not under	5.4	11,200
					Under	5.4	Not under	5.1	11,890
					Under	5.1			12,530

Vehicles not covered by the act on fuel consumption tax are liable for weight tax and equalisation tax as specified in Act n° 817 of 12 September 1996. Personal cars, including combined vans and passenger cars, are taxed on the tare weight. Taxis are exempted from weight tax. Vans and lorries are taxed on the maximum legal total weight. Diesel, gas and electric cars are further liable for an equalisation tax.

		Vehicle excise duty in DKK semi-annually	Countervailing duty in DKK semi-annually	
<b>A. Passenger vehicles except for buses &amp; coaches, taxis, trailers &amp; semi-trailers for passenger transport</b>				
			Motor vehicle	Trailer
Tare weight	≤ 600 kg	850	480	-
Motorcycles (12 months)		580	330	-
Other passenger vehicles				
Tare weight	601 - 800 kg	1,040	600	-
Tare weight	801 - 1100 kg	1,420	790	-
Tare weight	1101 - 1300 kg	1,880	1000	-
Tare weight	1301 - 1500 kg	2,460	640 (3 months)	-
Tare weight	1501 - 2000 kg	3,390	860 (3 months)	-
Tare weight	> 2000 kg			
Duty per 100 kg tare weight (3 months)		96	48	19
<b>B. Buses, coaches with maximum 2 axles</b>				
			Motor vehicle	Trailer
Tare weight	≤ 1300 kg	450	1,130	-
Tare weight	1301 - 1500 kg	585	1,160	-
Tare weight	1501 - 2000 kg	810	1,230	-
Tare weight	2001 - 3000 kg	900	1,230	-
Tare weight	3001 - 4000 kg	1,440	1,230	-
Tare weight	4001 - 5000 kg	1,920	1,230	-
Tare weight	5001 - 6000 kg	2,400	1,230	-
Tare weight	6001 - 7000 kg	3,120	1,230	-
Tare weight	7001 - 8000 kg	3,640	1,230	-
Tare weight	8001 - 9000 kg	4,160	1,230	-
Tare weight	> 9000 kg			
Duty per 100 kg		50	14	-
<b>C. Buses, coaches, etc. with more than 2 axles</b>				
			Motor vehicle	Trailer
Duty per 100 kg		36	10	-
<b>D. Taxis and ambulances (diesel only)</b>				
			Countervailing duty in DKK per annum	
Tare weight	≤ 800 kg		1,530	
Tare weight	801 - 1100 kg		1,890	
Tare weight	1101 - 1300 kg		2,240	
Tare weight	1301 - 1500 kg		2,450	
Tare weight	1501 - 2000 kg		2,710	
Tare weight	> 2000 kg		3,250	



Vans and lorries are not subject to duty in accordance with the Danish Act on a **road use charge**:  
 For vans and lorries of up to 4,000 kg, which have been 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 below rates apply to private use. For mixed private/commercial use, the surcharge is half that for private use.

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

	Vehicle excise duty in DKK per annum	Countervailing duty in DKK per annum	Surcharge for private use in DKK per annum
--	-----------------------------------------	-----------------------------------------	-----------------------------------------------

**A. Motor vehicles and trailers**

<b>&lt; 4000kg permitted total weight</b>		Motor vehicle	Trailer	Motor vehicle	Trailer	Motor vehicle
Total weight	≤ 500 kg	850	-	360	-	900
Total weight	501 - 1000 kg	1,090	110	520	-	900
Total weight	1001 - 2000 kg	1,810	220	710	-	900
Total weight	2001 - 2500 kg	3,140	290	890	-	5,040
Total weight	2501 - 3000 kg	3,760	360	1,010	-	5,040
Total weight	3001 - 4000 kg	3,760	440	1,150	160	5,040

**B. Motor vehicles and trailers**

**> 4000kg permitted total weight**

<b>a) With maximum 2 axles</b>		Motor vehicle	Trailer	Motor vehicle	Trailer	Motor vehicle
Total weight	4001 - 5000 kg	2,052	552	1,150	200	-
Total weight	5001 - 6000 kg	2,052	672	1,150	250	-
Total weight	6001 - 7000 kg	2,052	825	1,150	300	-
Total weight	7001 - 8000 kg	2,052	988	1,150	400	-
Total weight	8001 - 9000 kg	2,052	1,161	1,150	450	-
Total weight	9001 - 10000 kg	2,052	1,344	1,150	550	-
Total weight	10001 - 11000 kg	2,279	1,537	1,150	650	-
Total weight	11001 - 12000 kg	2,610	1,740	1,150	750	-
Total weight	12001 - 13000 kg	3,087	1,953	1,150	850	-
Total weight	13001 - 14000 kg	3,604	2,176	1,150	1,000	-
Total weight	14001 - 15000 kg	4,161	2,628	1,150	1,100	-
Total weight	> 15000 kg					
Duty per 200 kg total weight		60	40	16	16	-
<b>b) with more than 2 axles</b>		Motor vehicle	Trailer	Motor vehicle	Trailer	Motor vehicle
Total weight	≤ 18000 kg					
Duty per 200 kg total weight		32	20	11	12	-
Total weight	18001 - 19000 kg	3,069	1,953	1,150	1,100	-
Total weight	19001 - 20000 kg	3,332	2,156	1,150	1,200	-
Total weight	> 20000 kg					
Duty per 200 kg total weight		36	24	13	13	-

**Motor vehicles which are subject to duty in accordance with the Danish Act on a road use charge**

		Pneumatic suspension DKK per annum	With other suspension DKK per annum
<b>A. Lorries</b>			
<b>a) with 2 axles</b>			
Total weight	≤ 12999kg	0	226
Total weight	13000 - 13999 kg	226	627
Total weight	14000 - 14999 kg	627	882
Total weight	> 15000 kg	882	2,050
<b>b) with 3 axles</b>			
Total weight	≤ 16999 kg	226	394
Total weight	17000 - 18999 kg	394	809
Total weight	19000 - 20999 kg	809	1,050
Total weight	21000 - 22999 kg	1,050	1,661
Total weight	> 23000 kg	1,661	2,582
<b>c) with 4 axles or more</b>			
Total weight	≤ 24999 kg	1,050	1,065
Total weight	25000 - 25999 kg	1,065	1,706
Total weight	26000 - 28999 kg	1,706	2,709
Total weight	> 29000 kg	2,709	4,019

**B. Juggernauts and articulated semi-trailers**

**a) Lorries with 2 axles**

<b>1) Trailer or semi-trailer with 1 axle</b>			
Total weight	≤ 15999 kg	-	-
Total weight	16000 - 17999 kg	-	102
Total weight	18000 - 19999 kg	102	233
Total weight	20000 - 21999 kg	233	547
Total weight	22000 - 22999 kg	547	707
Total weight	23000 - 24999 kg	707	1,276
Total weight	> 25000 kg	1,276	2,297
<b>2) Trailer or semi-trailer with 2 axles</b>			
Total weight	≤ 24999 kg	219	510
Total weight	25000 - 25999 kg	510	839
Total weight	26000 - 27999 kg	839	1,232
Total weight	28000 - 28999 kg	1,232	1,526
Total weight	29000 - 30999 kg	1,526	2,507
Total weight	31000 - 32999 kg	2,507	3,480
Total weight	> 33000 kg	3,480	5,284
<b>3) Trailer or semi-trailer with 3 or more axles</b>			
Total weight	≤ 37999 kg	2,769	3,854
Total weight	> 38000 kg	3,854	5,239

b) Lorries with 3 or more axles		
1) Trailer or semi-trailer with 1 axle		
Total weight	≤ 24999 kg	219 510
Total weight	25000 - 25999 kg	510 839
Total weight	26000 - 27999 kg	839 1,232
Total weight	28000 - 28999 kg	1,232 1,526
Total weight	29000 - 30999 kg	1,526 2,507
Total weight	31000 - 32999 kg	2,507 3,480
Total weight	> 33000 kg	3,480 5,284
2) Trailer or semi-trailer with 2 axles		
Total weight	≤ 37999 kg	2,447 3,398
Total weight	38000 - 39999 kg	3,398 4,700
Total weight	> 40000 kg	4,700 6,905
3) Trailer or semi-trailer with 3 or more axles		
Total weight	≤ 37999 kg	1,356 1,684
Total weight	38000 - 39999 kg	1,684 2,514
Total weight	> 40000 kg	2,514 4,004

## 2.2. Road use charge

The provisions on a road use charge are laid down in Danish Act no. 956 of 25 November 1994 with later additions.

Lorries with a total weight of 12t and more	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

## 3. TAXES ON MOTORING

### 3.1. Fuel taxes

TAX	DKK PER LITRE
Unleaded petrol	3.85
Light diesel	2.69
LPG	1.75

### 3.2. Insurance taxes

The provisions on this are laid down in Consolidation Act n° 812 of 12 September 1996 with later additions. The duty amounts to 43% on the premium for the third-party liability insurance (the duty not included). Haulage contractors' lorries, which perform licensed haulage, are exempted from the duty. Insurance policies for registered tractors and trailers and semi-trailers are covered by the duty liability. The duty on tourist coaches amounts to 34% on the premium. For mopeds and three-wheel electrically-powered motorcycles, the duty is DKK 230 per annum.

## 4. PRIVATE USE OF A COMPANY CAR

In Denmark, the private use of a company car is regarded as a benefit in kind taxable under personal income tax.

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

## 1. TAXES ON ACQUISITION

### 1.1. VAT

The purchase of motor vehicles is subject to VAT at the rate of 18%

### 1.2. Registration duty

Registration sheet and label – 600 EEK ( EUR 38.37)

Vehicle Registration Card – 1000 EEK (EUR 63.91)

## 2. TAXES ON OWNERSHIP

### 2.1. Passenger cars

No ownership taxes apply

### 2.2. Heavy goods vehicles

An ownership tax is due for heavy goods vehicles.

The rates (in EEK 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 (EEK per quarter)	
		air suspension or equivalent suspension	other type of suspension
Lorry or truck			
2 axles	12 000 – 12 999	0	125
	13 000 – 13 999	125	340
	14 000 – 14 999	340	475
	15 000 and more	475	1075
3 axles	12 000 – 14 999	0	0
	15 000 – 16 999	125	215
	17 000 – 18 999	215	440
	19 000 – 20 999	440	565
	21 000 – 22 999	565	875
	23 000 and more	875	1350
4 axles	12 000 – 22 999	0	0
	23 000 – 24 999	565	575
	25 000 – 26 999	575	890
	27 000 – 28 999	890	1415
	29 000 and more	1415	2100
Road train (truck + trailer)			
2 + 1 axles	12 000 – 13 999	0	0
	14 000 – 15 999	0	0
	16 000 – 17 999	0	50
	18 000 – 19 999	50	125

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 (EEK per quarter)	
	20 000 – 21 999	125	290
	22 000 – 22 999	290	375
	23 000 – 24 999	375	690
	25 000 and more	690	1200
2+2 axles	12 000 – 14 999	0	0
	15 000 – 22 999	0	0
	23 000 – 24 999	115	275
	25 000 – 25 999	275	450
	26 000 – 27 999	450	665
	28 000 – 28 999	665	800
	29 000 – 30 999	800	1315
	31 000 – 32 999	1315	1825
	33 000 and more	1825	2765
2+3 axles	12 000 – 35 999	0	0
	36 000 – 37 999	1450	2015
	38 000 and more	2015	2740
3+2 axles	12 000 – 35 999	0	0
	36 000 – 37 999	1275	1775
	38 000 – 39 999	1775	2465
	40 000 and more	2465	3640
3+3 or more axles	12 000 – 35 999	0	0
	36 000 – 37 999	725	875
	38 000 – 39 999	875	1315
	40 000 and more	1315	2090

### 3. TAXES ON MOTORING

#### 3.1. Fuel taxes

In addition to 18% VAT, the following excise duties apply :

- diesel 3.84 EEK (€ 0.245)/litre
- unleaded petrol 4.50 EEK (€ 0.288)/litre
- leaded petrol 6.60 EEK (€ 0.422)/litre.

## 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 horse power (HP), for motor vehicles is based on the following formula:

- a) for 4-stroke internal combustion or spark-ignition engines:

$$HP = 0.080 \times (0.785 \times D^2 \times R)^{0.6} \times N$$

- b) for 2-stroke internal combustion or spark-ignition engines:

$$HP = 0.11 \times (0.785 \times D^2 \times R)^{0.6} \times N$$

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

$$HP = Re/7$$

The effective rating, Re, expressed in fiscal horse power will be determined by the official laboratory appointed by the Ministry of Industry on implementing the method of testing used by the Ministry.

The engine rating indicated on the certificate of vehicle characteristics for the Provincial Office of the Ministry of Industry will, in all instances, be that which results in the application of the formula corresponding to the engine, rounded to the nearest decimal.

## 2. TAXES ON ACQUISITION

### 2.1. VAT

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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 for new vehicles is 16%

#### 2.1.2. Acquisition of a second-hand vehicle

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

Basis of taxation of motor vehicles in the special second-hand goods scheme (at the taxable person's choice): difference between the purchase and the re-sale price with a 10% of the re-sale price as a minimum.

### 2.2. Allowable deductions

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#### 2.2.1. VAT exemptions

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

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

Specific rules of deduction provide that VAT is recoverable when it is imposed on the acquisition of one of the following vehicles:

- 1) vehicles for the carriage of goods,
- 2) vehicles used exclusively for the transport of travelers,
- 3) vehicles for use in "driving-schools"
- 4) vehicles used in trials, tests, demonstrations and sales promotions.
- 5) vehicles acquired by independent middlemen and intended exclusively for business or professional travel.
- 6) vehicles used for the provision of security and surveillance.
- 7) in general vehicles owned by a company when their use cannot be considered as a benefit in kind for the 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**

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(Impuesto Especial sobre Determinados Medios de Transporte)

**The tax is applied on the first definitive registration in Spain of motor vehicles, except:**

- Commercial vehicles for transport of goods;
- Commercial vehicles for transport of passengers with more than 9 seats, driver included;
- Vehicles for exclusive industrial, commercial or agricultural use, previously approved by the tax authorities;
- Two or three-wheeled vehicles with an engine capacity equal to or less than 250 cc;
- Vehicles specially fitted for their use by disabled persons;
- Special vehicles used in construction or other infrastructure services exempt from the accomplishment of specific technical conditions or that permanently exceed the limits in terms of weight or size as well as agricultural machinery and its tow;
- Vehicles for exclusive use by governmental institutions;
- Vehicles for exclusive use by governmental and regional institutions in their role of surveillance, defense and security;
- Ambulances, and those other vehicles that with their specific characteristics can not be used for any other purpose than the supervising, assistance, and aid on roads and highways.

**On the other hand, the following vehicles are subject to the tax but exempted:**

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



### 2.3.1. Basis of taxation

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

### 2.3.2. Rate of tax

#### **Passenger cars and 4wd-jeep type vehicles**

- < 1,600 cc in gasoline or < 2,000 cc in Diesel: 7% (6% in Canary Islands, 0% in Ceuta and Melilla)
- > 1,600 cc in gasoline or > 2,000 cc in Diesel: 12% (11% in Canary Islands, 0% in Ceuta and Melilla)

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 8.05% for gasoline vehicles < 1,600cc  
diesel vehicles < 2,000 cc
- to 13.8% for other vehicles depending on the tax policies of each regional government.

At this moment, this has not been applied by any Regional Government.

### 2.3.3. Special tax deductions

**Under the new Plan Prever, the following incentives apply as from 1 January 2007 and until 31st December 2007:**

- A deduction of € 480.81 for the purchase of a new car or off road vehicle with a cylinder capacity below 2500 cc when another vehicle of more than ten years old is scrapped simultaneously.
- A deduction of € 480.81 in the corporate tax for the purchase of a new commercial vehicle below 6 tonnes when another vehicle of more than seven years old is scrapped simultaneously.

Type of vehicle	Contents	Amount	Requirement
From 1/01/2007 to 31/12/2007			
New passenger cars and off road vehicles (with a cylinder capacity below 2500cc)	Deduction in special tax (1)	480.81 Euros	Withdrawal of car or off road vehicle of more than 10 years old
Light comercial vehicles below 6 tonnes	Discount on retail price	480.81 Euros	Withdrawal of commercial vehicle (< 6 ton) of more than 7 years old
<small>(1) IEMDT: Impuesto Especial de Determinados Medios de Transporte / Special Tax on Certain Means of Transport</small>			

#### **"Large families" incentives:**

- As from 1 January 2001, a deduction of 50% in the Special Tax is granted when a large family (i.e. family with 3 or more children) buys a vehicle (passenger car or 4WD) with 5 or more seats.

## 2.4. Registration charges

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The registration fee in 2007 is € 69,40 for all types of vehicles.  
For the special case of motorcycles the registration fee is fixed at € 17.80.

## 3. TAXES ON OWNERSHIP

### 3.1. Basis of taxation

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private vehicles	engine rating
coaches and buses	number of seats
commercial vehicles	payload
motorcycles	cylinder capacity

### 3.2. Rates

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#### 3.2.1. Private cars

	Minimum amount	Taxes applied in Madrid	
	€	2007	€
< 8 HP	12.62		20
8 - 11.99 HP	34.08		59
12 - 15.99 HP	71.94		128
16 - 19.99 HP	89.61		164
> 19.99 HP	112.00		211

#### 3.2.2. Buses and coaches

	Minimum amount	Taxes applied in Madrid	
	€	2007	€
< 21 seats	83.30		145
21 - 50 seats	118.64		211
> 50 seats	148.30		271

#### 3.2.3. Commercial vehicles

Payload		Minimum amount	Taxes applied in Madrid	
		€	2007	€
Lorries	< 999 kg	42.28		72
	1000 - 2999 kg	83.30		149
	3000 - 9999 kg	118.64		217
Tractive Units	> 9,999 kg	148.30		279
	< 16 HP	17.67		32
	16 - 25 HP	27.77		50
	> 25 HP	83.30		153

### 3.2.4. Motorcycles

	Minimum amount	Taxes applied in Madrid	
	€	2007	€
< 125 cc	4.42		7
125 - 250 cc	7.57		12
250 - 500 cc	15.15		28
500 - 1000 cc	30.29		55
> 1000 cc	60.58		114

As an example: City Councils of Madrid and Barcelona are reducing the tax on ownership for hybrid vehicles (Madrid and La Coruña 50%, Barcelona 100% discount, and so on).

## 4. TAXES ON MOTORING Fuel taxes

Fuel prices in €/1000 litres, average December 2006.

	Euro-super	Lead substitute	Diesel
	Petrol (ON 95)	Petrol (ON 97)	Fuel
Cost of product plus distribution profit	436.59	492.15	489.98
Excise and other taxes	395.69	426.92	293.86
VAT (16% of sales price excl. VAT)	133.16	147.05	125.41
Price at the Pump	965.44	1,066.12	909.25

### 4.1. Special tax on fuel sales to private consumer

(Impuesto sobre las ventas minoristas sobre determinados hidrocarburos)

This tax is payable by the owner of the fuel which has been sold to the private consumer. The amount of this tax has been fixed at € 24 per 1000 liter for both diesel and gasoline. Additionally, the Regional Governments are allowed to increase this tax by up to € 48 per 1000 over the rate fixed by the Central Government in 2006.

In 2006 the Regional Governments applying it are:

Madrid	€ 17 /1000 litres
Galicia	€ 24 /1000 litres (gasoline) € 12/ 1000 litres (diesel)
Asturias	€ 24 /1000 litres (gasoline) € 20/ 1000 litres (diesel)
Cataluña	€ 24 /1000 litres
Comunidad Valenciana	€ 24/1000 litres (gasoline) € 12/ 1000 litres (diesel)
Castilla-La Mancha	€ 24/1000 litres

### 4.2. Insurance taxes

Vehicle insurance premiums are liable to the tax known as CCS (Consortio de Compensación de Seguros) at the rate of 5 per thousand.

An additional tax imposed over the vehicle insurance premium is fixed at the rate of 6%.

## 5. PRIVATE USE OF A COMPANY CAR

The use of a company car for private purposes is regarded as a benefit in kind. In case of mixed use, the part considered as private use, should be charged as a benefit in kind and included in the computation of personal income tax.

Concerning the private use, the rules to determine the benefit in kind are as follows:

USE OF A COMPANY CAR:

20% of the cost of acquisition, including taxes.

FREE DELIVERY OF A CAR PREVIOUSLY ACQUIRED BY THE COMPANY:

Market value, including taxes.

## 6. PERIODICAL INSPECTION OF VEHICLES

### 6.1. Frequency of inspection of motor vehicles

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Motorbike	Inspection every two years after the 3rd year.
Motorcycles, quads	Inspection every two years after the 4th year.
Cars	Inspection every two years from the 4th to the 10th year. Annually after the 10th year.
Lorries	Inspection every two years from the 2nd to the 6th year; Annual inspection from the 6th to the 10th year; Half-yearly inspection after the 10th year.
Buses	Annual inspection up to the 5th year Half-yearly inspection after the 5th year
Trucks	Annual inspection up to the 10th year; Thereafter, twice annually.
Taxis	Annual inspection up to the 5th year Half-yearly inspection after the 5th year
Hire-cars	Annual inspection from the 2nd to the 5th year; Half-yearly inspection after the 5th year.

### 6.2. Organization of the inspection

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Motor vehicle inspection is carried out the by the State directly or by private companies approved by the regional authorities. There are 307 depots and inspection takes approximately 30 minutes for a car and 45 minutes for a commercial vehicle.

### 6.3. Cost of the inspection

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The cost of the periodical inspection is determined by the regional authorities.

IN MADRID (2007)	Petrol cars and light commercials (< 3.5 tonnes)	€ 34.19
	Diesel cars and light commercials (< 3.5 tonnes)	€ 48.60
	Industrial vehicles (> 3.5 tonnes)	€ 67.00
	Motorbike	€ 17.67
	Motorcycles	€ 23.16

# 1. TAXES ON ACQUISITION

## 1.1. VAT

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VAT is applied at the rate of 22%.

## 1.2. Automobile and motorcycle tax

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A car tax is levied on passenger cars, delivery vans and other cars weighing less than 1,875 kg and on motorcycles. The tax is levied before the first registration or use of the vehicle in Finland.

### Passenger cars

- New cars imported after 1 January 2003 and imported used cars manufactured after 1 January 2003 are taxed on the base of consumer price (market price).  
The tax corresponds to:
  - 28% of the consumer price - € 650 for petrol cars
  - € 450 for diesel cars

For used cars the basic percentage is 28 % too, but the subtractions are cut by 0.8% per month of the car's age.

- Other used cars imported into Finland are taxed so that the level of tax paid does not exceed that remaining on a corresponding used car which is already registered in Finland (in compliance with the judgment of the European Court of Justice of 19 September 2002 in case C-101/00, Tulliasiamies and Antti Siilin). The remaining tax share is calculated on the basis of former car tax, which was 100% of the tax base minus € 770. The base was equal to cif-value minus possible reductions for safety equipment and catalyst (max € 840). The tax shares are transformed to tax amounts using actual consumer prices.

### Vans

The following vans are taxed at 35% of the cif-value:

- Vans used for the transport of goods, if the bearing capacity is at least 525 kg, the volume at least 3m<sup>3</sup> and the interior height at least 130 cm or the length of the open bulk at least 175 cm or the area of the open bulk at least 2,25 m<sup>2</sup>.
- Vans with an interior height of at least 130cm and interior length at least 80 cm of the covered bulk and with a length of at least 150 cm of the open bulk.

Other vans are taxed at 72 % of the cif-value minus 770 €.

## 2. TAXES ON OWNERSHIP

### 2.1. Basic tax

Passenger cars and vans must pay a basic tax.

The rates are as follow

- First registered before 1 January 1994 : 26 cents/day (€ 94.90/annum)
- First registered after 1 January 1994 : 35 cents/day (€ 127.75 annum)

### 2.2. Power tax

Vehicles using fuel other than petrol must pay an annual motor vehicle tax.

Passenger cars	6.7 c/d (€ 24.45/a) for every 100 kg of total weight or part thereof
Vans	0.9 c/d (€ 3.28/a) for every 100 kg of total weight or part thereof

Trucks are charged according to the number of axles and the use of trailers  
The daily amounts (in cents) for every 100 kg of total weight or part thereof are:

number of axles	without trailer	with semitrailer	with trailer
2	1.0 for weight ≤ 12 t	3.1	3.1
	2.2 for weight > 12 t		
3	1.3	2.3	2.5
4	1.2	2.0	2.3
5 or more	1.1	1.8	2.0

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

number of axles	without trailer	with semitrailer	with trailer
2	3.65 for weight ≤ 12 t	11.31	11.31
	8.03 for weight > 12 t		
3	4.75	8.40	9.13
4	4.38	7.30	8.40
5 or more	4.02	6.57	7.30

## 3. TAXES ON MOTORING

### 3.1. Excise duties on fuels

Unleaded Gasoline	€ 0.5876 /l
Diesel Fuel	€ 0.3194 /l

## 1. ENGINE RATINGS

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

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

In this regard:

- $P_A$  represents the administrative or fiscal power
- $P$  is the real engine power, expressed in kilowatt
- $CO_2$  refers to the carbon dioxide emissions, expressed in grams per kilometre.

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 registered for the first time in France as from 1 July 1998 and for passenger cars registered in France after having been registered for the first time in another EU or EFTA country as from 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

Generally speaking, 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 19.6% 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 19.6% on the selling price exclusive of tax. This tax is recoverable by purchasers liable for VAT.

#### 2.1.2. VAT on second-hand vehicles

##### 2.1.2.1. 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 19.6% on the profit, exclusive of tax; generally, this tax is <b>not recoverable</b>
Commercial Vehicles	General rule:	taxation at the 19.6% rate; this tax is <b>recoverable</b> when the purchaser is registered for VAT



## 2.2. Allowable deductions

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### 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 are subject to the same provisions as those on their purchase. It is therefore not permissible to deduct VAT on any goods or services relating to motor vehicles e.g. repairs, 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 the vehicle, inclusive of all taxes, constitutes the basis for computation of depreciation. The depreciation of private cars by the declining balance method is not permissible; they can therefore only be amortised according to 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 4 to 5 years is normally prescribed by accounting and tax regulations. The rates applicable therefore fall within 20 to 25%. The maximum purchase price that may be entered into the accounts is limited to € 18,300. The proportion of non-deductible depreciation is therefore equal to the product of the rate of depreciation used by the company or enterprise and the difference between the purchase price and € 18,300.

A specific depreciation period of 12 months is allowed for new "green" vehicles ([exclusively or not] electric, LPG, natural gas; E85 vehicles and their specific equipment) bought before 1 January 2010, with a maximum purchase price of € 18,300.

### 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 provision that they are deemed to be in the direct interests of the business and that they are not intended to increase the value of the vehicle or extend its period of use to a significant degree.

### 2.2.4. Income tax deduction for "green" vehicles

Private individuals can obtain a deduction of € 2,000 on income tax when buying a LPG, electric energy or NGV vehicle before 31 December 2009, provided that CO<sub>2</sub> emissions of the vehicle are lower than 140g/km.

A transitional period has been introduced for new vehicles and vehicles with retro-fitted equipment.

New vehicles:

Year of acquisition or renting of the vehicle	2006	2007	Starting 2008
Maximum CO <sub>2</sub> emissions (in g/km)	200	160	140

Vehicles with retro-fitted equipment:

Year of modification of the vehicle	2006	2007	Starting 2008
Maximum CO <sub>2</sub> emissions	200	180	160

The deduction amounts to € 3,000 when also scrapping a passenger car registered for the first time before 1 January 1997.

### 2.2.5. Incentive for electric vehicles

Private individuals and companies can obtain an incentive of € 3,200 when buying an electric car or light commercial vehicle; the total volume of vehicles which can be covered by this incentive is limited to 1,000 units per year. The amount reaches €4,200 for small traders/craftsmen and very small companies.

A similar system has been introduced for trucks and buses bought by companies and local authorities

## 2.3. Registration charges

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### 2.3.1. The registration tax (carte grise)

A tax on vehicle registration certificates issued within their jurisdictions, which may be a proportional or a fixed tax in accordance with the provisions laid down, is established for the benefit of the regions and 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 text. In fact, depending on the region, the uniform charge, per horse power, of the registration documents varied between € 25 (minimum) and € 46 (maximum) in 2006. The uniform rate is reduced by half with respect to commercial vehicles of a total permissible laden weight in excess of 3.5 tons and non-agricultural tractors.

Regions have the possibility to provide an exemption (either total or 50%) for electric and LPG vehicles. As from 1<sup>st</sup> January 2007, this exemption applies to vehicles functioning with E 85 fuel.

An additional registration charge is levied on for "most polluting passenger cars", for which tariffs are based on the type of vehicle and the CO2 emissions level:

1. For passenger cars concerned by the European whole vehicle type approval, this additional tax is based on CO2 emissions as follows:

CO2 emissions (in g/km)	Amount of the tax (in € per gramme of CO2)
part < <u>200</u>	<u>0</u>
part ≥ <u>200</u> and ≤ <u>250</u>	<u>2</u>
part > <u>250</u>	<u>4</u>

For example, a car emitting 275 g will pay an extra tax of  $(200 \times 0) + (50 \times 2) + (25 \times 4) = € 200$ .

2. For other passenger cars (not concerned by the European whole vehicle type approval), the additional tax is based on fiscal power as follows:

Fiscal power (in horse power)	Amount of the tax (in €)
<10	0
≥ 10 or < 15	100
≥ 15	300

An exemption of 50 % of the additional charge is provided for vehicles functioning with E85 fuel.

### 2.3.2. Additional Parafiscal Charges

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

The amount of this charge is as follows on 1 January 2006:

Motorised goods vehicles	with a total permissible weight under 3.5 tonnes	€ 32
	with a total permissible weight between 3.5 and 6 tonnes	€ 124
	with a total permissible laden weight between 6 and 11 tonnes	€ 186
	with a total permissible laden weight of 11 tonnes or more, articulated goods vehicles, public transport passenger vehicles	€ 279

## 3. TAXES ON OWNERSHIP

### 3.1. Basis of taxation

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

### 3.2. Rates

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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. Graduated tax on motor vehicles (“vignette”)

This tax is abolished as from 1<sup>st</sup> December 2006.

#### 3.2.2. Tax on company cars (TVTS)

The tax on passenger cars belonging to companies applies as follows:

- for vehicles covered by the European whole vehicle type approval, bought by companies as from 1 January 2006 and put into circulation after June 2006, the tax is based on CO2 emissions as follows:

<u>CO2 emissions (in g/km)</u>	<u>Amount of the tax (in € per gramme of CO2)</u>
<u>≤100</u>	<u>2</u>
<u>&gt;100 and ≤120</u>	<u>4</u>
<u>&gt;120 and ≤140</u>	<u>5</u>
<u>&gt;140 and ≤ 160</u>	<u>10</u>
<u>&gt;160 and ≤ 200</u>	<u>15</u>
<u>&gt;200 and ≤ 250</u>	<u>17</u>
<u>&gt;250</u>	<u>19</u>

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

<u>Fiscal power (in horse power)</u>	<u>Amount of the tax (in €)</u>
<u>≤4</u>	<u>750</u>
<u>Between 5 and 7</u>	<u>1 400</u>
<u>Between 8 and 11</u>	<u>3 000</u>
<u>Between 12 and 16</u>	<u>3 600</u>
<u>&gt;6</u>	<u>4 500</u>

The tax on company cars is not due for "green vehicles" (functioning exclusively or not with electric motorisation, GPL or E 85 fuel). The tax is reduced by half for vehicles functioning alternatively with fuel and GPL.

- The tax 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:

As from 1<sup>st</sup> January 2006:

<u>Number of kilometres reimbursed by the company</u>	<u>Coefficient applicable to the tax on company cars (in %)</u>
<u>Between 0 and 15 000</u>	<u>0</u>
<u>Between 15 001 and 25 000</u>	<u>25</u>
<u>Between 25 001 and 35 000</u>	<u>50</u>
<u>Between 35 001 and 45 000</u>	<u>75</u>
<u>&gt; 45 000</u>	<u>100</u>

A reduction of €15 000 is applicable to the total amount of the tax due by companies.

### 3.2.3. Special tax on certain motor vehicles (ex axle tax)

This tax is levied on vehicles with a total maximum permissible weight  $\geq$  of 12 t (previously 16 t except vehicles for the transport of persons).

The tax rates below apply as since 1 December 2003:

Vehicle Category	Total Permissible Laden Weight (t)	Quarterly Tariff (€)	
		Pneumatic suspension or motor axle suspension	Other suspension system
<b>I. Motor Vehicles</b>			
a) two axles	12 – 18	68.60	99.09
	> 18	91.47	137.20
b) three axles	> 12	68.60	99.09
c) four axles	12 – 27	68.60	99.09
	> 27	91.47	135.68
<b>II. Articulated vehicles with tractive unit and semi-trailer</b>			
a) Semi-trailer with one axle	12 – 20	94.52	131.11
	20 – 27	144.83	176.84
	> 27	221.05	251.54
b) Semi-trailer with two axles	12 – 27	94.52	131.11
	27 – 33	117.39	163.12
	33 – 39	144.83	193.61
	> 39	158.55	234.77
c) Semi-trailer with three axles	12 – 27	94.52	131.11
	27 – 38	117.39	163.12
	> 38	131.11	176.84
<b>III. Trailers</b>	> 16		68.60

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

## 4. TAXES ON MOTORING

### 4.1. Drivers licence tax

This tax is levied at the regions level and the amount varies between 0 and 52 € in 2006.

### 4.2. Fuel taxes

Breakdown of the Average Prices at the Pump – 12.01.2007 (€/100L)

Units		SUPER 95 (unleaded)	SUPER 98 (unleaded)	Diesel	LPG
Product Price	€/100L	37.5	40.01	41.93	52.19
Internal tax and excise duties (including French Petroleum Institute tax)	€/100 L	60.23	60.23	42.59	5.99
VAT	€/100 L	19.15	19.65	16.56	11.40
TOTAL taxes( rounded)	€/100 L	79.38	79.88	59.15	17.39
Taxes in %	%	67.9%	66.6%	58.5%	25%
Final price	€/100 L	116.88	119.89	101.08	69.58

Fuel taxes can be deducted by road transport companies (persons and goods) on the whole of the fuel consumption, with a maximum of 2.5 € per 100L.

A particular system has been set out for farmers.

### 4.3. Biofuels

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Since 1 January 2006, the excise tax on biofuels (TIPP) is reduced by 0.25 to 0.33 €/L, depending on the type of biofuel.

### 4.4. Insurance taxes

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Most automobile insurance premiums are subject to an 18% tax which, for very specific guarantees can be reduced to 9%. In addition, compulsory third-party coverage ("responsabilité civile") is subject to a 15% social security tax. The total charge of the "third-party" premium is therefore 33%.

In contrast to VAT, these charges are never deductible.

Commercial vehicles, the total permissible laden weight of which is more than 3.5 tonnes, are exempted of the 18% tax.

Additionally, basic insurance premiums ("third party" cover) for all vehicles are subject to two parafiscal charges amounting to 1.6% of the premium, exclusive of the 33% taxes.

## 1. ENGINE RATINGS

A single engine rating has been determined for private vehicles in Greece. It is equal to the cylinder capacity in cubic centimetres multiplied by the coefficient 0.007. The rounded figures are the taxable values.

Example	$1128 \text{ cc} \times 0.007 = 7.826 = 8 \text{ HP}$
	$1200 \text{ cc} \times 0.007 = 8.4 = 8 \text{ HP}$

## 2. TAXES ON ACQUISITION

### 2.1. VAT

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VAT at the rate of 19% is calculated on the net retail selling price, which is equal to the sum of C.I.F. value, Customs Duty (for non-EC cars) and Gross Profit Margin.

### 2.2. Registration Tax

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#### 2.2.1. Passenger cars

Although it is regarded as a national domestic tax, the Registration Tax (RT) must be settled when the car is cleared through customs and is therefore comparable to customs duty.

This tax is calculated on the basis of the:

- Cylinder capacity (cm<sup>3</sup>);
- Exhaust gas emissions technology of the engine, as it is certified by the relative EC emissions Directive;
- Ex-factory value of the vehicle, as it is indicated in manufacturer's wholesale price list of Greece, in the vehicle's construction year, and freight & insurance expenses;
- In the case that the vehicle is imported used, the time period since it was first registered.

**For new cars**, the taxable value of RT is the manufacturer's (list) wholesale value of the vehicle plus the freight & insurance expenses or the actually paid price, if this is higher.

**For the cars that are being imported used**, the taxable value is the highest between: a) the actually paid price, or b) the manufacturer's (list) wholesale value of the vehicle in the year that the vehicle was manufactured, reduced according to the table below and increased by minimum freight and insurance expenses of € 600.

Either case, adjustment of the RT value can be applied at the request of the importer, so that the particular condition of the car in question is considered. The Greek Law also allows so that the paid tax for any used car is not higher than the residual tax contained in the price of a similar car in the local used car market.

## Reduction in used vehicle's wholesale value vs age

In any case, the taxable value cannot be lower than the actually paid value.

Years since First Registration	Reduction
0.5 – 1	7%
1 – 2	14%
2 – 3	21%
3 – 4	28%
4 – 5	34%
5 – 6	40%
6 – 7	46%
7 – 8	52%
8 – 9	57%
9 – 10	62%
10 – 11	67%
11 – 12	70%
12 – 13	73%
13 – 14	76%
14 – 15	79%
> 15	80%

On the basis of the cylinder capacity and the catalytic technology of the vehicle (according to the relative EC Directive), a coefficient is obtained for passenger cars as follows:

### Coefficients for Registration tax depending on engine capacity and anti-pollutant technology EC Emissions' Directive

Engine Capacity (cm <sup>3</sup> )					Electric or Hybrid
	Euro 4	Euro 3	Euro2	Euro 1 or older	Vehicles
≤ 900 cc	5%	14%	24%	37%	0%
901 - 1400 cc	12%	27%	49%	66%	0%
1401 - 1600 cc	20%	45%	95%	128%	0%
1601 - 1800 cc	30%	56%	129%	148%	0%
1801 - 2000 cc	40%	83%	216%	266%	0%
> 2000 cc	50%	142%	334%	346%	0%

Registration Tax (RT) = Taxable Value x coefficient

### 2.2.2. Commercial vehicles

The Registration Tax (RT), imposed on new and imported used commercial vehicles, must be settled when the car is cleared through customs.

For **new** vehicles, the taxable value of RT is the CIF value. If the vehicle is entering Greece from a non-EC country, the taxable value will include import duties as well.

For vehicles that are imported **used**, the taxable value cannot be lower than the relative entry in Customs' data ("based on used Vehicles Prices Catalogues", issued by Eurotax, etc).

The registration tax, for new or imported used vehicles, equals the taxable value multiplied by a coefficient, according to the type of vehicle, as given in the table below:



## Commercial vehicles' registration tax coefficients

Type of Vehicle	Engine Capacity (cm <sup>3</sup> )	Coefficient
Light Commercial Vehicles (LCV), with open loading space (pick-ups)	All engines	7%
Light Commercial Vehicles (LCV), with covered loading space (vans) and payload capacity less than 1000 kg	≤ 900 cc	6%
	901 - 1400 cc	14%
	1401 - 1800 cc	18%
	1801 - 2000 cc	21%
	> 2000 cc	26%
Heavy Commercial Vehicles, Trucks & Truck Chassis (> 3.5t)	All engines	5%
Heavy Commercial Vehicles, Buses & Tractors	All engines	*

\*For these types of vehicles, the RT equals one year's circulation tax.

The above coefficients are applicable only to vehicles that fulfil the EC emissions Directives 96/69/EC & 91/542/EC (Euro II) or later. For new or used vehicles that are equipped with earlier catalytic technology, the above coefficients should be increased by 30%.

### 2.3. Allowable deductions

#### 2.3.1. Depreciation

Motor vehicles may be depreciated annually at the rate of 15 - 20% the first years and about 10% in later years of circulation.

## 3. TAXES ON OWNERSHIP

### 3.1. Basis of the circulation tax

private vehicles	engine rating
coaches and buses	number of seats
commercial vehicles	payload

### 3.2. Circulation tax rates

The circulation tax is levied on a yearly basis according to the following criteria and rates:

#### 3.2.1. Private cars - Annual circulation tax

Engine capacity	Fiscal Horsepower	Annual Circulation Tax (€)
≤ 785 cc	≤ 5 HP	38.00
786 - 1357 cc	6 - 9 HP	93.00
1357 - 1928 cc	10 - 13 HP	168.00
1929 - 2357 cc	14 - 16 HP	372.00
> 2357 cc	> 17 HP	483.00

Hybrid & Electric cars are exempted from circulation taxes.

#### 3.2.2. Commercial vehicles - Annual circulation tax of Trucks

Gross Weight (kg)	Annual Circulation Tax (€)
≤ 1500	51.00
1501 – 3500	73.00
3501 – 10000	205.00
10001 – 20000	410.00
20001 – 30000	645.00
30001 – 40000	909.00
> 40001	1027.00

### 3.2.3. Commercial vehicles - Annual circulation tax of Buses

Number of seats	Annual Circulation Tax (€)
≤ 33	146.00
34 – 50	278.00
> 51	352.00

## 4. TAXES ON MOTORING

### 4.1. Fuel taxes

The final retail price, for the four types of fuel available, consists of:

Oil Refinery's Cost + State Fee + Special Consumption Tax + Customs' Pension Fund + Petroleum Company's Gross Profit + Gas Station's Gross Profit + VAT.

Note:

1. State fee is 0.5% on the basis of the Oil Refinery's Cost.
2. Special Consumption Tax is the equivalent amount of:  
€ 0.347 /litre, for petrol with special additives, replacing the old leaded petrol (now withdrawn from the market)  
€ 0.331 /litre, for unleaded petrol with less than 96.5 octane rating  
€ 0.338 /litre, for unleaded petrol with more than 96.5 octane rating  
€ 0.276 /litre, for diesel petrol
3. Customs' Pension Fund is 0.5% on the basis of the sum of Oil Refinery's Cost, State Fee & Special Consumption Tax.
4. VAT is 19%, on the basis of the sum of Oil Refinery's Cost, State Fee, Special Consumption Tax, Custom Pension Fund, Petroleum Company Gross Profit and Gas Station's Gross Profit.

## 1. TAXES ON ACQUISITION

### 1.1. VAT

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

### 1.2. Consumption tax

The purchase of a passenger car is also subject to a consumption tax. Even if technically it is part of the customs code, the tax is due on any purchase of a car in Hungary. Below are some examples of the applicable rates. This consumption tax was abolished on 1 January 2006.

#### Petrol cars

1600 – 2000 cm <sup>3</sup> , < 4 years old	20%
1600 – 2000 cm <sup>3</sup> , > 4 years old	10%
> 3000 cm <sup>3</sup>	20%

#### Diesel cars

1500 – 2000 cm <sup>3</sup> , < 4 years old	10 - 20 %
1500 – 2000 cm <sup>3</sup> , > 4 years old	10 - 20 %
> 2500 cm <sup>3</sup>	20%

### 1.3. Wealth tax

The acquisition of a new or used vehicle is subject to a so-called "wealth tax", the rates of which are as follows:

<b>MOTOR VEHICLE</b>	< 1890 cm <sup>3</sup>	15 HUF/cm <sup>3</sup>
	> 1890 cm <sup>3</sup>	20 HUF/cm <sup>3</sup>
	electric vehicles	600 HUF
<b>TRAILER</b>	< 2500 kg mass	7500 HUF
	> 2500 kg mass	18000 HUF

### 1.4. Registration tax

A registration tax is payable upon first registration of a car in Hungary since 1 February 2004. The rates are based on EU emission standards.

The rates (in HUF) on 1 January 2006 are as follows:

Engine capacity (L)				
Petrol	Diesel	Euro 4	Euro 3	Euro 2
< 1.1	< 1.3	235,000	350,000	470,000
1.1 - 1.4	1.3 - 1.5	340,000	510,000	680,000
1.4 - 1.6	1.5 - 1.7	450,000	680,000	910,000
1.6 - 1.8	1.7 - 2.0	700,000	1,040,000	1,390,000

Engine capacity (L)				
Petrol	Diesel	Euro 4	Euro 3	Euro 2
1.8 - 2.0	2.0 - 2.5	960,000	1,440,000	1,920,000
2.0 - 2.5	2.5 - 3.0	1,380,000	2,070,000	2,760,000
2.5 - 3.0	3.0 - 3.5	2,100,000	3,150,000	4,200,000
> 3.0	> 3.5	3,020,000	4,540,000	6,050,000
Electric, hybrid			190,000	
Gas			380,000	

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 as full month in the calculation.

I. Time elapsed from the first circulation date until taxation process inception in months	II. Depreciation ratio
Up to 2	0.03
3-4	0.05
5-6	0.07
7-12	0.11
13-24	0.20
25-36	0.28
37-48	0.34
49-60	0.39
61-72	0.43
73-84	0.46
85-96	0.48
97-108	0.50
109-120	0.52
121-132	0.54
133-144	0.55
145-156	0.56
157-168	0.57
169-180	0.58
181-192	0.59
193-204	0.60
205-216	0.61
217-228	0.62
229-240	0.63
241-252	0.635
253-264	0.64
265-276	0.645
277-288	0.65
289-300	0.655
Over 301	0.66

$$F = A \cdot (1 - K - k \cdot t / T)$$

F = Tax payable

A = tax amount (see table with registration tax rates)

K = Tax reduction based on II. column penultimate period factor

k = Tax reduction rate based on II. column actual line minus „K”

T = Number of months including the one of the tax procedure based on I. column

t = Number of months from first circulation minus „K” tax reduction factor I. column month number

Example of registration tax calculation:

Gasoline engine, 1598 cm<sup>3</sup>, EURO III-type engine car, 55 months old.

- „A” value: 680, 000 HUF

- „K” value is 0.34 (value of 37-48 month)

- „k” value is 0.05 (0.39 – 0.34)

- „T” value is 12 (number of month from 49 to 60)

- „t” value is 7 (55-48)

The equation is therefore:

$$F = A \times (1 - K - k \times t/T)$$

$$F = 680,000 \times (1 - 0.34 - 0.05 \times 7/12)$$

$$F = 680,000 \times (1 - 0.34 - 0.029)$$

$$F = 680,000 \times 0.631$$

F = 429,080 HUF tax must be payed for a 55 month, gasoline engined, EURO III, 1598 cm<sup>3</sup> engine size car registered in 2006.

## 1.5. Examination fee

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Upon purchase, all vehicles need to undergo a technical examination. The fees are as follows :

<b>Passenger cars</b>	
≤ 1400 cm <sup>3</sup>	14,300 HUF
1401 – 2000 cm <sup>3</sup>	15,300 HUF
> 2000 cm <sup>3</sup>	16 100 HUF
<b>Trucks, Vans</b>	
≤ 3.5 tonnes	16,600 HUF
3.5 – 7.5 tonnes	17,600 HUF
> 7.5 tonnes	18,600 HUF
<b>Trailers</b>	
Light trailers	13,300 HUF
Heavy trailers	14,500 HUF
Special trailers	14,500 HUF
<b>Buses</b>	
≤ 20 persons	17,700 HUF
> 20 persons	18,700 HUF
<b>Agricultural tractors</b>	16,600 HUF
<b>Motorcycles</b>	
≤ 500 cm <sup>3</sup>	13,000 HUF
> 500 cm <sup>3</sup>	14,000 HUF

## 1.6. Environmental examination (green card)

Permit (green card + sticker)		1050 HUF	
Examination fee	Vehicle with two stroke petrol engine	2600 HUF	
	Vehicle with four stroke petrol engine	4000 HUF	
	Vehicle with diesel engine	4800 HUF	
Environmentally-friendly vehicle	With petrol or diesel engine	5400 HUF	
	With electronically controlled injection diesel engine		
-	passenger car, van, minibus	< 3500 kg	7500 HUF
-	truck, road tractor, bus, coach	> 3500 kg	10200 HUF

## 2. TAXES ON OWNERSHIP

### 2.1. Motor vehicle tax

The motor vehicle tax is based on the weight/mass of the vehicle.

The rates are as follows:

Motorcycles, caravans, small trailers Normal rate	1200 HUF/100 kg (weight + 50% payload)
Passenger cars with E-registration	8000 HUF
Trucks with E-registration	40000 HUF
Vehicles with P-registration	20000 HUF

#### Preferential reduction

Motor vehicle with controlled catalytic converter equipped petrol engine	20%
Motor vehicle with Diesel engine according to UN-ECE Regulation 82.02./C, 83.03, 83.04	20%
Bus & coach, truck with EURO 2 engine	20%
Road tractor of semi-trailer with EURO 2 engine	30%
Motor vehicle with engine according to UN-ECE Regulation 83.05	30%
Bus & coach, truck with EURO 3 engine	30%
Road tractor of semi-trailer with EURO 3 engine	50%
Electric, hybrid, LPG vehicle	50%

## 3. TAXES ON MOTORING

### 3.1. Fuel taxes

The sale of fuel is subject to VAT (25%), excise duty (variable) and a specific fuel tax which is as follows:

Leaded petrol	11.3 HUF/liter
Unleaded petrol	10.5 HUF/liter
Diesel (gas) oil	9.00 HUF/liter

## 1. ENGINE RATINGS

Ireland uses the engine capacity of a vehicle as the basis for computation of the annual road tax.

## 2. TAXES ON ACQUISITION

### 2.1. VAT

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#### 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 21%.  
VAT is calculated on the basic price of the vehicle before V.R.T

#### 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 at the rate of 21%.

In the event of a private sale between individuals, no tax is payable.  
The importation of second-hand vehicles is also liable to V.R.T.

### 2.2. Vehicle Registration Tax (V.R.T.)

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#### 2.2.1. V.R.T. on new vehicles

V.R.T. is imposed on private cars and commercial vehicles and is determined as a percentage of the open market selling price of the vehicle plus V.R.T. itself and VAT.

The rates are as follows:

Private vehicles (excluding ambulances and hearses) and minibuses with fewer than 16 seats	
< 1400 cc	22.5%
1400 – 1900 cc	25%
> 1900 cc	30%

small CVs under 3 tonnes unladen weight	
with floor area of under 2 metres	13.3% of open market selling price or € 126.97 whichever is greater
other commercial vehicles	€ 50.79
agricultural tractors and special vehicles	€ 50.79

Hybrid Electric Vehicles; Flexible Fuel Vehicles; Electric Vehicles - 50% of VRT payable may be remitted or repaid in respect of certain hybrid vehicles. Incentive in place until 31<sup>st</sup> December 2007.

### 2.2.2. V.R.T. on second-hand vehicles

For second-hand cars and small commercial vehicles registered for the first time in Ireland, V.R.T. will be calculated on the basis of the open market selling price which would be applicable to that vehicle if it were on sale in the State.

The rates of V.R.T applicable to second-hand private cars and commercial vehicles are the same as those applied to new vehicles.

## 2.3. Allowable deductions

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### 2.3.1. VAT exemption

The VAT paid by an enterprise on the purchase of a car is not deductible. In contrast, VAT on commercial vehicles is reclaimable.

### 2.3.2. Depreciation and capital allowances

The annual rate of depreciation for motor vehicles is 12.5% of the residual value. However, an upper limit of € 24,000 is placed on the depreciation allowance for private vehicles.

## 3. TAXES ON OWNERSHIP

### 3.1. Basis

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private vehicles	cylinder capacity
coaches and buses	number of seats
commercial vehicles	deadweight



## 3.2. Rates

### Private cars

Engine Capacity (CC)	Annual €	Half-year € (1)	Quarterly € (2)	Arrears Monthly € (3)
≤ 1,000	151	83	40	15.10
1,001 - 1,100	227	125	64	22.70
1,101 - 1,200	251	139	70	25.10
1,201 - 1,300	272	150	76	27.20
1,301 - 1,400	292	162	82	29.30
1,401 - 1,500	313	173	88	31.30
1,501 - 1,600	391	217	110	39.10
1,601 - 1,700	414	229	116	41.40
1,701 - 1,800	484	268	136	48.40
1,801 - 1,900	511	283	144	51.10
1,901 - 2,000	539	299	152	53.90
2,001 - 2,100	689	382	194	68.90
2,101 - 2,200	722	400	203	72.20
2,201 - 2,300	755	419	213	75.50
2,301 - 2,400	786	436	222	78.60
2,401 - 2,500	821	455	231	82.10
2,501 - 2,600	961	533	282	99.90
2,601 - 2,700	999	554	282	99.90
2,701 - 2,800	1033	573	291	103.30
2,801 - 2,900	1071	594	302	107.10
2,901 - 3,000	1109	594	302	107.10
> 3,000	1343	745	379	134.30
		(1) 55.5% of the annual rate (disregard cent)	(2) 28.25% of the annual rate (disregard cent)	(3) 1/10 of the annual rate (disregard cent after multiplication)
Electrical	146	81	41	14.60

## Goods vehicles

Unladen Weight (kg)	Annual €	Half-year €(1)	Quarterly €(2)	Arrears Monthly €(3)
≤ 3,000	253	140	71	25.30
3,001 - 4,000	320	177	90	32.00
4,001 - 5,000	413	229	116	41.30
5,001 - 6,000	572	317	161	57.20
6,001 - 7,000	774	429	218	77.40
7,001 - 8,000	974	540	275	97.40
8,001 - 9,000	1203	667	339	120.30
9,001 - 10,000	1432	794	404	143.20
10,001 - 11,000	1661	921	469	166.10
11,001 - 12,000	1890	1048	533	189.00
12,001 - 13,000	2119	1179	598	211.90
13,001 - 14,000	2348	1303	663	234.80
14,001 - 20,000 + € 229 per 1,000 kg or part thereof over 14,000 kg	2348	(1) 55.5% of annual rate (disregard cent)	(2) 28.25% of annual rate (disregard cent)	(3) 1/10 of annual rate (disregard cent after multiplication)
> 20,000	3948	2,191	11152	394.80
Electrical (< 1,500 kg)	76	-	-	8.00

## Large p.s.v. and youth/community bus

Seating Capacity	Annual €	Half-year € (1)	Quarterly € (2)	Arrears Monthly € (3)
9 - 20 seats	117	64	33	11.70
21 - 40 seats	153	84	43	15.30
41 - 60 seats	307	170	86	30.70
> 61 seats	307	170	86	30.70
		(1) 55.5% of annual rate (disregard cent)	(2) 28.25% of annual rate (disregard cent)	(3) 1/10 of annual rate (disregard cent after multiplication)

## Miscellaneous vehicles

Type of Vehicle	Annual €	Half-year € (1)	Quarterly € (2)	Arrears Monthly € (3)
Off-road dumper	673	373	190	67.30
General Haulage tractor	253	140	71	25.30
Machine/workshop/contrivance (including "recovery vehicle")	253	140	71	25.30
Island Vehicles	78	-	-	7.80
Agriculture tractor, trench digger and excavator	78	-	-	7.80
Motor Caravan	78	-	-	7.80
Hearse	78	-	-	7.80
Dumper and forklift truck	78	-	-	7.80
Taxi and hackney	72	-	-	7.20
Schoolbus	72	-	-	7.20
Cycles and Tricycles:				
- Electrical	31	-	-	3.10
- ≤ 75cc	37	-	-	3.70
- 76cc - 200cc	51	-	-	5.10
- ≥ 201cc	67	-	-	6.70
- Pedestrian-Controlled Vehicle	67	-	-	6.70
Veteran and vintage:				
- Motorcycles	19	-	-	1.90
- All other vehicles	42	-	-	4.20
		(1) 55.5% of annual rate (disregard cent)	(2) 28.25% of annual rate (disregard cent)	(3) 1/10 of annual rate (disregard cent after multiplication)

Type of Vehicle	Annual €	Half-year €	Quarterly €
Off road dumper	673	373	190
General haulage tractor	253	140	71
Agricultural tractor, trench digger and excavator	78	-	-
Taxi, hackney or hearse	72	-	-
Schoolbus	72	-	-
Dumper, forklift and machine / contrivance	78	-	-
Motor Caravan, Cycles, tricycles and pedestrian controlled vehicles	78	-	-
Vintage and veteran vehicles	19	-	-
- Motor cycles	19	-	-
- All other vehicles	42	-	-
Trailers	18	-	-

## Trade licences

Type of trade licence	Initial trade licence/plate	Replacement trade licence/plate
Motorcycles	€ 45	€ 9
Other vehicles	€ 2688	€ 65

## 4. TAXES ON MOTORING

### 4.1. Fuel taxes

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Fuel in cent per litre, March 2002

	UNLEADED	DIESEL*
Price without tax per litre	34.08	42.04
Excise Duty	44.27	36.80
VAT (21%) on product price and excise duty	16.45	16.56
Total Taxes	60.72	53.36
Price at the pump	94.80	95.40

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

### 4.2. Insurance taxes

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No tax is levied on the obligatory motor vehicle insurance in Ireland.

## 5. PRIVATE USE OF A COMPANY CAR

Where a company car is available for the private use of an employee the employee is chargeable to PAYE and PRSI 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 Cash Equivalent (% of OMV)

15,000 or less	30%
15,001 to 20,000	24%
20,001 to 25,000	18%
25,001 to 30,000	12%
30,001 and over	6%

## 6. PERIODICAL INSPECTION OF VEHICLES

### 6.1. Cars

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Car Testing has been introduced on a phased basis as follows:

Year 2000	Cars first registered before 1 January 1992
Year 2001	Cars first registered between 1992-1996
Year 2002 onwards	All four year old cars and eligible older cars i.e pre 92 registered cars tested in the year 2000 will be eligible for testing again in year 2002 because testing is every two years

Test Certificates will be valid for up to 2 years (from the date the test is due to the registration anniversary date two years later). All cars should be tested up to eight weeks before the anniversary date of first registration of their car. There is no link with motor tax or insurance expiry date.

There are 43 NCT Centres located throughout Ireland established solely for the purposes of car testing. They are independent of the garage and motor trade.

The car test fee is	€ 49.00
Re-test costs	€ 27.50 (both fees are inclusive of VAT).

Re-tests, which do not require the use of test equipment, will be 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. All eligible cars must display an NCT Disc on car windscreens, which will instantly identify those cars that have passed the test. In addition, Motor Tax Offices will not tax a car unless the owner produces an NCT Certificate as evidence that the car has passed its NCT.

### 6.2. Commercial Vehicles

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Commercial Vehicles are divided into two categories: vehicles under 3,500kg's Gross Vehicle Weight are classified as Light Goods Vehicles. Since the 1<sup>st</sup> September 2004, these vehicles are subject to an annual road-worthiness inspection. Vehicles over 3501 kg's are classed as Heavy Goods Vehicles and these vehicles are subject to an annual road-worthiness inspection also. Commercial Vehicles are obliged to present their vehicles for inspection at any one of the 150 State authorised Vehicle Testing Network (VTN) test stations. When the vehicle passes the inspection they are obliged to show the VTN Roadworthiness Disc.

#### Retests

Where a commercial vehicle has failed a test, returns for a re-test within 21 days and has not covered more than 4,000 kilometres from the time the certificate of roadworthiness was refused: only the fail items need to be checked and the re-test will be subject to the fee structure given below. It should be noted that a re-test that does not require the use of test equipment is not subject to a fee.

Categories and cost of inspection including re-test fees:

Reference No (1)	Class of Vehicle (2)	Fee (3)	Fee (4)
1	Mechanically propelled vehicles used for the carriage of passengers with more than 8 seats, excluding the driver's seat	€133.64	€62.82
2	Vehicles having a design gross weight exceeding 3,500 kilograms but not exceeding 7,500 kilograms	€85.54	€41.77
3	Vehicles having a design gross weight exceeding 7,500 kilograms with 2 axles	€106.94	€53.47
4	Vehicles having a design gross weight exceeding 7,500 kilograms with 3 axles	€133.64	€66.82
5	Vehicles having a design gross weight exceeding 7,500 kilograms with 4 or more axles	€149.67	€74.83
6	Trailers having a design gross weight exceeding 3,500 kilograms	€96.20	€48.10
7	Ambulances	€85.54	€42.77
8	Vehicles having a design gross weight not exceeding 3,500 kilograms	€64.13	€32.06

## 1. ENGINE RATINGS

The engine rating for passenger cars, coaches and buses, is calculated on the basis of "kW". The real power, measured in accordance with EU standards, represents the parameter to quantify the annual tax amount.

The 2007 Budget Law has introduced a new parameter to calculate the taxes on ownership: the EU Directive on pollutant emissions.

## 2. TAXES ON ACQUISITION

### 2.1. VAT

The purchase of motor vehicles is chargeable VAT at the rate of 20%, except vehicles for disabled people (4%).

Purchasing of second-hand vehicles from a taxable person is subject to VAT at the same rate applied to a new vehicle (20%). VAT is paid on the profit margin.

Sales between private individuals are not taxable whether they relate to private cars or commercial vehicles.

### 2.2. Registration/Transfer tax

A tax for registration and transfer acts (IPT: Imposta provinciale di trascrizione) is levied both on new and second-hand vehicles.

Updated tariffs are displayed herewith in the following table.

Vehicles (Diesel < 2,800cc and gasoline < 2,000 cc) for disabled people are free of duty.

#### Taxes on acquisition – IPT

#### I. When registrations and transactions are exempt from VAT:

Type and horse power	Amount IPT(*) €	
A. Motor vehicles constructed to carry passengers or passengers and a load < kW 53	150.81	
Buses and lorries < kW 110	150.81	
B. Motor vehicles constructed to carry passengers or passengers and a load > kW 53	3.51/kW	
C. Buses and lorries > kW 110	1.76/kW	
D. Motor vehicles constructed to carry a load ( t )	≤ 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 ( t )	≤ 2.0	265.98
	> 2.0 – 5.0	356.36
	> 5.0	452.93
F. Trailers to carry passenger (seats)	≤15	229.82
	> 15 – 25	253.58
	> 25 – 40	302.13
	> 40	362.55

(\*) each Province can increase taxes for registration and transfer by up to 30% of the basic amount. At present the majority of Provinces (in total 103) apply a 20% increase. An increase of 30% is applied by 17 provinces, 20% by 70, between +10% and +26% by 10; no increase is applied by only 6 of them.

- II. When registrations and transactions are liable to VAT: Tax is fixed at € 150.81.
- III. Vehicles > 30 years old and >20 years but <30yrs old registered in historic registers have to pay a fixed IPT of 52.65€.

## 2.3. Registration fees

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A series of duties, relating to the completion of formalities with the various public institutions such as the Motorisation Direction and the PRA "Pubblico Registro Automobilistico" (Italian Public Automobile Register), are imposed on the registration of motor vehicles. These are duties of an administrative or fiscal nature ("stamp"), but are nevertheless peculiar only to motor vehicles (no equivalent duty for any other product).

The Italian Council of Ministers decided on 25 January 2007 to eliminate the PRA, in the frame of the new national policy of liberalizations.

Their total amount is approximately:

Motorisation Direction	± € 75.00
PRA (Pubblico Registro Automobilistico)	
1st registration and transfer of vehicle	± € 50.00

## 2.4. Allowable deductions

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### 2.4.1. VAT exemptions

At the moment, the existing rules on VAT exemptions are going to be changed.

### 2.4.2. Deductibility of costs and depreciation allowances for company cars

Vehicles	Deductibility
Representing the object on the specific activity of the enterprise	100%
Used by agents and trade representatives	80% of costs and depreciation allowances not exceeding €25,823.00
Used by professionals	25% of costs and depreciation allowances not exceeding €18,076.00



## 2.5. Tax incentives for the acquisition of alternative fuel vehicles

### A. Incentives for CNG and LPG vehicles

Government Decrees	Vehicles	€	Holder/Owner	Conditions
Ministry of Industry Decree 2.07.2003, n. 183 and subsequent Decreets of implementation	- < three-year old gasoline car converted to CNG or LPG	650	Private / Professional	
		rebate on price (VAT excl.)		
Ministry of Environment Decree 15.10.2004	- monofuel vehicles - bifuel vehicles	30% max 4,132 20% max 2,582	Public Administration	municipalities over 25,000 inhabitants

### B. Incentives for electric/hybrid vehicles

Government Decrees	Vehicles	€	Holder/Owner	Conditions
Law 403/1997 and subsequent Decreets of implementation	new passenger cars	1,800	Private	only with scrapping of over ten-years old car + equal amount gran- ted by manufacturer
		rebate on price (VAT excl.)		
Ministry of Environment Decree 15.10.2004	M1/N1 pure electric (< 5 seats) pure electric (6 - 9 seats) hybrid with operating mode switch (zero emissions) hybrid without operating mode switch	65% max 15,494 65% max 36,152 60% max 41,316 35% max 7,747	Public Administration	municipalities over 25,000 inhabitants

### C. Other Incentives

	New vehicles	Vehicles to scrap	Period	Incentive amounts
Incentive to purchase <u>with</u> scrappage of old car	Car compliant with Euro 4 (Euro 5) having CO2 emissions not exceeding 140g/Km	Euro 0 or Euro 1 car	New vehicles ordered after 3.10.2006 until 31.12.2007 and registered until 31.03.2008	800€ + 2 years of exemption from circulation tax (3 years if the car has an engine < 1.300 cc or the purchaser is owner of 1 single car and his/her family has at least 6 members)
	Light Commercial vehicle < 3.5tons GVW compliant with Euro 4 (Euro 5)	Euro 0 or Euro 1 LCV		2000€
Incentive to purchase of electric, Hydrogen, CNG, LPG vehicles <u>without</u> scrappage of old car	Car compliant with Euro 4 (Euro 5) having CO2 emissions not exceeding 140g/Km or LCV < 3.5 tons GVW compliant with Euro 4 (Euro 5)		New vehicles ordered after 3.10.2006 until 31.12.2009 and registered until 31.03.2010	1500€ + 500€ if the CO2 emissions do not exceed 120g/Km. This incentive can be combined with the incentives above
Only scrappage	without purchase of new vehicle	Euro 0 or Euro 1 Vehicles (solo trasporto promiscuo)	Scrappage between 1.01.2007 and 31.12.2007	80€ In this case it is not possible to buy another vehicle during the next 3 years.
		Euro 0 or Euro 1 Car	Scrappage between 2.02.2007 and 31.12.2007	Anyone who scraps his/her only car can obtain a <b>free annual fee</b> for the public transport in the city where he/she lives.

## 3. TAXES ON OWNERSHIP

### 3.1. Basis

Private vehicles	engine rating calculated on the basis of "kW " and Euro standards
Coaches and buses	engine rating calculated on the basis of "kW"
Commercial vehicles with GVW < 12 tons	payload
Commercial vehicles with GVW ≥ 12 tons	global weight, number of axles and full pneumatic shock absorption (in accordance with EC Directive 89/1993 as modified by EC Directive 62/1999)
Towing vehicles and truck tractors	towing mass
Trailers and semi-trailers	fixed tax amount

### 3.2. Rates (1)

An ownership tax (former road tax) is levied on all vehicles registered with the PRA, irrespective of whether they are on the road or stationary.

The ownership tax is calculated on the basis of kW and Euro standards. The "real power" is measured in accordance with EU standards. The ordinary rate of ownership tax is:

Passenger cars (gasoline and diesel)	€ /kw
Buses	€ 2.94/kw
Vehicles with "special usage" driving licence	€ 0.43/Kw
Motor Caravans	€ 1.00/Kw
Special Trailers and Caravans	€ 25.00

#### Passenger cars: Specific rates for every region

Region		Basilicata, Friuli Venezia Giulia, Emilia Romagna, Lazio, Lombardia, Piemonte, Puglia, Sardegna, Sicilia, Umbria, Valle d'Aosta, Prov. autonome Trento e Bolzano	Molise	Marche	Abruzzo, Calabria, Campania, Liguria, Toscana, Veneto
Standard	KW	€ ***/KW			
Euro 4	<100	2.58	2.76	2.79	2.84
	>101 (\$)	3.87	4.14	4.18	4.26
Euro 3	<100	2.70	2.89	2.92	2.97
	>101 (\$)	4.05	4.33	4.37	4.46
Euro 2	<100	2.80	3.00	3.02	3.08
	>101 (\$)	4.20	4.49	4.54	4.62
Euro 1	<100	2.90	3.10	3.13	3.19
	>101 (\$)	4.35	4.65	4.70	4.79
Euro 0	<100	3.00	3.21	3.24	3.30
	>101 (\$)	4.50	4.82	4.86	4.95

(\$) only over 100 kW

- (1) Since the ownership taxes revenue is collected by the Regions rates can be differentiated. In the Region Campania, Abruzzo, Calabria, Liguria, Toscana, Veneto, all taxes on ownership are increased by 10%; in Molise by 7%, in Marche by 7,98%.

Taxation based on kW (and not on GVW) is applied to vehicles N1 <12 tons GVW registered since 3 October 2006 by a specific Body code (F0), 4 seats or more and value kW/tons  $\geq$  180.

### 3.2.1. Exemption/reduction from ownership tax

An exemption from ownership tax is allowed for electric vehicles for a period of five years from first registration. Subsequently a tax reduction rate of 75% is applied. This tax reduction also applies to CNG/LPG vehicles. A 100% tax exemption for CNG/LPG vehicles has been introduced in some regions (i.e. Piemonte, Lombardia).

A permanent ownership tax exemption applies to vehicles for disabled people, under certain conditions.

ANNUAL OWNERSHIP TAX : Cars with > 30 years old or > 20 years old registered in historic registers								
		Basilicata, Friuli Venezia Giulia, Emilia Romagna, Lazio, Sardegna, Sicilia, Umbria, Valle d'Aosta, Prov. autonome Trento e Bolzano	Abruzzo, Calabria, Campania, Liguria, Veneto	Marche	Molise	Piemonte, Puglia,	Lombardia,	Toscana,
cars	>20 yrs	25.82	28.40	27.88	27.63	30.00	30.00	60.00
	> 30 yrs							28.40

#### Other types of reduction:

75%	cars used in public service
50%	lorries (up to 12 t GVW) for specific transports
50%	cars for hiring (with driver)
33.33%	buses for hiring (without driver)
33.33%	buses used for Public Transport
20%	lorries > 12t GVW full pneumatic shock absorption
40%	cars for driving schools

## 4. TAXES ON MOTORING

### 4.1. Fuel taxes

Prices February 2007 (average national price): €/l	Unleaded	Diesel	LPG	CNG
Cost of product + Distribution profit	0.436	0.485	0.383	0.442
Manufacturing tax	0.564	0.416	0.125	0.003
VAT	0.200	0.180	0.102	0.094
Total taxes	0.764	0.596	0.227	0.097
Special funds CNG cylinders				0.023
Prices at the pumps	1.200	1.081	0.610	0.562

(\*):€/m3

#### Insurance taxes

The total charge of the "third-party" premium is, effectively, 23%:

- a 12.5% tax is imposed on insurance premiums ;
- a 10.5% tax is allocated to Health National Service (as partial coverage for road accident + medical costs)  
*The 2007 Budget Law recognized a credit of € 300.00 (to balance the tax payed in 2006) to the companies having vehicles for transporting goods with GVW > 11.5 tons.*
- a rebate by 50% on insurance tariffs for electric vehicles is allowed by the majority of insurance companies.

#### Motorway usage tax

The effective rate of the motorway usage tax varies largely in terms of:

- the class of the vehicle making use of the highways
- the owner of the motorway (state, private company, semi-public company)
- the end-user (tourist, subscriber).

In 2005:

- tolls income from motorways (Alpine Tunnels not included) amounted to € 5.068 bn.
- total taxes (VAT + Warranty Central Fund) on tolls income amounted to € 0.997 bn.

## 5. PRIVATE USE OF A COMPANY CAR

The deductibility of costs and depreciation allowances are provided for companies within the total income given to the employed as a maximum.

## 1. TAXES ON ACQUISITION

### 1.1. VAT

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The acquisition of a vehicle is subject to VAT at the rate of 18%.

### 1.2. REGISTRATION TAXES

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#### 1.2.1. Registration of a road vehicle and its owner:

Motor cars, buses (M, N)	LTL 29.00	(€ 8.40)
Motorcycles (L)	LTL 22.00	(€ 6.37)
Trailers (O1)	LTL 7.00	(€ 2.03)
Trailers and semi-trailers (O2-O4)	LTL 12.00	(€ 3.48)

#### 1.2.2. Roadworthiness test fee:

Motorcycles;	LTL 16.00	(€ 4.63)
Motorcycles with trailers;	LTL 19.00	(€ 5.50)
Passenger vehicles;	LTL 34.00	(€ 9.85)
Minibuses used for domestic carriage;	LTL 46.00	(€ 13.32)
Buses used for domestic carriage, trolleybuses;	LTL 65.00	(€ 18.83)
Trucks with a total weight up to 3.5 t used for domestic carriage;	LTL 47.00	(€ 13.61)
Trucks with a total weight of 3.5 t used for domestic carriage;	LTL 64.00	(€ 18.54)
Passenger vehicle trailers;	LTL 11.00	(€ 3.19)
Truck trailers (semi-trailers).	LTL 47.00	(€ 13.61)

## 2. TAXES ON OWNERSHIP

No typical ownership taxes apply.

## 1. TAXES ON ACQUISITION

### 1.1. VAT

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- The purchase of private cars and commercial vehicles is taxable for VAT at the rate of 15%.
- The purchase of a second-hand vehicle:
  - from a person not registered for VAT is not subject to VAT.
  - from a taxable person (i.e. one registered for VAT ) gives rise to payment of VAT at 15% on:
    - the gross profit margin if the vehicle was acquired (by the taxable person e.g. the dealer) from a person not registered for VAT;

ex:	purchase price of the dealer	€ 4,957.87
	sale price	€ 6,197.34
	profit margin	€ 1,239.47 VAT incl.
		€ 1,077.79 VAT excl.
	VAT	€ 161.68

- the invoice price (without VAT) if the vehicle was acquired from another registered for VAT.

### 1.2. VAT exemptions

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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 value added input tax.

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

### 1.3. Registration charges

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A tax is payable on registration. It is settled in the form of revenue stamps amounting to € 12.39.

As for number plates, they are issued by a private company.

A set of two plates costs € 14.35 + 15% VAT = € 16.51.

## 2. TAXES ON OWNERSHIP

### 2.1. Basis of assessment

Private cars	CO <sub>2</sub> or cylinder capacity
Buses and coaches	category (M1 or M2)
Commercial vehicles	see following pages

### 2.2. Rates

#### 2.2.1. Private cars

As from 1<sup>st</sup> January 2007, the annual tax will be calculated on the basis of the CO<sub>2</sub> emissions.

Tax = a x b x c

- a = CO<sub>2</sub> emissions in g/km
- b = 0.9 (for diesel) and 0.6 (for other fuels)
- c = exponential factor  
0.5 when CO<sub>2</sub> < 90 g/km and increased by 0.1 for each additional 10 g CO<sub>2</sub>/km

Example: diesel car with 145 g/km => 145 x 0.9 x 1.1 = €143.55 rounded to €143  
petrol car with 225 g/km => 225 x 0.6 x 1.9 = € 256.50 rounded to €256

For cars registered before 1/01/2001 (or with no CO<sub>2</sub> value available)

Engine capacity		Other than diesel	Diesel
		12 months	12 months
From	to	€	€
1	100	6,00	6,00
101	200	12,00	12,00
201	300	18,00	18,00
301	400	24,00	24,00
401	500	30,00	30,00
501	600	36,00	36,00
601	700	42,00	42,00
701	800	48,00	48,00
801	900	54,00	54,00
901	1000	60,00	60,00
1001	1100	66,00	66,00
1101	1200	72,00	72,00
1201	1300	78,00	78,00
1301	1400	84,00	84,00
1401	1500	90,00	90,00
1501	1600	96,00	96,00
1601	1700	119,00	119,00
1701	1800	126,00	126,00
1801	1900	133,00	133,00
1901	2000	140,00	140,00
2001	2100	199,00	220,00

2101	2200	209,00	231,00
2201	2300	218,00	241,00
2301	2400	228,00	252,00
2401	2500	237,00	262,00
2501	2600	247,00	273,00
2601	2700	256,00	283,00
2701	2800	266,00	294,00
2801	2900	275,00	304,00
2901	3000	285,00	315,00
3001	3100	356,00	418,00
3101	3200	368,00	432,00
3201	3300	379,00	445,00
3301	3400	391,00	459,00
3401	3500	402,00	472,00
3501	3600	414,00	486,00
3601	3700	425,00	499,00
3701	3800	437,00	513,00
3801	3900	448,00	526,00
3901	4000	460,00	540,00
4001	4100	512,00	615,00
4101	4200	525,00	630,00
4201	4300	537,00	645,00
4301	4400	550,00	660,00
4401	4500	562,00	675,00
4501	4600	575,00	690,00
4601	4700	587,00	705,00
4701	4800	600,00	720,00
4801	4900	612,00	735,00
4901	5000	625,00	750,00
5001	5100	637,00	765,00
5101	5200	650,00	780,00
5201	5300	662,00	795,00
5301	5400	675,00	810,00
5401	5500	687,00	825,00
5501	5600	700,00	840,00
5601	5700	712,00	855,00
5701	5800	725,00	870,00
5801	5900	737,00	885,00
5901	6000	750,00	900,00
6001	6100	762,00	915,00
6101	6200	775,00	930,00
6201	6300	787,00	945,00
6301	6400	800,00	960,00
6401	6500	812,00	975,00
6501	6600	825,00	990,00
6601	6700	837,00	1005,00
6701	6800	850,00	1020,00
6801	6900	862,00	1035,00
6901	7000	875,00	1050,00
7001	7100	887,00	1065,00
7101	7200	900,00	1080,00



7201	7300	912,00	1095,00
7301	7400	925,00	1110,00
7401	7500	937,00	1125,00
7501	7600	950,00	1140,00
7601	7700	962,00	1155,00
7701	7800	975,00	1170,00
7801	7900	987,00	1185,00
7901	8000	1000,00	1200,00
8001	and more	1012,00	1215,00

### 2.2.2. Buses and coaches

Category	12 months (€)	6 months (€)
M2	150.00	85.00
M3	250.00	135.00

### 2.2.3. Vans, lorries and road tractors

#### 2.2.3.1. Vans, lorries and road tractors with a Maximum Vehicle Weight (MVW) less than 12 tons

Unladen weight if vehicle in running order (kg)		tax for (€)	
From	to	12 months	6 months
1	< 600	50.00	/
600	800	67.00	/
801	1000	84.00	52.00
1001	1200	101.00	60.00
1201	1400	118.00	69.00
1401	1600	135.00	77.00
1601	1800	152.00	86.00
1801	2000	169.00	94.00
2001	2200	186.00	103.00
2201	2400	203.00	111.00
2401	2600	220.00	120.00
2601	2800	237.00	128.00
2801	3000	254.00	137.00
3001	3200	271.00	145.00
3201	3400	288.00	154.00
3401	3600	305.00	162.00
3601	3800	322.00	171.00
3801	4000	339.00	179.00
4001	4200	356.00	188.00
4201	4400	373.00	196.00
4401	4600	390.00	205.00
from 4600 but with less than 12 tons MVW		425.00	222.00

2.2.3.2. Lorries and road tractors with a Maximum Vehicle Weight (MVW) of 12 tons or more

MVW/Number of axles		Number of axles = 2			
MVW (Kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	to	12 months	6 months	12 months	6 months
12000	19500	255.00	137.00	255.00	137.00
19501	20500	255.00	137.00	280.00	150.00
20501	21500	255.00	137.00	305.00	162.00
21501	22500	255.00	137.00	330.00	175.00
22501	and more	255.00	137.00	330.00	175.00

MVW/Number of axles		Number of axles = 3			
MVW (Kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	to	12 months	6 months	12 months	6 months
12000	19500	255.00	137.00	255.00	137.00
19501	20500	255.00	137.00	280.00	150.00
20501	21500	255.00	137.00	305.00	162.00
21501	22500	255.00	137.00	330.00	175.00
22501	23500	255.00	137.00	355.00	187.00
23501	24500	255.00	137.00	380.00	200.00
24501	and more	255.00	137.00	380.00	200.00

MVW/Number of axles		Number of axles = 4			
MVW (Kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	to	12 months	6 months	12 months	6 months
12000	19500	255.00	137.00	255.00	137.00
19501	20500	255.00	137.00	280.00	150.00
20501	21500	255.00	137.00	305.00	162.00
21501	22500	255.00	137.00	330.00	175.00
22501	23500	255.00	137.00	355.00	187.00
23501	24500	255.00	137.00	380.00	200.00
24501	25500	255.00	137.00	405.00	212.00
25501	26500	255.00	137.00	430.00	225.00
26501	27500	255.00	137.00	455.00	237.00
27501	28500	255.00	137.00	480.00	250.00
28501	29500	365.00	192.00	505.00	262.00
29501	30500	365.00	192.00	530.00	275.00
30500	and more	365.00	192.00	530.00	275.00

## 2.2.4. Trailers

### 2.2.4.1. Trailers with a Maximum Vehicle Weight (MVW) of less than 12 tons

Unladen weight if vehicle in running order (kg)		tax for (€)	
		12 months	6 months
1	200	0.00	/
201	400	0.00	/
401	600	0.00	/
601	800	0.00	/
801	1000	0.00	/
1001	1200	60.00	/
1201	1400	68.00	/
1401	1600	76.00	/
1601	1800	84.00	52.00
1801	2000	92.00	56.00
2001	2200	100.00	60.00
2201	2400	108.00	64.00
2401	2600	116.00	68.00
2601	2800	124.00	72.00
2801	and above	150.00	85.00

### 2.2.4.2. Trailers with a Maximum Vehicle Weight (MVW) of 12 tons or more

MVW/Number of axles		Number of axles = 2			
MVW (Kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	to	12 months	6 months	12 months	6 months
12000	13500	370.00	195.00	565.00	292.00
13501	15000	370.00	195.00	580.00	300.00
15001	16500	370.00	195.00	595.00	307.00
16501	18000	370.00	195.00	610.00	315.00
18001	19500	370.00	195.00	625.00	322.00
19501	20500	370.00	195.00	640.00	330.00
20501	and more	370.00	195.00	650.00	335.00

MVW/Number of axles		Number of axles = 3 and more			
MVW (Kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	to	12 months	6 months	12 months	6 months
12000	28500	255.00	137.00	425.00	222.00
28501	and more	510.00	265.00	700.00	360.00

## 2.2.5. Tractors and semi-trailers

### 2.2.5.1. Tractors

MVW/Number of axles		Number of axles = 2			
MVW (Kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	to	12 months	6 months	12 months	6 months
12000	35500	255.00	137.00	255.00	137.00
35501	37500	255.00	137.00	310.00	165.00
37501	39500	255.00	137.00	420.00	220.00
39501	and more	310.00	165.00	420.00	220.000

MVW/Number of axles		Number of axles = 3 and more			
MVW (Kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	to	12 months	6 months	12 months	6 months
12000	39500	255.00	131.50	255.00	137.00
39501	and more	380.00	195.25	485.00	252.00

### 2.2.5.2. Semi-trailers

MVW/Number of axles		Number of axles = 2			
MVW (Kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	to	12 months	6 months	12 months	6 months
12000	17500	50.00	/	50.00	/
17501	18500	63.00	/	75.00	/
18501	19500	76.00	48.00	100.00	60.00
19501	20500	89.00	54.00	125.00	72.00
20501	21500	102.00	61.00	150.00	85.00
21501	22500	115.00	67.00	175.00	97.00
22501	23500	128.00	74.00	200.00	110.00
23501	24500	141.00	80.00	225.00	122.00
24501	25500	154.00	87.00	250.00	135.00
25501	26500	167.00	93.00	275.00	147.00
26501	27500	180.00	100.00	300.00	160.00
27501	28500	193.00	106.00	325.00	172.00
28501	29500	206.00	113.00	350.00	185.00
29501	30500	219.00	119.00	375.00	197.00
30501	31500	232.00	126.00	400.00	210.00
31501	32500	245.00	132.00	425.00	222.00
32501	and more	250.00	135.00	450.00	235.00

MVW/Number of axles		Number of axles = 3 and more			
MVW (Kg)		Pneumatic suspension or equivalent		Other type of suspension	
From	to	12 months	6 months	12 months	6 months
12000	17500	50.00	/	50.00	/
17501	18500	60.00	/	65.00	/
18501	19500	70.00	/	80.00	50.00
19501	20500	80.00	50.00	95.00	57.00
20501	21500	90.00	55.00	110.00	65.00
21501	22500	100.00	60.00	125.00	72.00
22501	23500	110.00	65.00	140.00	80.00
23501	24500	120.00	70.00	155.00	87.00
24501	25500	130.00	75.00	170.00	95.00
25501	26500	140.00	80.00	185.00	102.00
26501	27500	150.00	85.00	200.00	110.00
27501	28500	160.00	90.00	215.00	117.00
28501	29500	170.00	95.00	230.00	125.00
29501	30500	180.00	100.00	245.00	132.00
30501	31500	190.00	105.00	260.00	140.00
31501	32500	200.00	110.00	275.00	147.00
32501	and more	210.00	115.00	285.00	152.00

### 3. TAXES ON MOTORING

#### 3.1. Fuel taxes

MAXIMUM PRICE IN EURO/LITRE ON 23/02/2007

	SUPER UNLEADED 95 *	SUPER UNLEADED 98*	DIESEL*	LPG
	EURO	EURO	EURO	EURO
Cost of the product	0.4327	0.4440	0.4653	0.3267
Excises (1)	0.4621	0.4621	0.2904	0.1016
Price without VAT	0.9278	0.9104	0.7843	0.486
VAT (2)	15%	15%	15%	6%
	0.1342	0.1359	0.1134	0.0256
(1)+(2)	0.5963	0.5980	0.4038	0.1273
% of the price at the pump	58.0%	57.4%	46.5%	28.0%
Price at the pump	1.029	1.047	0.902	0.486

\* max 10 ppm sulphur

#### 3.2. Insurance taxes

The subscription to an insurance policy gives rise to the imposition of a 4 % insurance tax (the premiums paid form the basis of taxation).

#### 3.3. EUROVIGNETTE

In conformity with Directive 93/89/EEC of 9 February 1994, a road toll called Eurovignette is being levied in Luxemburg for vehicles for transport of goods with a Maximum Vehicle Weight exceeding 12 t.

(see: <http://www.do.etat.lu/vehaut/eurovignette.htm>)

## 1. TAXES ON ACQUISITION

### 1.1. VAT

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The purchase of motor vehicles is subject to VAT at the rate of 18%.

### 1.2. Motor vehicle tax

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Motor vehicle tax is calculated only for passenger cars and motorcycles. Motor vehicle tax is calculated in proportion to vehicle's age as follows:

250 LVL	(€ 373.10)	for a new vehicle
200 LVL	(€ 298.50)	for a one year old vehicle
150 LVL	(€ 223.90)	for a two year old vehicle

Tax rates for motorcycles are calculated applying a 0.25 rate.

### 1.3. Registration duty

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Registration duty is calculated as follows:

Registration sheet and label:	for cars	13.16 LVL	(€19.60)
	for trailers and motorcycles	7.67 LVL	(€11.40)
Vehicle Registration Card		6.46 LVL	(€9.60)

Technical examination fee (annual)

Brand new vehicle examination		1.06 LVL	(€ 1.60)
Every next examination	passenger cars < 3 500 kg	10.41 LVL	(€ 14.83)
	commercial vehicles 3 500 kg - 12 000 kg	16.64 LVL	(€ 23.70)
	commercial vehicles > 12 000 kg	20.14 LVL	(€ 28.69)
	trailers < 3 500 kg	6.90 LVL	(€ 9.83)
	trailers 3 500 kg - 10 000 kg	13.91 LVL	(€ 19.81)
	trailers > 10 000 kg	17.42 LVL	(€ 24.81)
	motorcycles	7.29 LVL	(€ 10.38)

### 1.4. Natural resources tax

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A national resources tax is due for each vehicle registered in Latvia as from 1 October 2004. It amounts to LVL 25.96 (€38.69).



## TAXES ON OWNERSHIP

### 1.5. Road traffic tax

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Passenger cars (calculated on maximum gross weight in kg)

< 1 500 kg	12 LVL	(€ 17.90)
1 501 kg - 1 800 kg	24 LVL	(€ 35.80)
1 801 kg - 2 100 kg	45 LVL	(€ 67.20)
2 101 kg - 2 600 kg	54 LVL	(€ 80.60)
2 601 kg - 3 500 kg	72 LVL	(€ 107.50)

Commercial vehicles (calculated on maximum gross weight in kg)

3 501 - 12 000 kg	102 LVL	(€ 152.20)
12 001 - 20 000 kg	150 LVL	(€ 223.90)
20 000 - 26 000 kg	200 LVL	(€ 298.50)
26 000 - 30 000 kg	300 LVL	(€ 447.80)
> 30 000 kg	350 LVL	(€ 522.40)

Road traffic tax for motorcycles

	3 LVL	(€ 4.50)
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## 2. TAXES ON MOTORING

### 2.1. Fuel taxes

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Diesel oil	0.175 LVL	(€ 0.26)/ litre
Unleaded petrol	0.205 LVL	(€ 0.31)/ litre
Leaded petrol	0.301 LVL	(€ 0.46)/ litre

All rates are inclusive of VAT 18%.

## 1. TAXES ON ACQUISITION

### 1.1. Registration Tax

---

Registration tax is imposed upon buyers upon the purchase of new vehicles.

Registration fees are imposed according to engine capacity and are due *ad valorem* on the registration of a motor vehicle as follows:

Engine Capacity	Registration Tax
<1300cc	50.5%
1301 – 1500cc	53%
1501 – 1800cc	60%
1801 – 2000cc	65%
> 2000cc	75%
If vehicle is used for Car Hire	30%

### 1.2. Value Added Tax (VAT)

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A flat rate of 18% is charged on selling price, on all types of engine capacity.

## 2. TAXES ON OWNERSHIP

### 2.1. Road License Tax

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A tax is paid annually upon the actual use of the vehicle on the Maltese roads.

Such tax is imposed depending upon the capacity of the engine:

Engine Capacity	Registration Tax
<1300cc	LM 30
1301 – 1500cc	LM 40
1501 – 1800cc	LM 45
1801 – 2000cc	LM 75
>2000 cc	LM 150

# 1. TAXES ON ACQUISITION

## 1.1. VAT

The rate of VAT on motor vehicles is 19%. The basis of calculation of VAT is the price exclusive of all taxes.

## 1.2. B.P.M. (Belasting Personenauto's Motorrijwielen)

A registration tax, the B.P.M., is levied on all new passenger cars and motorcycles.

The B.P.M. is calculated on the net list price, including profit margins but exclusive of taxes. It is calculated on the list price, separately from VAT.

The amount of the B.P.M. is obtained by using the following formula:

- petrol cars:  $0.452 \times \text{net list price} - \text{€ } 1,540$
- diesel cars:  $0.452 \times \text{net list price} + \text{€ } 328$

Example of a B.P.M. Assessment

<b>Petrol Car</b>	Price before tax	15,925
	BPM (45.2% x 12,683) – 1,540	5,658
	VAT 19% x 12,683	3,026
	Tax inclusive price	€ 24,608

<b>Diesel Car</b>	Price before tax	14,787
	BPM (45.2% x 11,546) + 328	7,012
	VAT 19% x 11,546	2,810
	Tax inclusive price	€ 24,608

**Incentives:** As from 1 May 2005, diesel cars emitting 5mg of particulate matter (PM) or less receive a reduction of the BPM of € 600.

**Hybrid cars** with an energy efficiency label A benefit from a rebate on the BPM of maximum € 6,000. Hybrid cars with a B label obtain a maximum rebate of € 3,000. These rebates will remain in place until 1 July 2008.

### CO2 based bonus-malus system (01.07.2006)

As from 1 July 2006, the level of the BPM to be paid by a particular car will be reduced (bonus) or increased (malus) in accordance with the car's fuel efficiency. The basis herefor will be the relative fuel efficiency label which is used in the Netherlands.

Under this system, the mean of the CO2 emissions of all new cars sold is set each year as a mathematical function with three different constants against the product of the lengths and the widths of the cars. The constants are issued by authorities on an annual basis. The mathematical function is determined separately for petrol cars and diesel cars.

The bonus – malus amounts will be as follows:

A label (CO2 emissions > 20% below mean value) € 1,000 bonus

B label (CO2 emissions 10 to 20 % below mean value) € 500 bonus  
 C label (CO2 emissions 0 to 10 % below mean value) Nihil  
 D label (CO2 emissions 0 to 10 % above mean value) € 135 malus  
 E label (CO2 emissions 10 to 20 % above mean value) € 270 malus  
 F label (CO2 emissions 20 to 30% above mean value) € 405 malus  
 G label (CO2 emissions > 30% above mean value) € 540 malus

### 1.3. Allowable deductions

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#### 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 3 years, at the end of which a residual value remains.

### 1.4. Registration charges

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The registration charge is presently as follows:

all vehicles	€ 41.50
trailers and semi-trailers	€ 31.75

## 2. TAXES ON OWNERSHIP

### 2.1. Basis of assessment

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Private cars	dead-weight, province and fuel
Buses and coaches	dead-weight
Commercial vehicles	dead-weight (if company owned) Dead-weight, province and fuel (if privately owned)

### 2.2. Rates (as from 1.1.2007)

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The road tax (ACT) is established on the basis of:  
 its dead-weight  
 the type of fuel used  
 the region (province)

## 2.2.1. Private cars

Province of Utrecht (in €)

Weight	Petrol	Diesel
≤ 550	76	264
551 – 650	104	324
651 – 750	128	388
751 – 850	176	468
851 – 950	232	576
951 – 1050	304	684
1051 – 1150	380	796
1151 – 1250	452	908
1251 – 1350	524	1016
1351 – 1450	600	1128
1451 – 1550	672	1236
1551 – 1650	744	1348
1651 – 1750	820	1460
1751 – 1850	892	1568
1851 – 1950	964	1680
1951 – 2050	1040	1788

Weight	Petrol	Diesel
2051 – 2150	1112	1900
2151 – 2250	1184	2012
2251 – 2350	1260	2120
2351 – 2450	1332	2232
2451 – 2550	1404	2344
2551 – 2650	1464	2424
2651 – 2750	1536	2532
2751 – 2850	1612	2644
2851 – 2950	1684	2752
2951 – 3050	1756	2860
3051 – 3150	1828	2968
3151 – 3250	1900	3080
3251 – 3350	1964	3176
3351 – 3450	2024	3276
3451 – 3550	2084	3372
3551 – 3650	2144	3468

Weight	Petrol	Diesel
3651 – 3750	2204	3568
3751 – 3850	2268	3664
3851 – 3950	2328	3760
3951 – 4050	2388	3860
4051 – 4150	2448	3956
4151 – 4250	2508	4052
4251 – 4350	2572	4152
4351 – 4450	2632	4248
4451 – 4550	2692	4344
4551 – 4650	2752	4444
4651 – 4750	2812	4540
4751 – 4850	2872	4636
4851 – 4950	2936	4736
4951 – 5050	2996	4832

## 2.2.2. Vans

No distinction is made according to region or type of fuel.

Weight	€
≤ 550	100
551 – 650	124
651 – 750	144
751 – 850	160
851 – 950	180
951 – 1050	196
1051 – 1150	212
1151 – 1250	232
1251 – 1350	252
1351 – 1450	272
1451 – 1550	292

Weight	€
1551 – 1650	308
1651 – 1750	328
1751 – 1850	348
1851 – 1950	368
1951 – 2050	384
2051 – 2150	408
2151 – 2250	428
2251 – 2350	448
2351 – 2450	468
2451 – 2550	488
2551 – 2650	508

Weight	€
2651 – 2750	528
2751 – 2850	544
2851 – 2950	548
2951 – 3050	552
3051 – 3150	556
3151 – 3250	560
3251 – 3350	568
3351 – 3450	572
3451 – 3500	576

### 2.2.3. Lorries

#### Without clutch-installation (in €)

Weight	WITH AIRSPRING ACTION			WITHOUT AIRSPRING ACTION		
	2 axles	3 axles	4 axles and more	2 axles	3 axles	4 axles and more
15000	236	236	236	236	236	236
15000 – 23000	288	236	236	236	236	236
23000 – 25000	360	360	236	236	236	236
25000 – 27000	360	360	236	236	236	236
27000 – 29000	380	380	380	236	236	236
29000 – 31000	568	380	568	380	380	380
31000 – 33000	568	568	568	380	380	380
33000 – 36000	568	568	568	380	380	380
36000 – 38000	568	568	568	380	380	380
38000 – 40000	568	568	568	380	380	380
≥ 40000	568	568	568	380	380	380

#### With clutch-installation (in €)

Weight	WITH AIRSPRING ACTION		WITHOUT AIRSPRING ACTION	
	2 axles	3 axles and more	2 axles	3 axles and more
15000	236	236	236	236
15000 – 23000	236	236	236	236
23000 – 25000	236	236	236	236
25000 – 27000	324	236	236	236
27000 – 29000	324	236	236	236
29000 – 31000	352	344	236	236
31000 – 33000	492	344	352	236
33000 – 36000	748	480	492	344
36000 – 38000	748	480	492	344
38000 – 40000	748	664	544	480
≥ 40000	988	988	748	664

## 2.2.4. Buses and coaches

No distinction is made according to region or type of fuel

Weight	€	Weight	€	Weight	€	Weight	€
≤ 1050	84	5051 – 5150	388	9151 – 9250	552	13251 – 13350	716
1051 – 1150	96	5151 – 5250	392	9251 – 9350	556	13351 – 13450	720
1151 – 1250	108	5251 – 5350	396	9351 – 9450	560	13451 – 13550	724
1251 – 1350	120	5351 – 5450	400	9451 – 9550	564	13551 – 13650	728
1351 – 1450	132	5451 – 5550	404	9551 – 9650	568	13651 – 13750	732
1451 – 1550	144	5551 – 5650	408	9651 – 9750	572	13751 – 13850	736
1551 – 1650	156	5651 – 5750	412	9751 – 9850	576	13851 – 13950	740
1651 – 1750	168	5751 – 5850	416	9851 – 9950	580	13951 – 14050	744
1751 – 1850	184	5851 – 5950	420	9951 – 10050	584	14051 – 14150	748
1851 – 1950	196	5951 – 6050	424	10051 – 10150	588	14151 – 14250	752
1951 – 2050	208	6051 – 6150	428	10151 – 10250	592	14251 – 14350	756
2051 – 2150	220	6151 – 6250	432	10251 – 10350	586	14351 – 14450	760
2151 – 2250	232	6251 – 6350	436	10351 – 10450	600	14451 – 14550	764
2251 – 2350	244	6351 – 6450	440	10451 – 10550	604	14551 – 14650	768
2351 – 2450	256	6451 – 6550	444	10551 – 10650	608	14651 – 14750	772
2451 – 2550	268	6551 – 6650	448	10651 – 10750	612	14751 – 14850	776
2551 – 2650	280	6651 – 6750	452	10751 – 10850	616	14851 – 14950	780
2651 – 2750	292	6751 – 6850	456	10851 – 10950	620	14951 – 15050	784
2751 – 2850	296	6851 – 6950	460	10951 – 11050	624	≥ 15051	Increase
2851 – 2950	300	6951 – 7050	464	11051 – 11150	628		by € 1,00
2951 – 3050	304	7051 – 7150	468	11151 – 11250	632		for every
3051 – 3150	308	7151 – 7250	472	11251 – 11350	636		100 kg or
3151 – 3250	312	7251 – 7350	476	11351 – 11450	640		fraction
3251 – 3350	316	7351 – 7450	480	11451 – 11550	644		Thereof
3351 – 3450	320	7451 – 7550	484	11551 – 11650	648		
3451 – 3550	324	7551 – 7650	488	11651 – 11750	652		
3551 – 3650	328	7651 – 7750	492	11751 – 11850	656		
3651 – 3750	332	7751 – 7850	496	11851 – 11950	660		
3751 – 3850	336	7851 – 7950	500	11951 – 12050	664		
3851 – 3950	340	7951 – 8050	504	12051 – 12150	668		
3951 – 4050	344	8051 – 8150	508	12151 – 12250	672		
4051 – 4150	348	8151 – 8250	512	12251 – 12350	676		
4151 – 4250	352	8251 – 8350	516	12351 – 12450	680		
4251 – 4350	356	8351 – 8450	520	12451 – 12550	684		
4351 – 4450	360	8451 – 8550	524	12551 – 12650	688		
4451 – 4550	364	8551 – 8650	528	12651 – 12750	692		
4551 – 4650	368	8651 – 8750	532	12751 – 12850	696		
4651 – 4750	372	8751 – 8850	536	12851 – 12950	700		
4751 – 4850	376	8851 – 8950	540	12951 – 13050	704		
4851 – 4950	380	8951 – 9050	544	13051 – 13150	708		
4951 – 5050	384	9051 – 9150	548	13151 – 13250	712		

## 2.2.5. Trailers and semi-trailers

No distinction is made according to region or type of fuel

Weight	€	Weight	€	Weight	€	Weight	€
< 550	20	3051 – 3150	144	5651 – 5750	268	8251 – 8350	392
551 – 650	24	3151 – 3250	148	5751 – 5850	272	8351 – 8450	396
651 – 750	32	3251 – 3350	152	5851 – 5950	276	8451 – 8550	400
751 – 850	36	3351 – 3450	160	5951 – 6050	284	8551 – 8650	408
851 – 950	40	3451 – 3550	164	6051 – 6150	288	8651 – 8750	412
951 – 1050	44	3551 – 3650	168	6151 – 6250	292	8751 – 8850	416
1051 – 1150	48	3651 – 3750	172	6251 – 6350	296	8851 – 8950	420
1151 – 1250	56	3751 – 3850	176	6351 – 6450	300	8951 – 9050	424
1251 – 1350	60	3851 – 3950	184	6451 – 6550	308	9051 – 9150	432
1351 – 1450	64	3951 – 4050	188	6551 – 6650	312	9151 – 9250	436
1451 – 1550	68	4051 – 4150	192	6651 – 6750	316	9251 – 9350	440
1551 – 1650	72	4151 – 4250	196	6751 – 6850	320	9351 – 9450	444
1651 – 1750	76	4251 – 4350	200	6851 – 6950	324	9451 – 9550	448
1751 – 1850	84	4351 – 4450	208	6951 – 7050	332	9551 – 9650	452
1851 – 1950	88	4451 – 4550	212	7051 – 7150	336	9651 – 9750	460
1951 – 2050	92	4551 – 4650	216	7151 – 7250	340	9751 – 9850	464
2051 – 2150	96	4651 – 4750	220	7251 – 7350	344	9851 – 9950	468
2151 – 2250	100	4751 – 4850	224	7351 – 7450	348	9951 – 10050	472
2251 – 2350	108	4851 – 4950	232	7451 – 7550	352	≥ 10051	increase
2351 – 2450	112	4951 – 5050	236	7551 – 7650	360		by €1,19
2451 – 2550	116	5051 – 5150	240	7651 – 7750	364		for every
2551 – 2650	120	5151 – 5250	244	7751 – 7850	368		100 kg or
2651 – 2750	124	5251 – 5350	248	7851 – 7950	372		fraction
2751 – 2850	132	5351 – 5450	252	7951 – 8050	376		thereof
2851 – 2950	136	5451 – 5550	260	8051 – 8150	384		
2951 – 3050	140	5551 – 5650	264	8151 – 8250	388		

## 3. TAXES ON MOTORING

### 3.1. Fuel taxes

Price of fuels on 31.12.2006 in € per litre

	Unleaded Euro 95	Diesel
Tax exclusive price	0.58	0.56
Total tax (excl. VAT)	0.68	0.37
Price excl. VAT	1.24	0.93
VAT 19%	0.24	0.18
Price at the pump	1.48	1.11



## PRIVATE USE OF A COMPANY CAR

If the private use of the company car exceeds 500 km a year, 22% of the vehicle's catalogue value will be considered part of the driver's/user's income.

If the private use is less than 500 km a year, no extra income tax is charged.

## 5. PERIODICAL INSPECTION OF VEHICLES

### 5.1. Organisation of the inspection

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The annual inspection of private cars and light commercial vehicles more than three years of age was introduced on 15 September 1985.

It is organised by:

the administration
authorised private garages
stations of the Royal Dutch Touring Club
other authorised workshops

### 5.2. Duration of the inspection

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

# 1. TAXES ON ACQUISITION

## 1.1. VAT

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Under "the Act on the Goods and Services tax" passed on 11 March 2004 all new vehicles sold in the country are subject to 22% VAT. In accordance with article 2.10 of the legislation a given vehicle meets the definition of a new means of transport providing that their mileage does not exceed 6,000 kilometers or not more than 6 months have elapsed from the date of their commissioning.

VAT is calculated as follows :

$$\text{VAT} = (V + T + E) \times 22\%$$

Note:

V - customs value of the vehicle or value stated in the invoice, if the vehicle has been manufactured in the EU;

T - tax rate (only for vehicles imported from outside the EU; for EU imported vehicles the rate is 0);

E - 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

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The Act on Excise Tax" was passed on 23 January 2004 and came into force on 1 May 2004.

Excise taxpayers are:

- Entities selling passenger cars before their first registration
- Importers and intra- community purchasers

It means that both dealers and importers/intra- community purchasers will be taxed by excise in case of selling a car before its first registration. In order to avoid double taxation of the same product the "Act on excise tax" entitles the taxpayer - dealer to deduct from his tax payment the excise tax paid by the importer/intra- community purchaser in the previous stage.

**Taxable base**

- The taxable base for car sales is the amount due for the sale exclusive of VAT and excise tax (article 10.10)
- The taxable base for imports is the customs value including the customs duty and other fees and charges ( article 10.1 point 4 and 10.6-9)
- The taxable base for intra-community car purchases is the amount the purchaser is obliged to pay (article 82.3)

**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 x vehicle value

< 2000 cc	3.1 %
> 2000 cc	13.6%

## 1.3. Allowable deductions

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### VAT exemption

Current binding ways on deduction input tax in purchase of cars came into force on 22 of August 2005 r. It was the second amendment of this issue in " the Act on the Goods and Services tax".

Article 86.3 of the "Act on the Goods and Services Tax states that: "in case of acquisition of passenger cars or other motor vehicles of maximum authorized total mass not exceeding 3.5 tons the amount of input tax shall be 60% 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 – though not more than PLN 6000".

Therefore, it means that the whole input tax can be deducted only in case of vehicles which exceed 3.5 tons; in the case of purchase of cars which do not exceed 3.5 tons, the deduction is limited to 60% of the value stated in the invoice and not more that PLN 6000.

The "Act on the Goods and Services Tax" stipulates some exceptions concerning limits of input tax deduction. Limits of input tax deduction (paragraph 3 of article 86 ) does not refer to situations where vehicles comply with special technical conditions. In case of purchase of such vehicles, the taxpayer can deduct 100% of the input tax even if a vehicle does not exceed 3.5 tons.

Types of vehicles are described in details in 6 points of paragraph 4 of article 86 - generally it could be said that it refers to vehicles:

1. with one row of seats and with a durable wall or partition classified pursuant to the " Law on road Traffic" to the subcategory MPV or van;
  2. vehicles with one row of seats, in which the loading part exceeds 50% of the vehicle length and separated from the loading part with a durable wall or partition;
  3. vehicles with open part designated for load transport (pickups);
  4. vehicles in which driver's cockpit and car body are divided;
  5. special vehicles (i. e. excavators);
  6. vehicles for carrying at least 10 persons including the driver
- with respect to above mentioned vehicles limited deductions do not apply – taxpayer can deduct 100% of input tax.

Fulfillment of the above mentioned special technical conditions is verified by additional technical examination carried out in regional stations of vehicles control and registration certificate of vehicle with appropriate note about fulfillment of these criteria.

100 % deduction is also possible with respect to cases whereby resale or letting out for use for a consideration under a leasing agreement of those vehicles constitutes an object of the taxable person's business.

### Reduction of the amount of tax or refund of the tax in purchase of motor fuel, fuel oil and LPG

Pursuant to article 88.3 of the "Act..." the reduction of the amount or refund of the tax due shall not be applied to the [...] motor fuel, fuel oil and LPG used for driving passenger cars and other automotive vehicles specified in article 86.3 (vehicles with limited deduction of input tax).

It means that the taxpayer cannot deduct input tax paid in the purchase of fuels, fuel oils and LPG for cars with limited deduction.

The act does not stipulate precisely if there is a possibility of deduction for motor fuel, fuel oil and LPG used for vehicles which comply with special technical conditions. Therefore this question is controversial and is an object of many different interpretations.

#### 1.4. Registration charges

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##### Registration fee

The registration fee amounts to 181 PLN for cars (including buses and coaches) and 124 PLN for motorcycles.

An identification card is issued for each new or second-hand vehicle upon first registration.

The fee for this card amounts to 75 PLN.

##### 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 real vehicle value (not purchase contract).

## 2. TAXES ON OWNERSHIP

There are no typical ownership taxes in Poland.

## 3. TAXES ON MOTORING

##### Fuel taxes

Excise tax for petrol 1315 PLN/t

Excise tax for diesel oil 1180 PLN/t

VAT tax for both petrol and Diesel oil amounts to 22%

Tax value in retail price of petrol 54%

Tax value in retail price of Diesel 50%

##### Average fuel prices

Tax inclusive prices at the end of 2006 are as follows :

Petrol : 3.56 – 3.81 PLN/l

Diesel : 3.60 PLN/l

## 4. PERIODICAL INSPECTION OF VEHICLES

Motor vehicles are obliged to undergo a technical examination in control stations authorized by the Road Transport Inspector first after 3 years of motoring, then again after 2 years of motoring, and thereafter every year.

# 1. TAXES ON ACQUISITION

## 1.1. Car Tax (IA)

Car Tax (IA) is only applied to vehicles up to 3.5 t of gross weight.

Historically, the IA was calculated on the basis of the cylinder capacity. An environmental component (CO<sub>2</sub> emissions) was introduced on 1 July 2006. Please note that the IA will be replaced by a new tax called ISV (Imposto Sobre Veículos). Details of this new tax are under 1.2.

The IA is calculated as follows:

### 1.1.1. Passenger cars, off-road vehicles and MPV up to 2,300kg\*

For these vehicles, the IA consists of a combination of a cylinder capacity component and an environmental component. Whereas the cylinder capacity component is the same for all vehicles, the environmental component is different for petrol and diesel vehicles respectively. Moreover, vehicles with very low CO<sub>2</sub> emissions benefit from a deduction from the total IA.

#### Cylinder Capacity Component

Cylinder Capacity	Car Tax (IA)
< 1250 cc	IA = 3.54 x CC – €2,285.92
> 1250 cc	IA = 8.38 x CC – €8,333.32

#### Environmental Component

##### Petrol cars

CO <sub>2</sub> (g / Km)	Car Tax
<= 120	0.41 x CO <sub>2</sub>
121-180	5.62 x CO <sub>2</sub> - €624.85
181-210	21.49 x CO <sub>2</sub> - €3,482.63
> 210	29.31 x CO <sub>2</sub> - €5,125.01

##### Deduction from total IA ( CC + CO<sub>2</sub> components)

CO <sub>2</sub> (g / Km)	Deduction
<= 110	€150
> 110	€50

##### Diesel cars

CO <sub>2</sub> (g /Km)	Car Tax
<= 100	1.02 x CO <sub>2</sub>
101 – 150	10.31 x CO <sub>2</sub> - €918.90
151 – 180	29.31 x CO <sub>2</sub> - €3,784.34
> 180	34.20 x CO <sub>2</sub> - €4,664.64

##### Deduction from total IA ( CC + CO<sub>2</sub> components)

CO <sub>2</sub> (g / Km)	Deduction
<= 90	€150
91 - 100	€50

For example, the car tax on a 1600 cc and 142 CO<sub>2</sub> (g/Km) and petrol car would amount to:

Cylinder Capacity Component = 8.38 x 1600 – 8,333.32= €5,074.68

Environmental Component = 5.62 x 142 – 624.85= €173.19

IA = €5,074.68 + €173.19 - €150 = €5,097.87

- \* For electric vehicles a conversion formula to obtain cylinder capacity is applied.  
CC = Power (in kw) x 26.667
- \* For Wankel vehicles a conversion formula to obtain cylinder capacity is applied.  
CC = 2xcm<sup>3</sup> Wankel engine.

### 1.1.2. Dual passenger-cargo vehicles

The table presented below is used for the calculation of the Car Tax (IA) applied to vehicles with **more than 3 seats**, including the driver, of the following categories:

- Delivery Vans over 2.3t. of gross weight. with cargo boxes measuring at least 1.45m (length) x 1.3m (height)
- Pick-Up's 2WD

Cylinder Capacity	Car Tax (IA)
< = 1250 cc	IA = 0.40 x CC – € 252.51
> 1250 cc	IA = 0.93 x CC – €916.16

### 1.1.3. Multipurpose vehicles - delivery vans

The table below is used for the calculation of the Car Tax (IA) applied to vehicles with **more than 3 seats**, including the driver, which are not dual passenger-cargo vehicles, of the following categories:

- Multipurpose Vehicles over 2.3t. of gross weight
- Delivery Vans over 2.3t.

Cylinder Capacity	Car Tax (IA)
< = 1250 cc	IA = 2.34x CC – 1,515.06
> 1250 cc	IA = 5.55 x CC – 5,535.25

### 1.1.4. Passenger car derived vans

Cylinder Capacity	Car Tax (IA)
< = 1250 cc	IA = 1.56 x CC – €1.010.03
> 1250 cc	IA = 3.70 x CC – €3,677.40

### 1.1.5. Pick-ups 4wd

Pick-ups 4WD, with more than 3 seats, including the driver.

Cylinder Capacity	Car Tax (IA)
< = 1250 cc	IA = 1.17 x CC – €757.52
> 1250 cc	IA = 2.77 x CC – €2,748.47

## 1.2. ISV (Imposto Sobre Veiculos)

As from 1 July 2007, the IA will be replaced by a new car tax called ISV (Imposto Sobre Veículos). For passenger cars, off-road and multipurpose vehicles, the ISV consists of a combination of a cylinder capacity component and an environmental component. For other vehicles, the tax is based exclusively on cylinder capacity.

### 1.2.1. Passenger cars, off-road and multipurpose vehicles (\*)

#### Cylinder Capacity Component

(\*) Hybrid, LPG, CNG and multipurpose vehicles above 2.5t pay only 60% of the rates mentioned in the table.

Cylinder Capacity (cm <sup>3</sup> )	Car Tax
<= 1250 cc	1.96 x CC – €1,350.00
> 1250 cc	7.16 x CC – €7,850.00

## Environment Component

### Petrol cars

CO2 (g / Km)	Car Tax
<= 120	0.95 x CO <sub>2</sub>
121-180	18.50 x CO <sub>2</sub> - €2,106.00
181-210	53.00 x CO <sub>2</sub> - €8,316.00
> 210	60.00 x CO <sub>2</sub> - €9,786.01

### Diesel cars

CO2 (g /Km)	Car Tax
<= 100	2.60 x CO <sub>2</sub>
101 – 150	27.00 x CO <sub>2</sub> - €2,440.00
151 – 180	85.00 x CO <sub>2</sub> - €11,140.00
> 180	105.00 x CO <sub>2</sub> - €14,740.00

**Tax incentive:** A reduction of €500 is granted to diesel cars with particulate matter (PM) emissions below 5mg/Km.

### 1.2.2. Passenger car-derived vans, pick-ups & 4WD above 3.5t (\*)

Cylinder Capacity (cm <sup>3</sup> )	Car Tax
<= 1250 cc	3.83 x CC – €2,473.16
> 1250 cc	9.06 x CC – €9,010.66

(\*) Passenger car derived vans pay 60% of this rate, pick-ups and 4WD only 30%.

### 1.2.3. Motorcycles, tricycles, quadricycles

Cylinder Capacity (cm <sup>3</sup> )	Car Tax
180 – 750 cc	€50.00
> 750 cc	€100.00

## 1.3. VAT

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VAT at the rate of 21% is calculated on the net price after all discounts, but inclusive of car tax. The VAT rate applied to agricultural tractors is 12%.

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 (21%), which is calculated according to the EU rules on second hand vehicle taxation. The tax is applied to the difference between the selling price and the purchase price (gross profit). The costs of repairs are not included in the purchase price.

The transfer of property must be registered in a special department of the Ministry of Justice, which then issues the document of title. The registration costs € 30.

## 1.4. Allowable deductions

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### 1.4.1. VAT

The VAT applied to commercial vehicles, including Delivery Vans, Pick-Up's and Passenger Car Derived Vans, is deductible by companies.

The VAT paid on diesel (19%) consumed by heavy vehicles (over 3.5t of gross weight) is deductible by companies, owners of those vehicles, at the rate of 50%.

## 1.4.2. 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 (up to 3.5t) (passenger and goods)	25%
Heavy vehicles (passenger and buses)	20%
Trailers (transport of goods)	20%
Agricultural tractors	16.66%

## 1.5. Registration charges

### 1.5.1. Issue of a new plate

Vehicle Type	Registration Tax
All types	€ 33

The issue of a new plate is made by the Government Traffic Department (DGV – Direcção-General de Viação) just before the purchase by consumers and after the payment of the car tax (IA).

### 1.5.2. Ownership registration

Vehicle Type	Registration Tax
All types	€ 60

The transfer of property must be registered in a special department of the Ministry of Justice, which then issues the document of title.

## 2. TAXES ON OWNERSHIP

Please note that as from 1 July 2007, the haulage tax, road tax, and municipal car tax will be replaced by a single tax called IVC (Imposto Unico de Circulação). Details of this new tax are below under 2.6.

### 2.1. Basis of assessment

PRIVATE CARS	essentially cylinder capacity
COMMERCIAL VEHICLES	essentially maximum permissible weight

### 2.2. Rates

A series of annual taxes are imposed on the ownership of motor vehicles. Some of these apply to all vehicles indiscriminately, while others are levied on certain kinds of vehicles only.

The table below, provides further details:

	Motorcycles	Private Cars	Commercial Vehicles
Haulage tax	No	No	Public transport
Road tax	No	No	Private transport
Municipal Car tax (annual tax disc)	Yes	Yes	No



## 2.3. Haulage tax

All vehicles used for the public transportation of goods (transport companies fleets) are liable to this tax which depends on the gross weight of the vehicle according to the following tables (rates in Euros):

### Vehicles with gross weight < 12t

Gross weight (Kg)	Annual rates €
≤ 2 500	16.46
2 501 - 3 500	27.43
3 501 - 7 500	62.35
7 501 – 11 999	104.75

### Vehicles with gross weight > 12t

Gross weight (Kg)	Air suspension or equivalent	Other types of suspension
	Annual rates €	Annual rates €
<b>2 axles</b>		
< 12 000	103.37	104.90
12 001 - 12 999	121.24	156.89
13 000 - 13 999	122.69	152.54
14 000 – 14 999	123.42	157.51
15 000 - 17 999	148.83	217.04
≥ 18 000	174.48	274.38
<b>3 axles</b>		
< 15 000	102.86	123.42
15 000 - 17 999	123.05	158.29
18 000 - 20 999	147.67	208.16
21 000 - 22 999	148.39	222.59
≥ 23 000	222.59	277.60
<b>4 axles</b>		
< 23 000	123.05	156.74
23 000 - 24 999	172.28	207.35
25 000 - 25 999	196.89	227.09
26 000 - 26 999	319.31	396.49
27 000 - 28 999	320.89	397.65
≥ 29 000	361.79	535.66

### Articulated vehicles and vehicles + trailers

Gross weight (Kg)	Air suspension or equivalent	Other types of suspension
	Annual rates €	Annual rates €
<b>2 +1 axles</b>		
< 12 000	100.00	100.00
12 001 - 17 999	119.05	152.39
18 000 – 24 999	153.14	200.00
25 000 – 25 999	192.74	281.36
≥ 26 000	289.96	386.61
<b>2+2 axles</b>		

< 23 000	119.05	152.69
23 000 - 24 999	143.36	191.99
25 000 - 25 999	167.49	201.59
26 000 - 28 999	239.98	336.63
29 000 - 30 999	287.98	390.35
31 000 - 32 999	339.28	449.64
≥ 33 000	451.84	519.77
<b>2+3 axles</b>		
< 36 000	334.98	383.97
36 000 - 37 999	360.68	498.96
≥ 38 000	496.53	536.51

<b>3+2 axles</b>		
< 36 000	285.72	333.33
36 000 - 37999	338.29	442.01
38 000 - 39 999	442.01	517.26
≥ =40 000	611.41	711.10
<b>3+3 axles</b>		
< 36 000	238.10	309.52
36 000 - 37 999	311.06	384.73
38 000 - 39 999	360.68	386.61
≥ =40 000	365.28	520.87

## 2.4. Road tax

All vehicles used for the carriage of goods, including cars and agricultural tractors whose maximum permissible weight exceeds 2500 kg and trailers, except transport companies fleets, are subject to an annual road tax. This tax is calculated with reference to the gross weight of the vehicle according to the following tables:

### Vehicles with gross weight < 12 t

Gross weight (Kg)	Annual rates €
< 2 500	25.54
2 501 - 3 500	42.74
3 501 - 7 500	101.16
7 501 - 11 999	166.00

### Vehicles with gross weight ≥ 12 t

Gross weight (Kg)	Air suspension or equivalent	Other types of suspension
	Annual rates €	Annual rates €
<b>2 axles</b>		
≤ 12 000	154.17	156.91
12 001 - 12 999	218.11	255.38
13 000 - 14 999	219.17	256.88
15 000 - 17 999	243.99	269.21
≥ 18 000	308.31	338.98
<b>3 axles</b>		

< 15 000	153.59	216.83
15 000 – 16 999	216.41	242.34
17 000 – 17 999	216.41	244.70
18 000 – 18 999	278.14	306.53
19 000 – 20 999	278.95	306.53
21 000 - 22 999	279.49	308.31
≥ 23 000	310.39	341.43
<b>4 axles</b>		
< 23 000	216.83	241.63
23 000 - 24 999	274.65	306.53
25 000 - 25 999	277.60	306.83
26 000 - 26 999	517.79	579.92
27 000 - 28 999	521.92	586.71
≥ 29 000	528.54	591.23

### Articulated vehicles and vehicles + trailers

Gross weight (Kg)	Air suspension or equivalent	Other types of suspension
	Annual rates €	Annual rates €
<b>2 +1 axles</b>		
≤ 12 000	100.00	100.00
12 001 - 17 999	119.05	152.39
18 000 - 24 999	153.14	200.00
25 000 - 25 999	192.74	281.36
≥ =26 000	289.96	386.61
<b>2+2 axles</b>		
< 23 000	119.05	152.69
23 000 – 24 999	143.56	191.99
25 000 - 25 999	167.49	201.59
26 000 - 28 999	239.98	336.63
29 000 - 30 999	287.98	390.35
31 000 - 32 999	339.28	449.54
≥ =33 000	451.84	519.77
<b>2+3 axles</b>		
< 36 000	334.98	383.97
36 000 - 37 999	360.68	498.96
≥ 38 000	496.53	536.51
<b>3+2 axles</b>		
< 36 000	285.72	333.33
36 000 - 37 999	338.29	442.01
38 000 - 39 999	442.01	517.26
≥ =40 000	611.41	711.10
<b>≥ =3+3 axles</b>		
< 36 000	238.10	309.52
36 0000 – 37 999	311.06	384.73
38 0000 – 39 999	360.68	386.61
≥ 40 000	365.28	520.87

## 2.5. Municipal Car tax

This tax is applied to Passenger Cars, Off-road vehicles, Car Derived Vans and Delivery Vans (with more than 3 passengers).

This charge is annual and its amount varies according to the age of the vehicle as follows:

GROUPS	Passenger Cars			Annual Tax €		
	Petrol (cc)	Other fuels (cc)	Voltage	Year > 1995	1990-1995	1977-1989
A	≤ 1000	≤ 1500	≤ 100	15.88	8.84	5.31
B	1001 – 1300	1501 – 2000	> 100	31.71	15.88	8.29
C	1301 – 1750	2001 – 3000		49.26	24.71	11.18
D	1751 – 2600	> 3000		124.53	59.89	23.49
E	2601 – 3500	-	-	197.64	95.06	45.24
F	> 3500	-	-	350.07	161.86	67.44

GROUPS	Motorcycles	Annual Tax €		
	(cc)	Year > 1996	1992-1996	1987-1991
G	180 – 250	4.76	-	-
H	251 – 350	6.55	4.76	-
I	351 – 500	15.88	8.84	5.31
J	501 – 700	49.26	24.71	11.18
K	> 750	99.68	48.13	23.49

## 2.6. IVC

As from 1 July 2007, a single tax (Imposto Unico de Circulação) replaces the three taxes mentioned above. For passenger cars, off-road vehicles and multipurpose vehicles up to 2.5t, the tax combines a cylinder capacity component with an environmental (CO<sub>2</sub>) component. For other vehicles, the tax is based exclusively on cylinder capacity.

**Passenger cars, off-road vehicles and multipurpose vehicles up to 2,500kg**

**Cylinder Capacity Component**

Cylinder Capacity	Car Tax
≤ 1250	€25
1251 – 1750	€50
1751 – 2500	€100
>2500	€300

**Environmental Component :**

CO2 (g / Km)	Car Tax
≤ 120	€50
121-180	€75
181-250	€150
> 250	€250

## Delivery vans and multipurpose vehicles above 2,500Kg

Gross weight (Kg)	Car Tax
< = 2500	€27
2501 - 3500	€45

## Motorcycles, tricycles, quadricycles

Cylinder Capacity(cm <sup>3</sup> )	Annual Tax
180 – 250	€10
251 – 350	€15
351 – 500	€20
501 – 750	€50
751 - 1000	€75
1001 - 1500	€100
>1500	€150

## 3. TAXES ON MOTORING

### 3.1. Fuel taxes

#### Price of fuel in February 2007 €/Litre

	Euro-Super 95	Automotive Gasoil
(*) Price without taxes	0.426	0.464
VAT	21%	21%
(*) Tax on petroleum products(ISP	0.57878	0.36024
(*) Price to consumers	1.230	1.017

(\*) Average from 1<sup>st</sup> January to 28<sup>th</sup> February 2007

## 4. PRIVATE USE OF A COMPANY CAR

Expenses on company cars not exceeding € 29,928 are considered costs of the company in account terms.

The benefit of a company car for private use is taxable at the monthly rate of 0.75% of its purchase price. This amount is considered personal revenue of the employee and, thus, taxable accordingly.

## 1. TAXES ON ACQUISITION

### 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 and vans/buses with G.V.W. up to 3.5 tonnes.

For other vehicles, VAT is deductible.

## 2. TAXES ON OWNERSHIP

### 2.1. Road tax

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The annual road tax depends on:

-the service weight and fuel used for **passenger cars** not fulfilling environmental class 2005. For cars fulfilling environmental class 2005 (Euro 4) the tax is CO<sub>2</sub>-related (see below).

-G.V.W., number of axles, fuel used and fulfillment of exhaust emission requirements for **trucks and buses**

#### Annual road tax for passenger cars not fulfilling environmental class 2005 (Euro 4)

Service weight	Tax Petrol	Diesel
Up to 900 kg	SEK 720	SEK 2,290
901-1000 kg	SEK 903	SEK 2,870
Excess per 100 kg	+SEK 183	+SEK 580

#### Annual road tax for passenger cars fulfilling environmental class 2005 (Euro 4)

A new CO<sub>2</sub>-related annual road tax was introduced on 1 October 2006 for passenger cars fulfilling environmental class 2005 (Euro 4). The formula for the new CO<sub>2</sub>-related tax is **SEK 360 + SEK 15 for every gramme CO<sub>2</sub> above 100 grammes**. For diesel cars this sum is multiplied with 3.5. For cars equipped with technology for running with an alternative fuel (E85, ethanol, methanol, producer gas, natural gas or biogas) the tax is SEK 10 for every gramme above 100 grammes instead of SEK 15.

*Examples:*

- Petrol fuelled car with CO<sub>2</sub>-emission 225 g/km: SEK 360 + SEK 15 x 125 = SEK 2 235 in annual road tax.

- Diesel fuelled car with CO<sub>2</sub>-emission 170 g/km: 3.5 x (SEK 360 + SEK 15 x 70) = SEK 4 935 in annual road tax

- E85 fuelled car with CO<sub>2</sub>-emission 200 g/km: SEK 360 + SEK 10 x 100 = SEK 1 360 in annual road tax

For cars and light trucks/buses up to 3.5 tonnes wholly or partly **driven by electricity** the former exemption of road tax during the first five years has been abolished for vehicles with first registration from 1 October 2006.

### Tax incentive for diesel cars with particulate filter

On 1 July 2006 a tax incentive of SEK 6 000 on the annual road tax was introduced for light diesel vehicles (cars and truck/buses up to G.V.W. 3.5 tonnes) equipped with a particulate filter (max. 5 mg/km). The tax incentive is applied as a deduction of the annual road tax for cars and light trucks/buses newly registered up to the end of 2007. The deduction will remain in place until the end of 2012. The deduction is

SEK 6 000 in total and is spread out over more than one year if the annual tax is less than SEK 6 000. If the annual road tax is for example SEK 4 000 the deduction in the first year is SEK 4 000 and in the second year SEK 2 000.

### Annual road tax for commercial vehicles

On 1 October 2006 an environment-oriented annual road tax on heavy trucks above 3.5 tonnes was introduced. For heavy trucks and buses over 3.5 tonnes that fulfill environmental class 2005 (Euro 4) or more stringent requirements the annual road tax has been reduced while vehicles not fulfilling Euro 4 have the same tax as was applied before 1 October 2006.

Annual road tax for commercial vehicles that fulfill Euro 4 (1)  
(weight in G.V.W., some examples)

	SEK/year
Bus, diesel, 3 t	3,335
Bus, diesel 3 axles, 25 t	16,457
Truck, diesel, 2 axles, 3 t	3,335
Truck, diesel, 3 axles, 25 t	3,525(2)
Truck for semitrailer, 3 or more axles, 25 t(1)	9,491(2)
Trailer for diesel truck, 3 or more axles, 30 t	10,405

- (1) Annual road tax is levied only on the truck, not on the semi-trailer.
- (2) Truck that also pay Eurovignette fee.  
If Eurovignette fee is not paid, the annual road tax is correspondingly higher.

The Eurovignette fee for 2007 is:

SEK 7 741- 8 743 (depending on environmental performance) for heavy vehicles < 3 axles  
SEK 12 751- 14 117 for vehicles with 4 axles or more

## 2.2. Register keeping fee

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In connection with paying annual road tax, a register keeping fee of SEK 35 per vehicle is paid.

## 3. TAXES ON MOTORING

### 3.1. Fuel Taxes

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From 1 January 2007 the fuel taxes (incl. VAT) were increased by 9 öre/litre on petrol and by 7 öre/litre on diesel fuel. The new rates are set out below.

SEK/litre	Petrol	Diesel
	1 January 2007	1 January 2007
	Unleaded environmental class 1	Environmental class 1
Energy tax	2.90	1.057
Carbon dioxide tax	2.16	2.663
VAT (25%)	2.14	2.08
Total taxes	7.20	5.80
Price at pump	10.69	10.39

On ethanol no energy tax or carbon dioxide tax is paid. On gas, carbon dioxide tax is paid but no energy tax.

### 3.2. Other Charges

According to a proposal by the Swedish government the scrapping fee on new cars and light trucks/buses (up to 3.5 tonnes) and the scrapping premium on scrapped cars and light trucks/buses (up to 3.5 tonnes) will be abolished from 1 June 2007 in connection with the implementation of the ELV directive in Sweden. The government has also announced that the remaining part of the scrapping fund will be used for compensation to vehicle owners scrapping cars and light trucks/buses (up to 3.5 tonnes) older than 1989 year model.

Up to the end of May 2007 the following rules regarding scrapping fee/scrapping premium are valid :  
For every new car and truck/bus with a G.V.W. up to 3.5 tonnes attributable to producer responsibility a **scrapping fee** of SEK 700 is levied.

For corresponding vehicles not attributable to producer responsibility and private imports a **scrapping fee** of SEK 1500 is levied.

For vehicles attributable to economic producer responsibility a **scrapping premium** of SEK 700 is paid to the vehicle owner when the vehicle has been scrapped by an authorized scrapper.

For vehicles not attributable to the economic producer responsibility system\* including private imports the **scrapping premium** is:

SEK	700	for a vehicle not more than 7 years old
SEK	1,200	for a vehicle between 7-16 years old
SEK	1,700	for a vehicle more than 16 years old

\*Vehicles not attributable to economic producer responsibility are:  
cars and light trucks/buses up to 3.5 tonnes registered before 1 January 1998  
all privately imported cars and light trucks/buses up to 3.5 tonnes.

An exhaust emission **inspection fee** of SEK 75 is paid on every new car and commercial vehicle registered.

An **environmental fee** of SEK 30 is paid on new lead batteries. The fee shall cover the collection and recycling of lead batteries in Sweden.

## 4. PRIVATE USE OF A COMPANY CAR

In Sweden, the private use of a company car is regarded as a benefit in kind taxable under personal income tax.

The value to be regarded as personal income is divided into two parts:

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



The taxable amount is calculated as follows: 30 % of the base price amount (SEK 40 300 in 2007), + 75 % of the government loan interest rate at the end of November the year before the income year multiplied with the new car price, + 9 % of the new car price. The government loan interest rate was 3.54% at the end of November 2006.

If the employer pays all the fuel, the employee has to regard 120 % of the value of the fuel used for private driving as personal income.

There is a tax reduction for cars that are wholly or partly driven by electricity and cars driven by alcohol or gas (not LPG):

- for **electric or electric-hybrid cars** and cars driven by gas (not LPG) there is a reduction of the value for personal income taxation of 40 % compared to the corresponding or comparable car driven by petrol or diesel. The reduction of the taxation value shall not exceed SEK 16 000 per year in comparison with the corresponding petrol/diesel car.
- for cars driven **by alcohol** the reduction of the taxation value is 20 % and the reduction shall not exceed SEK 8 000 compared to the corresponding petrol/diesel car.
- for cars driven by **LPG, rape-oil or other environmentally adjusted fuel** the taxation value is the same as the corresponding petrol/diesel car.

## 1. TAXES ON ACQUISITION

### 1.1. VAT

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

### 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. The rates are as follows:

Vehicle price (Slovenian Tolar)	Tax
< 1 million SIT	1.0%
1 million – 1.4 million SIT	1.4%
1.4 million – 1.8 million SIT	2.0%
1.8 million – 2.4 million SIT	3.5%
2.4 million – 3.0 million SIT	5.0%
3.0 million – 4.0 million SIT	7.0%
4.0 million – 5.0 million SIT	9.0%
5.0 million – 6.0 million SIT	11.0%
> 6 million SIT	13.0%

## 2. TAXES ON OWNERSHIP

No typical ownership taxes apply in Slovenia.

## 3. ENVIRONMENTAL TAXES AND FEES

### 3.1. Decree on environmental tax for environmental pollution caused by the generation of end-of-life vehicles (Official Journal of the Republic of Slovenia No 87/2005 and 118/2005)

Tax for 2006 is 14 SIT per kg of the weight of the vehicle, reduced by 75 kg (Article No 5. and 15. of the Decree)

### 3.2. Decree on environmental tax for the pollution of air with emission from carbon dioxide (Official Journal of the Republic of Slovenia No 43/2005 and 87/2005)

Basis for levying of the environmental tax because of fuel combustion is a unit of burden and equals the emission of 1 kg of CO<sub>2</sub> (Article 9 of the Decree and Attachment 1 (Attachment CO<sub>2</sub>))

Environmental tax for light oils is 7.2 SIT per litre.

No	Fuel or combustible organic substance	Amount of carbon discharged into the air from sources of combustion (kg C/MJ)	Number of units of burden because of CO <sub>2</sub> emission (UB/kg, UB/l, UB/m (third power) or UB/MJ)
	<b>LIQUID FUELS</b>		
1	light oils: motor petrol falling within CN	0.020	2.4 UB/l

	codes 2710 11 31, 2710 11 41, 2710 11 45, 2710 11 49, 2710 11 51, 2710 11 59 and 2710 11 70		
2	medium oils: kerosene falling within CN codes 2710 19 21 through 2710 19 29	0.020	2.4 UB/l
3	gas oils falling within CN codes 2710 19 41 through 2710 19 49	0.020	2.6 UB/l
4	fuel oils falling within CN codes 2710 19 61 through 2710 19 69	0.021	3.2 UB/kg
5	liquefied petroleum gas (LPG) falling within CN codes 2711 11 00, 2711 12 11, 2711 12 94, 2711 12 97, 2711 13 91 and 2711 13 97	0.017	2.9 UB/kg
6	residual fuel oil falling within CN code 2710 19 99	0.021	3.0 UB/kg
	GASBUS FUELS		
7	natural gas falling within CN codes 2711 21 00 and 2711 29 00	0.015	1.9 UB/Sm(third power) (*)
8	blast-furnace gas, petroleum gas, coke oven gas falling within CN code 2711 29 00	-	0.06 UB/MJ
	SOLID FUELS		
9	anthracite falling within CN codes 2701 11 10 and 2701 11 90	0.027	2.8 UB/kg
10	coke falling within CN codes 2704 00 19, 2704 00 30 and 2704 00 90	0.026	3.1 UB/kg
11	pitch coke falling within CN code 2708 20 00	0.028	3.1 UB/kg
12	petroleum coke falling within CN codes 2713 11 00 and 2713 12 00	0.028	3.1 UB/kg
13	hard coal falling within CN codes 2701 12 90, 2701 19 00 and 2701 20 00	0.026	2.3 UB/kg
14	brown coal, lignite falling within CN codes 2702 10 00 and 2702 20 00	0.026	1.5 UB/kg
15	lignite (domestic)	0.028	1.0 UB/kg
	COMBUSTIBLE ORGANIC SUBSTANCE		
16	Ethane	0.017	2.9 UB/kg
17	waste oils	0.020	2.6 UB/kg
18	urban waste	0.029	1.0 UB/kg

(\*) Sm(third power) – standard m(third power).

**3.3. Decree on environmental tax for environmental pollution on the use of lubricating oils and fluids** (Official Journal of the Republic of Slovenia No 53/2005)

Basis for levying of the environmental tax is a mass of lubrication oil expressed in kg. The environmental tax is paid in a specified amount per kg of lubrication oil (Article 6 and 16 of the Decree)

Environmental tax is 38 SIT per kg (16 SIT per kg of first class oil, 38 SIT per kg of second class oil as classified in Article 3 of the Decree)

## 1. TAXES ON ACQUISITION

### 1.1. VAT

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

VAT paid when importing the vehicle	19 %
Import duty from outside EU	10.5%
Proportional VAT calculated from difference between wholesale and general retail price	19 %

The taxpayer is not allowed to decrease the vehicle price by proportional VAT.  
The taxpayer is allowed to count the price of the vehicle which is bought for business purposes into allowances for depreciation for a total value of 800 000 Sk, respectively 950 000 Sk, when purchasing a vehicle on leasing terms (1st depreciation group – depreciation period 4 years).

### 1.2. Allowable deductions

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#### 1.2.1. VAT exemptions

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

Deductions are not allowed for passenger cars, estate (combi) cars etc. (ECE Cat. M1).

The deduction for LCVs up to 3.5t GVW (ECE Cat. N1) is still possible.

### 1.3. Registration charges

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The registration fee for a vehicle or trailer, including editing of appropriate documents, amounts to 1000 Sk  
The assignment of a registration number and the issuing of registration number plate, amounts to 500 Sk for each plate.

## 2. TAXES ON OWNERSHIP

There are no typical ownership taxes in the Slovak Republic.

### 2.1. Motor vehicle tax (former road tax)

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Any vehicle owner who uses his vehicle for business purposes is obliged to pay the road tax.

The legislation concerning tax on motor vehicles is specified in Act no. 582/2004 Z. z, which specifies local taxes and taxes on communal waste and small building waste. The assessment of tax is now the responsibility of local authorities. Therefore, these taxes may differ from region to region. The Act specifies also conditions for vehicles which are used in international transport and in combined transport.

a) **Passenger cars with engine capacity**

< 900 cm <sup>3</sup>	1 600 Sk
900 - 1 200 cm <sup>3</sup>	2 100 Sk
1 200 - 1 500 cm <sup>3</sup>	2 900 Sk
1 500 - 2 000 cm <sup>3</sup>	3 700 Sk
2 000 - 3 000 cm <sup>3</sup>	4 700 Sk
> 3 000 cm <sup>3</sup>	5 600 Sk

b) **Commercial vehicles and buses**

according to GVW and number of axles from 1 800 Sk
up to max. 71 800 Sk

## 3. TAXES ON MOTORING

### 3.1. Fuel taxes

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Taxes applicable on mineral oils are specified in Act no. 239/2001 Z.z.

#### Fuel taxes in 2006

Fuel	Excise duty	VAT
Petrol	450 €/1000 l	19%
Diesel fuel	420 €/1000 l	19%

### 3.2. Insurance

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#### 3.2.1. Generally

Subscription to third party insurance is compulsory for all registered motor vehicles. At present, eight authorized insurance companies provide compulsory insurance services. Rates are not regulated and there are small differences depending on the insurance company. Rates are specified in base rates, with additional charges for taxis, vehicle renting companies and driving schools. The level of the rate depends on engine rating and vehicle use.

## Rates

Motorcycles	rate in Sk
< 50 cm <sup>3</sup>	1 000
50 - 350 cm <sup>3</sup>	1 890
> 350 cm <sup>3</sup>	3 977

Passenger cars (up to 3.5 t GVW)	rate in Sk
< 1 300 cm <sup>3</sup>	4 653
1 300 - 1 800 cm <sup>3</sup>	7 783
1 800 - 2 500 cm <sup>3</sup>	11 831
> 2 500 cm <sup>3</sup>	16 855

LCVs (up to 3.5 t GVW)	rate in Sk
< 1 300 cm <sup>3</sup>	4 961
1 300 - 1 800 cm <sup>3</sup>	8 996
1800 – 2 500 cm <sup>3</sup>	11 831
> 2 500 cm <sup>3</sup>	30 571

Trucks	rate in Sk
3 500 - 12 000 kg	26 154
> 12 000 kg	35 248

Buses	rate in Sk
for public transport only	16 989
< 5 000 kg	24 992
> 5 000 kg	39 382

Trolleybuses	rate in Sk
for public transport only	13 186

These are average rates for single segment. Rates can change depending on insurance company. Each company offers several bonuses which can amount to 45% of the basic rate.

### 3.3. Road pricing

#### Highway fees for motor vehicles

<b>Annual</b>	GVW < 3.5 t	1 100 Sk
	GVW 3.5 t - 12 t	13 500 Sk
	GVW > 12 t	28 000 Sk
<b>1 month</b>	GVW < 3.5 t	300 Sk
	GVW 3.5 t - 12 t	2 600 Sk
	GVW > 12 t	3 000 Sk
<b>7 days</b>	GVW < 3.5 t	150Sk
	GVW 3.5 t - 12 t	1 100 Sk
	GVW > 12 t	1 200 Sk
<b>1 day</b>	GVW 3.5 t - 12 t	260 Sk
	GVW > 12 t	300 Sk

## 4. PRIVATE USE OF A COMPANY CAR

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

## 5. PERIODICAL INSPECTION OF VEHICLES

### 5.1. Inspections

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Compulsory periodical inspections of road vehicles include the Regular Technical Inspections (RTI) and the Regular Emission Measurements (REM).

# 1. TAXES ON ACQUISITION

## 1.1. VAT

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### 1.1.1. VAT on new vehicles

Cars (up to 12 seats) and motorised caravans are chargeable to VAT at the rate of 17.5 %, calculated on the invoice value.

Commercial Vehicles are taxed at the rate of 17.5 % on the net invoice value.

### 1.1.2. VAT on second-hand vehicles

Cars and motorised caravans: VAT at the rate of 17.5 % 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. 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 transactions between individuals are not taxed.

Commercial Vehicles: 17.5 % VAT is paid on the resale price of the vehicle.

## 1.2. Allowable deductions

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### 1.2.1. Deduction of VAT

#### 1.2.1.1. 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 taxable companies. Leasing companies and companies buying cars wholly for a business purpose are able to fully deduct VAT. Only 50 per cent of the VAT applying to the car leasing charge is recoverable where there is any use of the car for private motoring.

#### 1.2.1.2. Second-hand vehicles

VAT is generally not deductible on cars though 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

#### 1.2.2.1. Private cars

Private cars qualify for an annual depreciation allowance at the rate of 25% of the residual value. If the car costs more than £12,000, the depreciation is, however, limited to a maximum amount of £3,000 per annum.

#### 1.2.2.2. Commercial vehicles

Firms traditionally apply the reducing-balance method of depreciation at the annual rate of 25 % of the residual value.



### 1.3. Registration charges

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A flat rate first registration charge of £ 38 has been in place for all vehicles since 1st January 2004. A £25 flat rate fee was introduced in 1998.

## 2. TAXES ON OWNERSHIP

### 2.1. Basis of taxation

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Private cars	up to 1999	flat rate
	up to March 2001	graduated system (all cars based on engine size)
	from March 2001	existing cars based on engine size and new cars based on CO <sub>2</sub> emission ratings and fuel type (petrol/diesel/alternative fuels)
	Details of new cars graduated schemes are on page 3	
Buses and coaches	number of seats and environmental characteristics	
Commercial vehicles	structure based on deadweight and environmental characteristics	
Vehicle Excise Duty Rates	rates currently reviewed on a Budget by Budget basis (typically in March).	

### 2.2. Rates

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#### 2.2.1. Private cars and vans (of deadweight less than 3500 kg)

- Prior to 1999 there was a single annual charge, £150 in the year to June 1999.
- From 1 June 1999 there was an annual flat-rate charge of £155 if engine over 1.0 litres and £100 if engine 1.1 litres or under.
- From March 2001 these rates applied to a 1.2 litre engine size break point and from July 2001 to a 1.5 litre break point.
- From March 2001 for new cars a graduated system based on CO<sub>2</sub> emissions ratings and fuel type (petrol/diesel) was introduced (see page 3 for current rates). Please note: 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 its carbon dioxide emissions level in terms of grams per kilometre driven.

#### 2.2.2. Coaches and buses

A road tax is imposed on buses and coaches according to the 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 VED bands or rates. These are applied to rigid and articulated vehicles according to their gross vehicle weight and axle configurations (2, 3, 4 or more).

#### Trailer Duty

Where the pulling vehicle is over 12,000 kg and draws laden trailers over 4,000 kg additional duty is payable. Two rates for laden trailer 4,000 – 12,000 kg and over 12,000 kg. The rates are below.

## 2.2.4. Overview of Vehicle Excise Duty Rates

The tables below give the rates of vehicle excise duty which take effect for licences commencing 23<sup>rd</sup> March 2006:

**Private/Light Goods Vehicles** (Vehicles registered before 1 March 2001)  
(ie. goods vehicles not over 3,500 kg revenue weight)

**TC11 Registered before 1 March 2001** Private Vehicles Light Vans, Cars, Taxis etc.

	12 months rate £	6 months rate £
< 1549 cc	110.00	60.50
> 1549 cc	175.00	96.25

**Private/Light Goods Vehicles** (Vehicles registered on or after 1 March 2001)

Vehicles registered on or after 1 March 2001		Diesel Car TC 49		Petrol Car TC 48		Alternative Fuel Car TC 59	
Bands	CO <sub>2</sub> Emission Figure (g/km)	12 months rate £	6 months rate £	12 months rate £	6 months rate £	12 months rate £	6 months rate £
Band A	< 100	0	-	0	-	0	-
Band B	101 – 120	50.00	-	40.00	-	30.00	-
Band C	121 – 150	110.00	60.50	100.00	55.00	90.00	59.50
Band D	151 – 165	135.00	74.25	125.00	68.75	115.00	63.25
Band E	166 – 185	160.00	88.00	150.00	82.50	140.00	77.00
Band F	> 185	195.00	107.85	190.00	104.50	180.00	99.00

From March 23 2006 a new 'G' band was introduced for cars over 225g/km

Vehicles registered on or after 1 March 2001		Diesel Car TC 49		Petrol Car TC 48		Alternative Fuel Car TC 59	
Bands	CO <sub>2</sub> Emission Figure (g/km)	12 months rate £	6 months rate £	12 months rate £	6 months rate £	12 months rate £	6 months rate £
Band G	> 225	215.00	118.25	210.00	115.50	200.00	110.00

(Bands reclassified AAA became A, AA became B, A became C, B became D and so on from 1 April 2005). This set consistency with the voluntary new car CO<sub>2</sub>/environmental label.

**Motorcycles** (not over 450 kgs unladen)

	12 months rate	£ 6 months rate £
TC17 Motorcycles (with or without sidecar)	Not Over 150cc	15.00
	Over 150cc up to 400cc	31.00
	401 – 600cc	46.00
	All other motorcycles	62.00
TC50 Tricycles	Not over 150cc	15.00
	All other tricycles	62.00

## Buses TC34

Seating Capacity (excluding driver)	Reduced Pollution Buses TC38			
	12 months rate £	6 months rate £	12 months rate £	6 months rate £
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 rate £	6 months rate £
Trade Licences available for all vehicles	165.00	90.75
Trade Licences available only for bicycles & tricycles not over 450 kgs	60.00	33.00

## Light Goods Vehicles TC39 (Not over 3,500Kgs)

	12 months rate £	6 months rate £
Vehicles registered on or after 1 March 2001	170.00	93.50
Euro 4 compliant vehicles (TC36)	110.00	60.50

Euro 4 light goods vehicles TC36 - Euro 4 light goods vehicles registered between 1 March 2003 and 31 December 2006. In the 2006 Budget, the Chancellor announced that the Euro 4 emissions standards for vans will become mandatory for all vans registered after 31 December 2006. As a result of this, the Euro 4 Light Goods Vehicle taxation class (TC 36) will be closed to new entrants from 1 January 2007. From this date, any newly registered vehicle of this type will be licensed in the Light Goods Vehicle taxation class (TC 39). Please note: Vehicles that have been registered and licensed in TC 36 before 1 January 2007, will remain in there and continue to receive the concessionary rate of duty.

## General Haulage Vehicles

TC55	Reduced Pollution General Haulage Vehicles TC56			
	12 months	6 months	12 months	6 months
	350.00	192.50	165.00	90.75

## Recovery Vehicles TC47

Over	Not over	12 months rate £	6 months rate £
3,500	25,000	165.00	90.75
25,000	-	410.00	225.50

## Private HGV TC10 (Exceeding 3,500kgs)

	12 months rate £	6 months rate £
	165.00	90.75

## Rigid Vehicles

Key to HGV, VED bands

Vehicle weight	2 axled rigid	3 axled rigid	4 or more axled rigid
≤7,500 kg	A	A	A
≤15,000 kg	B	B	B
≤21,000 kg	D	B	B
≤23,000 kg	D	C	B
≤25,000 kg	D	D	C
≤27,000 kg	D	D	D
≤44,000 kg	D	D	E

## Trailer Duty

Trailer Duty TC02. Where the drawing vehicle has a weight of over 12,000 kg and draws laden trailers over 4,000 kg, additional trailer duty is payable.

Reduced Pollution Trailer Duty TC46

Over	Not Over	12 months rate £	6 months rate £	12 months rate £	6 months rate £
4,000	12,000	165.00	90.75	165.00	90.75
12,000	-	230.00	126.50	230.00	126.50

EXAMPLE: A 2-axled vehicle with a weight of 16,260 kg that draws trailers with a weight of 12,130 kg would pay £ 650 plus £ 230.00 annual rate.

NOTE: Vehicles that draw trailers 4,000 kg or below do not come within a trailer taxation class and no additional trailer duty is payable on them.

## Two axled tractive unit articulated vehicles

Key to HGV, VED bands

Vehicle weight	1 or more axled semi-trailer	2 or more axled semi-trailer	3 or more axled semi-trailer
≤ 25,000 kg	A	A	A
≤ 28,000 kg	C	A	A
≤ 31,000 kg	D	D	A
≤ 34,000 kg	E	E	C
≤ 38,000 kg	F	F	E
≤ 44,000 kg	G	G	G

## Three axled tractive unit articulated vehicles

Key to HGV, VED bands

Vehicle weight	1 or more axled semi-trailer	2 or more axled semi-trailer	3 or more axled semi-trailer
≤ 28,000 kg	A	A	A
≤ 31,000 kg	C	A	A
≤ 33,000 kg	E	C	A
≤ 34,000 kg	E	D	A
≤ 36,000 kg	E	D	C
≤ 38,000 kg	F	E	D
≤ 44,000 kg	G	G	E

## Key to HGV, VED bands

Lorry VED Band	Standard TC10		Reduced Pollution TC45	
	12 months rate £	6 months rate £	12 months rate £	6 months rate £
A	165.00	90.75	*160.00	*88.00
B	200.00	110.00	*160.00	*88.00
C	450.00	247.50	210.00	115.50
D	650.00	357.50	280.00	154.00
E	1,200.00	660.00	700.00	385.00
F	1,500.00	825.00	1,000.00	550.00
G	1,850.00	1,017.50	1,350.00	742.50

\* Where two or more bands show the same rate of duty the reminder renewal may display one band only.

Note: truck and bus&coach VED rates have not changed since April 2001.

## 3. TAXES ON MOTORING

### 3.1. Fuel taxes

December 2006 Pence/litre	Ultra Low Sulphur Unleaded	Ultra Low Sulphur Diesel
Product cost and distribution profit	26.71	31.39
VAT	4.67	5.49
Excise duty	48.35	48.35
VAT on excise duty	8.46	8.46
Total specific taxes	61.48	62.30
Price at the pump	88.20	93.70

Duty rates rose on December 7<sup>th</sup> 2006 for the first time since 1<sup>st</sup> October 2003. Previous increases were announced but not implemented, as the Government reacted to the rise in global oil prices.

## 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.

The benefit derived from the private use of a company car is subject to a tax based on the vehicle's list price, CO<sub>2</sub> and other environmental ratings. Van (including fuel) benefit was valued at £ 500 from 1993; a review was conducted in 2003 and the system was changed from 2005, with effect from April 2007. This removed a liability to van benefit where the van was only taken from home to work and back. The private use of a van is valued at £3,000 per year. If fuel is also given this is valued at £500.

The new company car tax uses a tax base of 35% of the tax inclusive list price of a car including any extras, accessories or options.

On April 2002, company car taxation was fundamentally changed, with discounts from the standard 35 % of list price charge being set according to a car's CO<sub>2</sub> emissions ratings (g/km) and fuel type (petrol/diesel/alternative fuels).

The previous reductions for business mileage and older cars no longer apply.

Company car and van benefit in kind is subject to employer's NICs. From April 2003, the rate will be 12.8%, payable in arrears in June following the year of assessment.

#### 4.1. Fuel charges

The benefit of fuel for private use in a car is taxable according to scale charges. From April 1998 until March 2003, these scale charges were increased by 20% over and above the usual increases in line with pump prices and fuel duty. From April 2003 a new system linking a car's CO<sub>2</sub> percentage rating for car benefit tax is to be applied to a set monetary value, £ 14,400, to fix the benefit value. For example if a car's CO<sub>2</sub> rating was 255g/km this would equate to a 35 percentage rate for car benefit and when applied to £ 14,400 would give a benefit value of £ 5,040 for private fuel. This system and basic £14,400 value remains at 2006/07.

From 1<sup>st</sup> May 2007 fuel charges will be based on a car's CO<sub>2</sub> emissions (they are expected to be in line with company car tax scaling). Full details of the scheme will be announced in Budget 2007.

##### Car fuel scale charges in 1998/1999 - 2001/2002 (in £)

Engine size cc	Scale charge 1998/1999	Scale charge 1999/2000	Scale charge 2000/2001	Scale charge 2001/2002
Petrol	≤ 1400	1,010	1,210	1,700
	1401 – 2000	1,280	1,540	2,170
	> 2001	1,890	2,270	3,200
Diesel	≤ 2000	1,280	1,540	2,170
	> 2001	1,890	2,270	3,200
Cars with no cc specified	2,270		3,200	3,620

##### Car fuel scale charges in 2002/2003 & 2003/2006 (in £)

Engine size cc	Scale charge 2002/2003	Charge 2003/2006
Petrol	≤ 1400	2,240
	1401 – 2000	2,850
	> 2001	4,200
Diesel	≤ 1400	2,850
	1401 – 2000	2,850
	> 2001	4,200
Cars with no cc specified	4,200	

Reference monetary value of £14,400 adjusted by car's percentage rate for car benefit tax

No special rules for second company cars, they are taxed on the same basis as first cars - list price and CO<sub>2</sub> ratings.

The tax liability is reduced pro rata if the beneficiary of the vehicle makes a contribution to the company for the private use of the vehicle, up to a limit of £ 5,000. Similarly, there is no tax liability if the employee provides all his own fuel for private motoring. The journey between the employee's home and workplace is treated as private travel.

Employers are obliged to pay National Insurance Contributions (at the rate of 11.8% in 2002/03, 12.8 % in 2003/04) on the benefit of the cars and fuel which they offer to their employees for their private use. The new company car tax still has a minimum (15 per cent rate of price) that will apply to cars emitting CO<sub>2</sub> at or below a specified qualifying level, measured in g/km. This is usually set for two years ahead at Budget

time. The rate for 2009/10 will be set at Budget 2007. The percentage charge will increase in 1% steps for each additional 5 g/km over that level up to a maximum charge of 35 % of the cars price.

Diesel cars will have a 3 % (15 g/km) supplement added to their actual percentage rate, up to the maximum charge of 35 % of list price. (This supplement was waived prior to 1<sup>st</sup> January 2006 if diesel cars meet the Euro 4 standard).

The maximum and minimum rates and corresponding CO<sub>2</sub>g/km emission values for 2002/2003 to 2008/2009 are listed below.

	2002/3	2003/4	2004/5	2005/7	2008/9
10%	-	-	-	-	120g/km
15 %	165 g/km	155 g/km	145 g/km	140 g/km	135g/km
35 %	265 g/km	255 g/km	245 g/km	240 g/km	235g/km

A new lower 10 per cent band for cars 120g/km or less comes into effect on April 6 2008.

Cars without an approved CO<sub>2</sub> emissions rating will be taxed on their engine size (cc).

Cars that are capable of running on alternative fuel such as LPG, CNG or battery-propelled cars, currently enjoy a discount from the equivalent company car percentage. There are different calculations of the discounts for bi-fuel gas and petrol cars depending on whether they are manufactured or converted to run on gas as well as petrol before or after the type approval.

The current discounts are:

- cost of conversion disregarded plus 1% discount for bi-fuel gas and petrol cars converted after type approval;
- 1% discount plus an additional 1% for each 20g/km the car's emissions fall below the level of CO<sub>2</sub> qualifying for the minimum petrol percentage charge for bi-fuel gas and petrol cars manufactured or converted before type approval;
- 2% discount plus an additional 1% for each 20g/km the car's emissions fall below the level of CO<sub>2</sub> qualifying for the minimum petrol percentage charge for hybrid petrol and electric cars; and
- 6% discount for electric-only cars.

For 2006/07 the discounts for cars that run on alternative fuels will be simplified to:

- cost of conversion disregarded for bi-fuel gas and petrol cars converted after type approval, no additional percentage discount;
- 2% discount for bi-fuel gas and petrol cars manufactured or converted before type approval;
- 3% discount for hybrid electric and petrol cars; and
- the 6% discount for electric-only cars will be maintained.

## 1. TAXES ON ACQUISITION

### 1.1. VAT

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

### 1.2. Registration duty

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Registration duties are as follows:

#### Road traffic administration tax

Ecological tax	80 BGN
Vehicle licence	67 BGN

#### Technical examination fee (putting into traffic, or periodic examination)

Motorcycle	13 leva
Motor vehicle	30 leva

## 2. TAXES ON OWNERSHIP

### 2.1. Motor vehicle tax

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The rates are as follows:

<b>Motorcycles</b>	
For scooters the tax is 10 leva	
For motorcycles as follows:	
Engine capacity	Tax
<125cc including	12 leva
126 - 250cc including	25 leva
251 - 350cc including	35 leva
351 - 490cc including	50 leva
491 – 750cc including	75 leva
> 750	100 leva
For tricycles the tax is determined in accordance with to the vehicle weight:	
< 400 kg including	4 leva
> 400 kg	6 leva
<b>Passenger cars</b>	
The taxes for automobiles are determined in accordance with the engine output plus de additional coefficient corresponding to the year of production as follows:	
<37 KW including	0.34 leva/KW
37 - 55 KW including	0.40 leva/KW
55 - 74 KW including	0.54 leva/KW
74 - 110 KW including	1.10 leva/KW
> 110 KW	1.23 leva/KW



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

Number of years after the production year, including the production year	Coefficient
Over 14 years	1
From 5 up to 14 years including	1.5
Up to 5 years including	2.8

#### Commercial vehicles

For automobile trailers the tax is as follows:

load trailer	5 leva
camping trailer	10 leva

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

< 22 seats including the driver's seat	50 leva
> 22 seats including the driver's seat	100 leva

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

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

Number of axles of the Tractor	Maximum permissible weight for the vehicle composition		Tax (in leva)	
	Equal or over	Under	Driving axle / axles with pneumatic suspension or pneumatic suspension equivalent	Other suspension systems to the driving axle/axles
A) with two axles		18	8	28
	18	20	28	64
	20	22	64	147
	22	25	190	342
	25	26	342	600
	26	28	342	600
	28	29	331	399
	29	31	399	655
	31	33	655	909
	33	38	909	1381
	38		1007	1369
B) with three or more axles	36	38	640	888
	38	40	888	1228
	40		1228	1817

For special construction vehicles (concrete mixers, concrete-pumps and other), cranes, special trailers for transportation of heavy loads or loads which exceed the vehicle dimensions as well as other special vehicles, without trolleys, the tax is 50 leva.

For automobile cranes with a load lifting capacity of more than 40 t and special trailers for transportation of heavy loads with capacity of more than 40 t the tax is 100 leva.

For tractors the tax is as follows:

11 kW - 18 kW including	5 leva
18 kW - 37 kW including	7 leva
> 37 kW	10 leva

For other self propelling vehicles the tax is 25 leva

For snowmobiles the tax is 50 leva.

For commercial vehicles with GVW over 12 t 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 of the motor vehicle	Maximum permissible weight		Tax (in leva)	
	Equal or over	Under	Driving axle / axles with pneumatic suspension or pneumatic suspension equivalent	Other suspension systems to the driving axle/axles
A) with two axles	12	13	30	61
	13	14	61	168
	14	15	168	237
	15		237	536
B) with three axles	15	17	61	106
	17	19	106	217
	19	21	217	282
	21	23	282	434
	23		434	675
C) with four axles	23	25	282	286
	25	27	286	446
	27	29	446	708
	29		708	1050

### Preferential reduction

Motor vehicle < 100 hp with controlled catalytic converter equipped petrol engine	50%
Bus & coach, truck with EURO 2 - EURO 5 engine	50%
Road tractor of semi-trailer with EURO 2 - EURO 5 engine	50%

## 3. TAXES ON MOTORING

### 3.1. Fuel taxes

Unleaded petrol	1.67 leva/liter
Diesel oil	1.59 leva/liter

## 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 (10%).

### 1.2. Special tax

The new Fiscal Code that applies since the beginning of 2007, includes a new special tax that is imposed at the first registration in Romania of any passenger car, light commercial vehicle under 3.5t, or heavy commercial vehicle. The new tax makes no difference if the vehicle is new or second-hand, imported or locally produced. The level of the tax varies with the engine displacement, pollution level (EURO standard) and age. Therefore the tax is lower for less polluting vehicles (Euro4, Euro3), while it is higher for more polluting ones (highest for non-Euro vehicles).

The formula applied is: **A x B x C X (100-D)/100**

**Where:**

A = cylinder capacity

B = the value of the tax (€ / cc)

C = correction coefficient

D= depreciation percentage according to the age of the vehicle

For passenger cars and LCV, the value of the special tax is indicated in the next table :

pollution standard	engine displacement (cc)	tax (€/cc)
hybrids Euro4	any	0
	under 1600	0.15
	1601-2000	0.35
	2001-2500	0.5
	2501-3000	0.7
Euro3	over 3001	1
	under 1600	0.5
	1601-2000	0.6
	2001-2500	0.9
	2501-3000	1.1
Euro2	over 3001	1.3
	under 1600	1.3
	1601-2000	1.4
	2001-2500	1.5
	2501-3000	1.6
Euro1 non-Euro	over 3001	1.7
	any	1.8
	any	2

The values resulting from the above table are corrected with the coefficients from the table below:

age	corection coefficient	reduction (%)
under 1 year	0.9	15
1 - 2 years	1.8	25
2 - 4 years	2.3	32
4 - 6 years	2.5	43
over 6 years	2.7	47

For commercial vehicles over 3.5t and coaches, the special tax is as follows:

pollution standard	tax (€/cc)
Euro3 / 4 / 5	0
Euro2	0.2
Euro1	0.9
Non-Euro	1.2

### 1.3. Registration fee

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It is paid to the Registration authority (Ministry for Administration and Interior) at the time of registration :

- Registration fee :
  - a) for passenger cars and LCV: €7.5 – €15.00
  - b) for commercial vehicles over 3.5t: €30.00
- Registration card : € 8.5
- Registration plates : € 6.85

### 1.4. Identification check fee

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All vehicles (except new vehicles sold through official dealerships) have to pass an identification check prior to registration. The identification is performed each time the vehicle is registered or re-registered. The check is made by the Romanian Auto Register and a certificate is issued, confirming that all the documents, serial numbers and owner's identity are correct.

For second-hand imports first registered in Romania, the check also includes a verification that the vehicle is not stolen and conforms to the original manufacturing specification.

Tariffs:

- passenger cars and LCV under 3.5t : 100 RON
- commercial vehicles over 3.5t : 115 RON

### 1.5. Stamp tax

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A stamp tax amounting to 1% of the vehicle's value is levied on imported passenger cars with a cylinder capacity exceeding 2000 cc. The proceeds go to a fund for the disabled.

## 2. TAXES ON OWNERSHIP

### 2.1. Ownership tax

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

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

engine displacement (cc)	sum for each 200 cc (RON)
under 1600	7
1601 – 2000	15
2001 – 2600	30
2601 – 3000	60
over 3001	120

- For buses the system is the same but the value is 20 RON / 200 cc
- For commercial vehicles under 12t GVW (gross vehicle weight) 25 RON / 200cc
- For commercial vehicles over 12t the tax varies with GVW and number of axles, starting from €28 and up to a maximum sum of around €500/vehicle.

## 3. TAXES ON MOTORING

### 3.1. Road tax

The road tax is paid once a year to the National Road Administration. Payment of the tax is shown by a sticker (named "rovigneta") on the windscreen. The payment is due only for vehicles using the roads outside the cities.

- For passenger cars it amounts to €24 for non-Euro cars, €21 for Euro1 cars and €16.80 for cars complying with Euro2 or more recent emission standards.
- For light commercial vehicles the tax varies from €60 to €90.
- For buses and coaches the tax varies from €390 to €510.
- For heavy commercial vehicles the tax varies with GVW and Euro norm level and amounts to maximum €540 for those under 12GVW and between €450 and €930 for those over 12GVW, depending on the number of axles.

### 3.2. Fuel taxes

Excise taxes on fuels are as follows:

- Leaded petrol : €547.00 / tonne
- Unleaded petrol : €425.06 / tonne
- Diesel : €307.59 / tonne

### 3.3. Insurance tax

In Romania only the third-party insurance is mandatory, covering the harm done to the victim, while it does not cover the harm done to the liable party. The full cover insurance (CASCO) is optional.

The mandatory insurance must be paid by all vehicle owners. The rates are set by law. They vary according to the class of vehicle and engine displacement (no matter if gasoline or diesel).

As from 2007 it includes the green card (insurance valid outside Romania).

- For passenger cars the rate varies with engine displacement and form of property (if the vehicle is owned by a natural person or a company), from €42 to €128.
- For commercial vehicles the rate varies with GVW, and for buses with the number of seats, from €128 to €416.

The full cover insurance usually costs 4 – 7% 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 client's bonity.

## 4. PERIODICAL INSPECTION OF VEHICLES

Every vehicle must pass a technical inspection.

- For passenger cars and LCV: every two years.
- Commercial vehicles over 3.5t: yearly
- Vehicles used for public transportation (including taxis) have to pass this inspection every 6 months

The inspection is carried out by selected workshops authorized by the Auto Register. In order to be authorized, the workshops have to present all the necessary equipment, such as: exhaust gases analyzer, roller brake stand, lights check stand, and others. The inspection covers all the parts of the vehicle that are

related to safety and pollution. The results are centralized via a computer network by the Auto Register. The vehicle owner receives a certificate and a couple of stickers to be put on the registration plates.

Usual prices :

- passenger car : € 20
- commercial vehicle under 3.5t : €25
- commercial vehicle over 3.5t : €36

# 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 SCT (Special Purchase Tax), the rates of which are given below. The total tax burden is calculated as follows:

<i>Pre-tax Price</i>	100
<i>SCT (%)</i>	37 (p.car < 1.600 cc)
<i>Price after SCT</i>	(100 x 1.37) = 137
<i>VAT (%)</i>	18
<i>Total Price</i>	(137 x 1.18) = 161,66
<i>Total Tax (%)</i>	61.7

CN Code	Type of Vehicle	SCT (%)	VAT (%)	Total Tax (%)
87.02	<b>Motor vehicles designed for the transport of passenger</b> (more than 10 seats including driver)			
	* Minibus	9		28,6
	* Midibus	4		22,7
	* Bus	1		19,2
87.03	<b>Passenger cars and other motor vehicles principally designed for the transport of passenger</b> (excluding those listed under CN Code 87.02) (including station wagons and race cars)			
	[Only passenger cars, station wagons, racing cars, off-road vehicles, etc. (including armored 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 like cars leading fire trucks, those 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)].			
	* Of the 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 having a maximum weight of 3.5 tons and a passenger carrying capacity (Passenger carrying capacity is calculated by multiplying the total number of passengers including the driver by 70 Kg. 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.) less than 50% of maximum load capacity (total weight of load including the driver and passengers that a vehicle can carry safely):		18	
	– Those with a maximum loading capacity not over 850 kg and having a piston displacement under 2000 cm <sup>3</sup>	10		29,8
	– Those with a maximum loading capacity over 850 kg and having a piston displacement under 2800 cm <sup>3</sup>	10		29,8
	* Others:			
– Those having an engine capacity not over 1600 cm <sup>3</sup>	37		61,7	
– Those having an engine capacity over 1600 cm <sup>3</sup> but not over 2000 cm <sup>3</sup>	60		88,8	
– Those having an engine capacity over 2000 cm <sup>3</sup>	84		117,1	
87.04	<b>Motor vehicles designed for the transport of goods</b> (Only those subject to recording and registration)			
	* Of those with a maximum loaded weight not over 4700 kg and having a seating place other than the driver's seat or having side windows other than those besides the driver's seat (excluding those of the vehicles without a covered body whose piston displacement is not over 3200 cm <sup>3</sup> ):			
	– Those with an engine capacity not over 3000 cm <sup>3</sup>	10		29,8
	– Those with an engine capacity over 3000 cm <sup>3</sup> but not over 4000 cm <sup>3</sup>	52		79,4
	– Those with an engine capacity over 4000 cm <sup>3</sup>	75		106,5
	* Those provided with a covered body and having a maximum loading capacity under 620 kg	10		29,8
* Others	4		22,7	

## 2. TAXES ON OWNERSHIP

### 2.1. Motor vehicle tax

The motor vehicle tax for passenger cars and motorcycles is based on the engine capacity (cc) and the age of the vehicle. The rates for the year 2006 are as follows:

Motor volume(cc)	Yearly (YTL)				
	1-3 Age	4-6 Age	7-11 Age	12-15 Age	≥ 16
Passenger cars					
< 1300	328	229	130	98	38
1301 – 1600	524	393	2229	163	64
1601 – 1800	920	722	426	261	103
1801 – 2000	1,446	1,117	657	393	157
2001 – 2500	2,170	1,578	986	591	236
2501 – 3000	3,025	2,631	1,645	887	328
3001 – 3500	4,606	4,144	2,498	1,249	460
3501 - 4000	7,238	6,251	3,684	1,645	657
> 4000	11,845	8,883	5,263	2,368	920
Motorcycles					
100 – 250	64	51	38	25	12
251 – 650	130	98	64	38	25
651 – 1200	328	196	98	64	38
> 1200	789	524	328	261	130

) YTL = New Turkish Lira

The motor vehicle tax is based:

- \* for minibuses on the age of the vehicle.
- \* for vans and motor caravans on engine capacity (cc) and the age of the vehicle.
- \* for buses on the sitting capacity and the age of the vehicle.
- \* for trucks, pick-ups and road tractors on the gross vehicle weight and the age of the vehicle.



The rates for minibuses, vans, motor caravans, buses, trucks, pick-ups and road tractors for the year 2006 are as follows:

Motor Vehicle Type	Yearly (YTL)		
	1 - 6 Age	7 - 15 Age	> 16 Age
Minibus	393	261	130
<b>Van, Motorcaravan (cc)</b>			
≤ 1,900cc	524	328	196
> 1,900cc	789	524	328
<b>Bus (Sitting Capacity)</b>			
up to 25 persons	986	591	261
26 - 35 persons	1,183	986	393
36 - 45 persons	1,315	1,117	524
≥ 46 persons	1,578	1,315	789
<b>Pick-up, truck and road tractor (Gross Vehicle Weight)</b>			
<1,500 Kg	354	236	117
1,501 - 3,500 Kg	709	413	236
3,501 - 5,000 Kg	1,065	887	354
5,001 - 10,000 Kg	1,183	1,005	473
10,001 - 20,000 Kg	1,419	1,183	709
≥ 20,000 Kg	1,775	1,419	827

) YTL = New Turkish Lira

## 3. TAXES ON MOTORING

### 3.1. Fuel taxes

Fuel price is formed in the free market depending on the global crude oil prices and subject to VAT and SCT. SCT rate is adjusted in each price change accordingly as VAT rate is fixed as 18 %.

The total tax burden is approximately 75 % for gasoline and 65 % for diesel fuel.

## 1. TAXES ON ACQUISITION

### 1.1. Customs duties

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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 importer) is levied at customs.

### 1.2. VAT

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All vehicles are subject to VAT at the rate of 7.6%.

#### Registration charges

Registration taxes are levied by cantons. They may amount to maximum 250 CHF.

## 2. TAXES ON OWNERSHIP

Motor vehicle tax: an annual tax is levied by the cantons.

It is based on either:

fiscal horsepower
cylinder capacity
vehicle gross weight
horsepower in kW

or a combination of two of the elements above.

Several cantons have reduced taxes for electric cars and some for hybrids too.

## 3. TAXES ON MOTORING

Fuel taxes (CHF/litre) (average january to november 2006)

	Unleaded	Diesel
Fuel Price plus distribution costs	0.807	0.857
Tax	0.43	0.46
Tax extra charge	0.30	0.30
VAT 7.6%	0.11	0.12
Import rate	0.003	0.003
Prices at the pump	1.65	1.74

## 1. TAXES ON ACQUISITION

### 1.1. Commodity tax

Passenger cars : according to cylinder capacity

Petrol		Diesel		Taxis and rental cars	
< 2000 cc	30%	< 2000 cc	30%	< 2000 cc	10%
> 2000 cc	45%	> 2000 cc	45%	> 2000 cc	13%

Trucks: according to gross vehicle weight

< 5,000 kg in G.V.Weight	13%
> 5,000 kg in G.V.Weight	0%

Buses: according to the number of passengers

< 18 passengers	30%	(reduction down to 5% for licenced buses)
> 18 passengers	0%	

Basis of assessment: customs price (= ± c.i.f. price).

### 1.2. VAT

24.5% on all motor vehicles.

### 1.3. Registration fee

5,260 ISK for all new vehicles (ISK = Icelandic Krona)

## 2. TAXES ON OWNERSHIP

Annual weight tax on all vehicles (petrol and diesel):

0 - 1000 kg	13.66 ISK per kg
1000 – 2000 kg	18.42 ISK per kg
And thereafter, each additional 1000 kg	4.554 ISK
Minimum tax	6,832 ISK
Maximum tax	82,386 ISK

Diesel weight/road tax: for diesel-driven vehicles a weight tax is levied as follows

Weight kg	Tax ISK
< 1000 kg	101,815 ISK
>1000 - 1499 kg	122,216 ISK
1500 - 1999 kg	147,609 ISK
And thereafter, each additional 200 kg	8,445 ISK
4001 - 31000 kg G.V.W.	6.91 ISK 31.05/km driven
> 31000 kg G.V.W.	31.05 ISK /km driven

### 3. TAXES ON MOTORING

#### Fuel taxes (ISK/litre, January 2005)

	95 unleaded	98 leaded	Diesel oil
Import duty	11.34 ISK	11.34 ISK	
Petrol tax	30.89 ISK	32.86 ISK	
VAT (24.5%)	20.59 ISK	20.74 ISK	10.15 ISK
Price at the pump	104.60 ISK	105.4 ISK	51.60 ISK

Basis of assessment of import duty: customs price (± c.i.f. price)

## 1. TAXES ON ACQUISITION

### 1.1. Import tax

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For passenger cars, the rates for 2007 are as follows:

<b>weight tax</b>	NOK 33.16/kg for the first 1150 kg of the weight
	NOK 72.27/kg for the following 250 kg
	NOK 144.55/kg for the following 100 kg
	NOK 168.1149/kg for the remaining weight

In addition

<b>engine power tax</b>	NOK 120.59/kW for the first 65 kW of the engine power
	NOK 502.47/kW for the following 25 kW
	NOK 1,205.92/kW for the following 40 kW
	NOK 2,512.33 for the remaining kW

<b>CO<sub>2</sub> tax</b>	NOK 40.20 per g/km of the first 120 g of CO <sub>2</sub> emissions
	NOK 190.94 per g/km of the next 20 g of CO <sub>2</sub> emissions
	NOK 502.47 per g/km of the next 40 g of CO <sub>2</sub> emissions
	NOK 1,406.90 per g/km of the rest of CO <sub>2</sub> emissions

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

### 1.2. VAT

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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.

For imported used motor vehicles, the taxable value is established by the customs authorities.

The amount of the taxable value is reduced by:

Age > 1 month	- 2 %	Age > 1 year	- 17 %
Age > 2 months	- 4 %	Age > 2 years	- 30 %
Age > 3 months	- 6 %	Age > 3 years	- 36 %
Age > 4 months	- 8 %	Age > 4 years	- 42 %
Age > 5 months	- 10 %	Age > 5 years	- 45 %
Age > 6 months	- 12 %	Age > 6 years	- 50 %
		Age > 7 years	- 55 %
		Age > 8 years	- 59 %
		Age > 9 years	- 63 %
		Age > 10 years	- 67 %
		Age > 11 years	- 70 %
		Age > 12 years	- 73 %

Age > 13 years	- 76 %
Age > 14 years	- 78 %
Age > 15 years	- 80 %

A "used motor vehicle" is a vehicle which has been 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

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#### 1.3.1. For new vans

- **Ordinary vans and light trucks not exceeding 7500 kg** total weight: 22% of the import tax for a similar passenger car

#### 1.3.2. For new minibuses

- New minibuses of less than 6 m length and with not more than 17 seats where at least 10 seats are mounted in the traffic direction: 40% of the import tax for a similar passenger car
- New trucks, buses, or vans with an extra seat, **exceeding 7500 kg** total weight: no special taxes