

ELECTRIC VEHICLES: TAX BENEFITS & PURCHASE INCENTIVES

In the 27 member states of the European Union (2022)

→ GLOSSARY

BEV Battery electric vehicle	FCEV Fuel cell electric vehicle (hydrogen)
PHEV Plug-in hybrid electric vehicle	LPG Liquefied petroleum gas
HEV Hybrid electric vehicle	CNG Compressed natural gas
EREV Extended-range electric vehicle	E85 Blend of 85% ethanol fuel and 15% petrol, or other hydrocarbon
M1 Passenger car	N1 Vehicle for carriage of goods, mass ≤ 3.5 t
M2 Vehicle for carriage of passengers, mass ≤ 5t	N2 Vehicle for carriage of goods, mass > 3.5t and ≤ 12t
M3 Vehicle for carriage of passengers, mass > 5t	N3 Vehicle for carriage of goods, mass > 12t

✗ No benefit or incentive available

TAX BENEFITS			PURCHASE INCENTIVES
Acquisition	Ownership	Company cars	
AUSTRIA			
VAT deduction and exemption from tax for zero-emission cars and N1 vehicles (eg BEVs and FCEVs).	Tax exemption for BEVs and FCEVs.	Tax exemption for zero-emission cars.	Bonus (until the end of 2022) for the purchase (private use) of new cars and vans with fully-electric range of ≥ 50km and gross list price of ≤ €60,000: <ul style="list-style-type: none"> • €3,000 for BEVs and FCEVs • €1,250 for PHEVs and EREVs Additional incentives granted by provinces and communities. For more details: www.umweltfoerderung.at
BELGIUM			
<ul style="list-style-type: none"> • Brussels and Wallonia: minimum tax rate (€61.50) for BEVs and FCEVs (M1). • Flanders: BEVs and FCEVs (M1) are exempt. 	<ul style="list-style-type: none"> • Brussels and Wallonia: minimum rates for BEVs and FCEVs (€85.27/year for M1 and €38.64/year for N1). • Flanders: BEVs and FCEVs (M1 and N1) are exempt. • 6% VAT (instead of 21%) for electricity consumption. 	<ul style="list-style-type: none"> • Brussels, Flemish and Walloon tax benefits for BEVs and FCEVs apply to company cars as well. • Maximum deductibility (100%) of expenses for M1 with ≤ 50g CO2/km (NEDC) and battery capacity ≥ 0.5kWh per 100kg of vehicle weight. • Minimal annual benefit in kind for BEVs, FCEVs and PHEVs (M1): 4% of the list value. 	<ul style="list-style-type: none"> • Federal level: 35% deduction of investment in new BEVs and FCEVs (N1-N3) and in related charging and fuelling infrastructure. • Brussels: for micro or small companies, up to €15,000 to replace max. 3 N1 vehicles/year. For more details: https://economie-emploi.brussels/prime-lez • Flanders (for SMEs): <ul style="list-style-type: none"> - 40% of additional cost of up to €400,000/vehicle for max. 2 BEVs (N2 and/or N3). - 27.5% of additional cost of up to €600,000/vehicle for max. 2 BEVs (M2 and/or M3). - 22.5% of additional cost of up to €350,000/vehicle for max. 2 FCEVs (N2 and/or N3). For more details: Ecology premium plus Agentschap Innoveren en Ondernemen (vlaio.be)

TAX BENEFITS			PURCHASE INCENTIVES
Acquisition	Ownership	Company cars	
BULGARIA			
×	Exemption for electric vehicles.	×	×
CROATIA			
No excise duties for electric vehicles.	Exemption from special environmental tax for electric vehicles.	×	Incentive scheme (once a year, limited funds): • € 9,333 for BEVs • € 5,333 for PHEVs
CYPRUS			
Exemption for vehicles emitting ≤ 120g CO2/km.	Minimum rate for vehicles emitting ≤ 120g CO2/km.	×	<ul style="list-style-type: none"> • Up to €12,000 to scrap and replace with a vehicle emitting < 50g CO2/km and costing ≤ €80,000. • Up to €19,000 to buy a BEV (≤ €80,000) + €1,000 to scrap an old car. • Up to €100,000 for e-buses. • €20,000 for e-trucks.
CZECH REPUBLIC			
BEVs and FCEVs emitting ≤ 50g CO2/km exempt from registration charges (with a special number plate).	<ul style="list-style-type: none"> • BEVs and HEVs exempt from road tax. • Vehicles emitting ≤ 50g CO2/km exempt from road toll. • Reduction of the depreciation period for charging stations for electric vehicles from 10 to 5 years (wallboxes and stand-alone charging stations). 	<ul style="list-style-type: none"> • Road tax exemption for alternatively-powered vehicles (ie BEVs, HEVs, FCEVs, CNG, LPG and E85). • Reduction of the taxable amount for BEVs and PHEVs (from 1% to 0.5% of the gross catalogue price per month). 	Purchase incentive of low- and zero-emission vehicles for state and local government bodies.
DENMARK			
Zero-emission vehicles: <ul style="list-style-type: none"> • Pay 40% of registration tax • Additional DKK 167,500 registration tax deduction • DKK 1,300 deduction of taxable value Low-emission vehicles (emitting < 50g CO2/km): <ul style="list-style-type: none"> • 50% of the full registration tax • Additional DKK 48,750 registration tax deduction • DKK 1,300 deduction of taxable value Further deductions for LCVs.	<ul style="list-style-type: none"> • Taxes on ownership are based on CO2 emissions. • Zero-emission cars pay the minimum semi-annual tax rate of DKK 340. 	×	×
ESTONIA			
×	×	×	×
FINLAND			
Zero-emission passenger cars and vans are exempt from registration tax as of 1 October 2021.	×	<ul style="list-style-type: none"> • Tax deduction of €170 per month from taxable value (income tax) for BEVs in 2021-2025. • Charging of electric vehicles at workplace is exempt from income tax (2021-2025). 	<ul style="list-style-type: none"> • Purchase incentive of €2,000 granted for households to purchase or lease a new BEV in class M1 and M1G, provided value ≤ €50,000. Incentive is valid in 2018-2023. • Purchase incentive of €2,000 to €6,000 for electric vans in 2022-2025. • Purchase incentive of €6,000 to €50,000 for electric trucks in 2022-2025.

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FRANCE			
<ul style="list-style-type: none"> Regions provide an exemption (either total or 50%) for alternatively-powered vehicles (ie electric, HEVs, CNG, LPG and E85). BEVs, FCEVs, PHEVs (with a range of > 50km) are exempt from the mass-based malus. 	×	Exemption from CO2-based tax component ('TVS') for vehicles emitting less than 60g CO2/km (apart from diesel vehicles).	Bonus to buy car or van with ≤ 20g CO2/km: <ul style="list-style-type: none"> €6,000 for households, if vehicle ≤ €45,000 €4,000 for legal persons, vehicle ≤ €45,000 €2,000 for households and legal persons: <ul style="list-style-type: none"> Vehicle between €45,000 and €60,000 FCEV vans and cars, or vans > €60,000 Bonus cars or vans > 21 and ≤ 50g CO2/km: <ul style="list-style-type: none"> €1,000 for households, vehicle ≤ €50,000 Bonus BEV or FCEV heavy-duty vehicles: <ul style="list-style-type: none"> €50,000 for N2/N3 vehicles €30,000 for M2/M3 vehicles Scrappage scheme for purchase of second-hand or new vehicles with ≤ 50g CO2/km, price ≤ €60,000: <ul style="list-style-type: none"> Cars: up to €5,000, based on income Vans: up to €9,000, based on the weight
GERMANY			
×	<ul style="list-style-type: none"> 10-year exemption for BEVs and FCEVs registered until 31 December 2025. Exemption granted until 31 December 2030 at the latest. Exemption from the annual circulation tax for vehicles emitting ≤ 95g CO2/km. 	<ul style="list-style-type: none"> Reduction of the taxable amount for BEVs and PHEVs (from 1% to 0.5% of the gross catalogue price per month). PHEVs must meet further requirements, which become more stringent over time. Additional reduction of taxable amount for BEVs with gross list price up to €60,000 (1% to 0.25% of gross catalogue price per month). 	Until 31 December 2022, the 'innovation bonus' temporarily increases the environmental bonus for new and used BEVs, PHEVs and FCEVs. <ul style="list-style-type: none"> Bonus for cars with net list price ≤ €40,000: <ul style="list-style-type: none"> €9,000 for BEVs and FCEVs €6,750 for PHEVs Bonus for cars with net list price > €40,000: <ul style="list-style-type: none"> €7,500 for BEVs and FCEVs €5,625 for PHEVs Note: stricter requirements under discussion.
GREECE			
<ul style="list-style-type: none"> 75% reduction in RT for PHEVs up to 50g/km. 50% reduction in RT for HEVs and PHEVs emitting ≥ 50g CO2/km. RT exemption for electric trucks. 	<ul style="list-style-type: none"> HEVs with engine capacity ≤ 1,549cc and registered before 31 October 2010 exempt from circulation tax. 60% of the circulation tax for HEVs with engine capacity ≥ 1,550cc registered before 31 October 2010. Exemption for cars emitting less than 90g CO2/km (NEDC) or 122g (WLTP). BEVs are exempt from the personal income presumption system. 	<ul style="list-style-type: none"> Exemption of the benefit in kind tax for BEVs and PHEVs emitting ≤ 50g CO2/km (NEDC or WLTP) with net retail price (NRP) ≤ €40,000. Deductible of €40,000 in the NRP for BEVs and PHEVs up to 50g CO2/km with higher NRP value. 	<ul style="list-style-type: none"> 15-20% cashback on NRP of BEV cars, with a maximum cashback of €5,500-6,000. Max NRP to receive incentive: €50,000. Extra €1,000 if car of ≥ 10 years is scrapped. 25% cashback for BEV taxis of up to €8,000 (15% for PHEVs with ≤ 50g CO2/km), plus extra €2,500 when old taxi is scrapped. 15% cashback for vans (up to €5,500 for BEVs; €4,000 for PHEVs), plus €1,000 for scrapping.
HUNGARY			
Tax exemption for BEV and PHEV cars.	Exemption for BEV and PHEV cars	Exemption for BEV and PHEV cars.	From 15 June 2020, purchase incentives for electric cars: <ul style="list-style-type: none"> €7,350 for gross price of up to €32,000 €1,500 if price between €32,000-44,000

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IRELAND			
<ul style="list-style-type: none"> • €5,000 relief for BEVs up to €40,000. The relief tapers off after €40,000 and ends at €50,000. • BEV cars are exempt from NOx tax. 	<ul style="list-style-type: none"> • Minimum rate (€120 per year) for BEVs. • Reduced rate (€140 per year) for PHEVs ≤ 50g CO2/km. 	0% of benefit in kind applies to the first €50,000 for BEVs.	Purchase incentives for individuals in 2021: <ul style="list-style-type: none"> • Up to €5,000 for BEVs • Up to €5,000 for PHEVs with ≤ 50g CO2/km and full-electric range of ≥ 50km • Up to €3,800 for BEV vans
ITALY			
×	<ul style="list-style-type: none"> • Five-year exemption for BEVs and HEVs from the date of first registration. • After this period, 75% reduction of the tax rate applied to equivalent petrol vehicles (BEVs only). 	×	<ul style="list-style-type: none"> • €3,000 (€5,000 with scrappage) for an electric car (M1) emitting ≤ 20g CO2/km and with a selling price of ≤ €35,000 + VAT. • €2,000 (€4,000 with scrappage) for an electric car (M1) emitting 21-60g CO2/km and with a selling price of ≤ €45,000 + VAT.
LATVIA			
Exemption from registration costs for BEV vehicles (first registration).	Exemption for M1 and N1 vehicles emitting ≤ 50g CO2/km.	Minimum rate (€10) for BEVs.	×
LITHUANIA			
Exemption for electric vehicles (first registration only).	×	Purchase incentives (bonus) for vehicles ≤ six months: <ul style="list-style-type: none"> • M1 or N1 electric vehicle: €4,000 • M2 or N2 electric vehicle: €10,000 • Additional €1,000 for scrapping an old diesel or petrol M1, owned for at least 12 months, with a valid MOT Maximum subsidy is €400,000 per company.	Purchase incentives (bonus) for individuals in 2021: <ul style="list-style-type: none"> • €2,500 for used M1 electric vehicle with first registration after 2 April 2016, or model year 2016 and after • €5,000 for new M1 electric vehicle not older than six months from the first registration • Additional €1,000 for scrapping old diesel or petrol M1, owned for at least 12 months, and with a valid MOT for the dates: 2 February 2021 or 13 March 2020
LUXEMBOURG			
Only 50% of administrative tax.	Minimum rate of €30 per year for zero emission vehicles.	Monthly benefit in kind: from 0.5% to 1.8% depending on CO2 emissions.	<ul style="list-style-type: none"> • BEVs ≤ 18 kWh: €8,000 • > 18 kWh: €3,000 • PHEVs ≤ 50g CO2/km: €2,500
MALTA			
Minimum rate for vehicles emitting ≤ 100g CO2/km.	Minimum rate for vehicles emitting ≤ 100g CO2/km.	×	×

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NETHERLANDS			
Exemption for zero-emission cars.	Exemption for zero-emission cars. 50% tariff for PHEVs.	Minimum rate (16%) for zero-emission cars. Cap at €35,000 for BEVs. No cap for hydrogen cars.	<ul style="list-style-type: none"> Subsidy scheme (SEPP) for individuals to buy/lease a small or compact BEV car, new or used. Subsidy scheme (SEBA) for entrepreneurs to buy/lease a new commercial vehicle (N1 or N2 weighing up to 4,250kg). Environmental investment deduction (MIA) for BEV and FCEV light commercial vehicles and BEV taxis. Arbitrary depreciation of environmental investments scheme (Vamil) for FCEV cars or taxis and BEV cars equipped with solar panels. For more details: https://www.rvo.nl/subsidie-en-financieringswijzer .
POLAND			
Exemption for BEVs and PHEVs ≤ 2,000cc (until end 2022).	Depreciation: <ul style="list-style-type: none"> Up to PLN 225,000 for BEVs and FCEVs Up to PLN 150,000 for vehicles emitting 0-50g CO2/km Up to PLN 100,000 for vehicles emitting > 50g CO2/km 	×	Purchase incentives for individuals: <ul style="list-style-type: none"> From PLN 18,750 to PLN 27,000 for BEVs and FCEVs of a max price of PLN 225,000 Incentives for legal persons (purchase, leasing): <ul style="list-style-type: none"> From PLN 18,750 to PLN 27,000 for M1 BEVs and FCEVs of a max price of PLN 225,000 Up to PLN 70,000 for N1 BEVs and FCEVs
PORTUGAL			
Car tax: <ul style="list-style-type: none"> BEVs: complete exemption PHEVs: 75% reduction if range in all-electric mode ≥ 50km and < 50g CO2/km HEVs: 40% reduction if range in all-electric mode > 50km and CO2 emissions ≤ 50g/km 	Exemption for battery electric vehicles (BEVs).	Autonomous corporate income tax: <ul style="list-style-type: none"> Exemption for BEVs Reduction for PHEVs if range in all-electric mode ≥ 50km and CO2 emissions < 50g/km VAT deduction for M1 and N1: <ul style="list-style-type: none"> 100% for BEVs ≤ €62,500 + VAT 100% for PHEVs ≤ €50,000 + VAT 	<ul style="list-style-type: none"> Private users: €3,000 to buy a new BEV (M1 vehicle), with purchasing price of up to €62,500, limited to one vehicle per person. Companies (limited to N1 vehicles): €6,000 to buy a new BEV.
ROMANIA			
×	Exemption for electric vehicles.	×	Renewal scheme (RABLA) for cars: <ul style="list-style-type: none"> Up to €3,300 for an HEV (≤ 160g CO2/km) Up to €6,400 for a PHEV (≤ 78g CO2/km) Up to €11,500 for a BEV
SLOVAKIA			
<ul style="list-style-type: none"> BEV registration is subject to a maximum charge of €33. BEVs, or PHEVs combined with other fuel types or energy sources, are depreciated for two years. 	<ul style="list-style-type: none"> Exemption for BEVs. 50% for FCEVs and HEVs. 	×	×

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Acquisition	Ownership	Company cars	
SLOVENIA			
Minimum additional tax rate (0.5%) for BEVs.	×	×	Incentive scheme: • Up to €4,500 for BEVs (cars)
SPAIN			
<ul style="list-style-type: none"> Exemption from 'special tax' for vehicles emitting ≤ 120g CO2/km. Canary Islands: VAT exemption for alternatively-powered vehicles (eg BEVs, FCEVs, PHEVs, EREVs, HEVs) emitting ≤ 110g CO2/km. 	Reduction of 75% for BEVs in main cities (eg Madrid, Barcelona, Zaragoza, Valencia, etc).	<p>The use of a company car for private purposes is regarded as a payment in kind and included in the calculation of personal income tax:</p> <ul style="list-style-type: none"> 30% reduction for BEVs and PHEVs ≤ €40,000 20% reduction for HEVs ≤ €35,000 	<p>Incentive scheme (MOVES III) in 2021-2023:</p> <ul style="list-style-type: none"> Cars (M1): €4,500-7,000 for BEVs and FCEVs, and €2,500-5,000 for PHEVs, for private individuals, depending on whether a vehicle is being scrapped Vans (N1): €7,000-9,000 for private individuals, depending on scrapping Different incentives for SMEs and large companies (+ MOVES FLOTAS) <p>For more details:</p> <ul style="list-style-type: none"> https://www.idae.es/ayudas-y-financiacion/para-movilidad-y-vehiculos/programa-moves-iii www.idae.es/ayudas-y-financiacion/para-movilidad-y-vehiculos/programa-moves-flotas <p>Incentive scheme (MOVES MITMA) for N2, N3, M2 and M3 vehicles:</p> <ul style="list-style-type: none"> Scrapping of a vehicle registered before January 2019 (€25,000-2,500 depending on Euro class and type of vehicle) Acquisition of new alternatively-fuelled vehicles (BEV, PHEV, HEV, and also gas for buses) Incentives from €190,000 to €15,000, depending on the vehicle type and the size of the company <p>For more details: https://www.mitma.gob.es/el-ministerio/sala-de-prensa/noticias/mar-16112021-1646</p>
SWEDEN			
×	Low annual road tax (SEK 360) for zero-emission vehicles and PHEVs.	The private use of a company car is taxed on benefits. For some green cars, there is a permanent tax reduction of the benefit value.	<p>Climate bonus for light vehicles:</p> <ul style="list-style-type: none"> SEK 70,000 BEVs. SEK 44,417 for PHEVs with 1g CO2/km down to SEK 10,020 for ≤ 60g CO2/km. Premium for purchase of new electric buses and trucks. <p>Proposals for 1 July 2022:</p> <ul style="list-style-type: none"> SEK 19,700 for PHEVs with 1g CO2/km down to SEK 5,000 for ≤ 50g CO2/km. Price cap to receive a bonus at SEK 700,000 for a new vehicle (M1 or N1).