

# CO<sub>2</sub>-BASED MOTOR VEHICLE TAXES IN THE EUROPEAN UNION

The 27 member states of the European Union plus the United Kingdom (2020)

## GLOSSARY

BEV = Battery electric vehicle

— = None

FCEV = Fuel-cell electric vehicle (hydrogen)

▶ = Indirect CO<sub>2</sub>-based taxation

PHEV = Plug-in hybrid electric vehicle

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COUNTRY	TAX MEASURES		
	ACQUISITION	OWNERSHIP	COMPANY CARS
<b>AUSTRIA</b>	<ul style="list-style-type: none"> <li>VAT deduction for zero-emission cars.</li> <li>Fuel consumption/pollution tax (called 'NoVA') calculated as follows: [(CO<sub>2</sub> emissions in g/km minus 115) divided by 5] plus NoVA malus fee (ie €40 for each gramme exceeding 275g CO<sub>2</sub>/km) minus €350.</li> </ul>	—	CO <sub>2</sub> -based taxation.
<b>BELGIUM</b>	<ul style="list-style-type: none"> <li><b>Wallonia:</b> CO<sub>2</sub>-based bonus/malus system, cars that emit 146g CO<sub>2</sub>/km or more pay a penalty (max €2,500 for cars emitting more than 255g CO<sub>2</sub>/km).</li> <li><b>Flanders:</b> <ul style="list-style-type: none"> <li>Taxation calculated based on CO<sub>2</sub> emissions, fuel type, age and EU emission standards.</li> <li>'Zero-emission bonus' to stimulate the purchase of zero-emission vehicles.</li> <li>'Ecology Premium' for companies that invest in environmentally-friendly technologies.</li> </ul> </li> </ul> For more details: <a href="http://www.ecologiepremie.be">http://www.ecologiepremie.be</a>	<b>Flanders:</b> taxation based on the CO <sub>2</sub> emissions, fuel type and EU emission standard of the vehicle. <ul style="list-style-type: none"> <li>CO<sub>2</sub>-based component calculated as follows:               <ul style="list-style-type: none"> <li>Increases by 0.30% per g/km above 122g CO<sub>2</sub>/km, up to a maximum of 500g CO<sub>2</sub>/km.</li> <li>Decreases by 0.30% per g/km below 122g CO<sub>2</sub>/km, with a minimum of 24g CO<sub>2</sub>/km.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub>-based 'solidarity contribution' for company cars.</li> <li>Under corporate tax, deductibility of expenses related to the use of company cars is linked to their CO<sub>2</sub> emissions.</li> </ul>
<b>BULGARIA</b>	—	▶ Based on the EU emission standard of the vehicle concerned (ie not directly linked to CO <sub>2</sub> emissions).	—

<b>CROATIA</b>	Based on the CO <sub>2</sub> emissions, purchase price and fuel type of the vehicle concerned.	—	—
<b>CYPRUS</b>	CO <sub>2</sub> -based taxation.	CO <sub>2</sub> -based taxation.	—
<b>CZECH REPUBLIC</b>	<ul style="list-style-type: none"> <li>▪ Exemption from registration charges for BEVs and FCEVs emitting 50g CO<sub>2</sub>/km or less upon request of a special number plate.</li> <li>▶ Environmental surcharge for vehicles that do not comply with the Euro 3 emission standard (ie not directly linked to CO<sub>2</sub> emissions).</li> </ul>	—	—
<b>DENMARK</b>	▶ Taxation differentiated based on the fuel consumption of the vehicle concerned (ie not directly linked to CO <sub>2</sub> emissions).	<ul style="list-style-type: none"> <li>▶ Based on fuel consumption (ie not directly linked to CO<sub>2</sub> emissions) as follows:               <ul style="list-style-type: none"> <li>▪ Petrol cars: semi-annual rates vary from DKK 330 for cars covering at least 50km per litre of fuel to DKK 11,680 for cars with less than 4.5km per litre.</li> <li>▪ Diesel cars: semi-annual rates vary from DKK 460 for cars covering at least 56.3km per litre of fuel to DKK 17,090 for cars with less than 5.1km per litre.</li> </ul> </li> </ul>	CO <sub>2</sub> -based environmental fee added to the taxable amount.
<b>ESTONIA</b>	—	—	—
<b>FINLAND</b>	CO <sub>2</sub> -based taxation, with rates varying from 2.7% to 50% of the catalogue value (including VAT and registration tax) of the vehicle concerned.	<ul style="list-style-type: none"> <li>▪ CO<sub>2</sub>-based tax component: rates for cars and vans ranging from €53.29 to €654.44.</li> <li>▪ Excise duties for road traffic fuels depend on the energy content and CO<sub>2</sub> emissions.</li> </ul>	—
<b>FRANCE</b>	<ul style="list-style-type: none"> <li>▪ CO<sub>2</sub>-based bonus/malus system:               <ul style="list-style-type: none"> <li>- <u>Bonus</u>: for vehicles (cars and vans) emitting 20g CO<sub>2</sub>/km or less (max €6,000).</li> <li>- <u>Malus</u>: from €50 (for 138g CO<sub>2</sub>/km WLTP) to €20,000 (213g CO<sub>2</sub>/km or more under WLTP).</li> </ul> </li> <li>▪ CO<sub>2</sub>-based scrapping scheme: incentives for scrapping an old vehicle and replacing it with a low-emission vehicle (less than 116g CO<sub>2</sub>/km WLTP).</li> </ul>	Annual malus: €160 for cars emitting over 190g CO <sub>2</sub> /km.	CO <sub>2</sub> -based component: <ul style="list-style-type: none"> <li>▪ Rates vary from €1 for each gramme emitted between 21g CO<sub>2</sub>/km and 50g CO<sub>2</sub>/km to €29 for each gramme emitted above 270g CO<sub>2</sub>/km.</li> <li>▪ Cars emitting less than 21g CO<sub>2</sub>/km are exempt.</li> </ul>

<b>GERMANY</b>	<ul style="list-style-type: none"> <li>▶ Environmental bonus for the purchase of a low-emission vehicle (ie not directly linked to CO<sub>2</sub> emissions).</li> </ul>	CO <sub>2</sub> -based for cars registered from 1 July 2009: <ul style="list-style-type: none"> <li>▪ Base tax (€2 per 100cc for petrol and €9.5 per 100cc for diesel) plus a CO<sub>2</sub>-based component, linear at €2 per gramme of CO<sub>2</sub>.</li> <li>▪ Cars emitting less than 95g/km are exempt from the CO<sub>2</sub> component.</li> </ul>	Reduction of the taxable amount (ranging from 0.5% to 1% of the gross catalogue price per month) for BEVs and PHEVs emitting 50g CO <sub>2</sub> /km or less, or with an electrical range of at least 40 km (set to increase to 60 km in 2022 and 80 km in 2025).
<b>GREECE</b>	CO <sub>2</sub> -based taxation: coefficient varies from 0.95 (for vehicles emitting up to 100g CO <sub>2</sub> /km) to 2.00 for vehicles emitting more than 250g CO <sub>2</sub> /km.	CO <sub>2</sub> -based for cars registered after 31 October 2010: <ul style="list-style-type: none"> <li>▪ Rates vary from €0.90 per gramme of CO<sub>2</sub> emitted (91-100g CO<sub>2</sub>/km) to €3.72 per gramme for 251g CO<sub>2</sub>/km or more.</li> <li>▪ Cars emitting up to 90g CO<sub>2</sub>/km are exempt.</li> </ul>	—
<b>HUNGARY</b>	<ul style="list-style-type: none"> <li>▶ Based on the EU emission standard of the vehicle concerned (ie not directly linked to CO<sub>2</sub> emissions).</li> </ul>	—	—
<b>IRELAND</b>	<ul style="list-style-type: none"> <li>▪ CO<sub>2</sub>-based taxation: rates vary from 14% for cars emitting up to 80g CO<sub>2</sub>/km to 36% for 226g CO<sub>2</sub>/km or more.</li> <li>▪ For 2020, in addition to the VAT relief outlined above, individuals purchasing an electric car receive a grant of up to €5,000. In order for PHEVs to qualify, the minimum battery range should be 50 km and the maximum CO<sub>2</sub> emissions 50g CO<sub>2</sub>/km.</li> </ul>	CO <sub>2</sub> -based for cars registered since 1 July 2008, rates vary from €120 (zero gramme CO <sub>2</sub> /km) to €2,350 (226g CO <sub>2</sub> /km or more).	—
<b>ITALY</b>	CO <sub>2</sub> -based bonus/malus system: <ul style="list-style-type: none"> <li>▪ <b>Bonus:</b> one-off amount (max €6,000 for cars emitting 20g CO<sub>2</sub>/km or less) at first registration between 1 March 2019 and 31 December 2021.</li> <li>▪ <b>Malus:</b> up to max €2,500 for cars emitting more than 250g CO<sub>2</sub>/km.</li> </ul>	—	—
<b>LATVIA</b>	—	CO <sub>2</sub> -based taxation for cars registered after 31 December 2008. <ul style="list-style-type: none"> <li>▪ Rates vary from €12 (51-95g CO<sub>2</sub>/km) to €756 (more than 350g CO<sub>2</sub>/km).</li> <li>▪ Cars emitting up to 50g CO<sub>2</sub>/km are exempt.</li> </ul>	—
<b>LITHUANIA</b>	—	—	—

<b>LUXEMBOURG</b>	—	CO <sub>2</sub> -based tax for cars registered after 1 January 2001 calculated as follows: [A * B * C]. - A = CO <sub>2</sub> emissions in g/km - B = 0.9 for diesel and 0.6 for other fuels - C = exponential factor: <90g CO <sub>2</sub> /km = 0.5, increased by 0.1 for each additional 10g CO <sub>2</sub> /km	Benefit in kind of private use of a company car is based on the vehicle's value, fuel type and CO <sub>2</sub> emissions.
<b>MALTA</b>	CO <sub>2</sub> -based taxation, calculated as follows: [(X% * CO <sub>2</sub> * RV) + (Y% * length * RV)]. - X% = based on CO <sub>2</sub> emissions - Y% = based on the vehicle's length - RV = the registration value of the vehicle	<ul style="list-style-type: none"> <li>Based on the CO<sub>2</sub> emissions and the age of the vehicle concerned.</li> <li>During the first five years, taxation only depends on the CO<sub>2</sub> emissions, varying from €100 for a car emitting up to 100g CO<sub>2</sub>/km to €180 for a car emitting between 150-180g CO<sub>2</sub>/km.</li> </ul>	—
<b>NETHERLANDS</b>	<ul style="list-style-type: none"> <li>CO<sub>2</sub>-based taxation: rates vary from €2 (1-68g CO<sub>2</sub>/km) to €424 (151g CO<sub>2</sub>/km and more).</li> <li>Exemption for zero-emission cars.</li> <li>Fixed surcharge of €366 applies to all new cars emitting 1g CO<sub>2</sub>/km or more (as of 1 January 2020).</li> <li>Diesel surcharge applies to vehicles emitting more than 59g CO<sub>2</sub>/km (€78.82 per gramme in 2020).</li> </ul>	Based on CO <sub>2</sub> emissions, vehicle weight, fuel type and region (province).	CO <sub>2</sub> -based taxation (if private use exceeds 500 km per year): rates vary from 8% of the vehicle's catalogue value (for zero-emission cars) to 22% (for all other cars).
<b>POLAND</b>	—	—	—
<b>PORTUGAL</b>	CO <sub>2</sub> -based environmental tax component. <ul style="list-style-type: none"> <li><u>Lowest rate</u>: petrol cars emitting less than 110g CO<sub>2</sub>/km pay €[(0.40 * CO<sub>2</sub>) - 39]; diesel cars emitting less than 110g CO<sub>2</sub>/km pay €[(1.56 * CO<sub>2</sub>) - 10.43].</li> <li><u>Highest rate</u>: petrol cars emitting more than 235g CO<sub>2</sub>/km pay €[(2.12 * CO<sub>2</sub>) - 38,000]; diesel cars emitting more than 190g CO<sub>2</sub>/km pay €[(2.56 * CO<sub>2</sub>) - 34,700].</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub>-based environmental tax component for cars and vehicles of up to 2.5 tonnes registered after 1 July 2007.</li> </ul>	—
<b>ROMANIA</b>	CO <sub>2</sub> -based scrapping scheme: incentives for scrapping a vehicle older than eight years and replacing it with a low-emission (ie emitting less than 96g CO <sub>2</sub> /km) or a zero-emission vehicle.	—	—

<b>SLOVAKIA</b>	—	► Fees for the use of specific sections of motorways and expressways are based on the EU emission standard of the vehicle concerned (ie not directly linked to CO <sub>2</sub> emissions).	—
<b>SLOVENIA</b>	<ul style="list-style-type: none"> <li>▪ CO<sub>2</sub>-based taxation: rates vary from 0.5% (petrol) and 1% (diesel) for cars emitting up to 110g CO<sub>2</sub>/km to 28% (petrol) and 31% (diesel) for cars emitting more than 250g CO<sub>2</sub>/km.</li> <li>▪ CO<sub>2</sub>-based incentives for electric vehicles.</li> </ul>	—	—
<b>SPAIN</b>	CO <sub>2</sub> -based taxation: rates vary from 5.4% (120-160g CO <sub>2</sub> /km) to 16.9% (200g CO <sub>2</sub> /km and more).	► Based on fuel efficiency (ie not directly linked to CO <sub>2</sub> emissions): 75% reduction of the taxable amount for fuel-efficient vehicles in most important cities (eg Madrid, Barcelona, Zaragoza, Valencia).	Tax reduction for vehicles meeting the Euro 6 emission standard that emit less than 120g CO <sub>2</sub> /km, as well as for alternatively-powered cars (max 30%).
<b>SWEDEN</b>	CO <sub>2</sub> -based bonus system: bonus of up to max SEK 60,000 for new vehicles, depending on their CO <sub>2</sub> emissions.	CO <sub>2</sub> -based for new cars and light trucks/buses registered from 1 July 2018: high-emitting vehicles pay a higher tax (malus) during the first three years.	—
<b>UNITED KINGDOM</b>	CO <sub>2</sub> -based taxation: rates vary from £10 (1-50g CO <sub>2</sub> /km) to £2,715 (more than 255g CO <sub>2</sub> /km). <ul style="list-style-type: none"> <li>- Alternatively-powered cars receive a £10 discount on the paid rates.</li> <li>- Zero-emission cars are exempt.</li> </ul>	CO <sub>2</sub> -based for cars registered as of 1 April 2020: rates range from £10 (up to 50g CO <sub>2</sub> /km) to £2,175 (above 255g CO <sub>2</sub> /km). Zero-emission cars are exempt.	Based on the CO <sub>2</sub> emissions (g CO <sub>2</sub> /km), list price and fuel type of the vehicle concerned. Cars without an approved CO <sub>2</sub> /km emissions rating are taxed according to their engine size.