## ELECTRIC VEHICLES: TAX BENEFITS & PURCHASE INCENTIVES

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

### GLOSSARY

- **BEV**: Battery electric vehicle
- **PHEV**: Plug-in hybrid electric vehicle
- **HEV**: Hybrid electric vehicle
- **EREV**: Extended-range electric vehicle
- **FCEV**: Fuel cell electric vehicle (hydrogen)
- **LPG**: Liquefied petroleum gas
- **CNG**: Compressed natural gas
- **E85**: Blend of 85% ethanol fuel and 15% petrol, or other hydrocarbon

<table>
<thead>
<tr>
<th>M1</th>
<th>N1</th>
<th>M2</th>
<th>N2</th>
<th>M3</th>
<th>N3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger car</td>
<td>Vehicle for carriage of goods, mass ≤ 3.5 t</td>
<td>Vehicle for carriage of passengers, mass ≤ 5 t</td>
<td>Vehicle for carriage of goods, mass &gt; 3.5 t and ≤ 12 t</td>
<td>Vehicle for carriage of passengers, mass &gt; 5 t</td>
<td>Vehicle for carriage of goods, mass &gt; 12 t</td>
</tr>
</tbody>
</table>

### TAX BENEFITS

#### AUSTRIA

- VAT deduction and exemption from tax for zero-emission cars and N1 vehicles (eg BEVs and FCEVs).

<table>
<thead>
<tr>
<th>Acquisition</th>
<th>Ownership</th>
<th>Company cars</th>
</tr>
</thead>
</table>
| 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 full-electric range of ≥ 50km and gross list price of ≤ €60,000:  
  - €3,000 for BEVs and FCEVs  
  - €1,250 for PHEVs and EREVs  
- Additional incentives granted by provinces and communities. |

#### BELGIUM

- Brussels and Wallonia: minimum tax rate (€61.50) for BEVs and FCEVs (M1).  
  - Flanders: BEVs and FCEVs (M1) are exempt.
- 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.
- 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.
- 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):  
    - 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)

www.acea.auto
<table>
<thead>
<tr>
<th>Country</th>
<th><strong>TAX BENEFITS</strong></th>
<th><strong>PURCHASE INCENTIVES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acquisition</strong></td>
<td><strong>Ownership</strong></td>
<td><strong>Company cars</strong></td>
</tr>
<tr>
<td><strong>BULGARIA</strong></td>
<td>Exemption for electric vehicles.</td>
<td>×</td>
</tr>
</tbody>
</table>
| **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. | × | • 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). | • 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).  
|                  |                  |                         |   | • 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:  
|                  | - 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):  
|                  | - 50% of the full registration tax  
|                  | - Additional DKK 48,750 registration tax deduction  
|                  | - DKK 1,300 deduction of taxable value  
|                  | Further deductions for LCVs. | • 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. | × | • 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).  
|                  |                  |                         |   | • 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. |

www.acea.auto
### TAX BENEFITS

<table>
<thead>
<tr>
<th>Acquisition</th>
<th>Ownership</th>
<th>Company cars</th>
</tr>
</thead>
</table>

#### FRANCE

- 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.

#### GERMANY

- 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.

#### GREECE

- 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.

#### HUNGARY

- Tax exemption for BEV and PHEV cars.
- Exemption for BEV and PHEV cars
- Exemption for BEV and PHEV cars.

### PURCHASE INCENTIVES

<table>
<thead>
<tr>
<th>Bonus to buy car or van with ≤ 20g CO2/km:</th>
</tr>
</thead>
<tbody>
<tr>
<td>€6,000 for households, if vehicle ≤ €45,000</td>
</tr>
<tr>
<td>€4,000 for legal persons, vehicle ≤ €45,000</td>
</tr>
<tr>
<td>€2,000 for households and legal persons:</td>
</tr>
<tr>
<td>– Vehicle between €45,000 and €60,000</td>
</tr>
<tr>
<td>– FCEV vans and cars, or vans &gt; €60,000</td>
</tr>
<tr>
<td>Bonus cars or vans &gt; 21 and ≤ 50g CO2/km:</td>
</tr>
<tr>
<td>€2,000 for households, vehicle ≤ €50,000</td>
</tr>
<tr>
<td>€1,000 for households, vehicle ≤ €50,000</td>
</tr>
<tr>
<td>Bonus BEV or FCEV heavy-duty vehicles:</td>
</tr>
<tr>
<td>€50,000 for N2/N3 vehicles</td>
</tr>
<tr>
<td>€30,000 for M2/M3 vehicles</td>
</tr>
</tbody>
</table>

Scrappage scheme for purchase of second-hand or new vehicles with ≤ 50g CO2/km, price ≤ €60,000:
- Cars: up to €5,000, based on income
- Vans: up to €9,000, based on the weight

--

Note: stricter requirements under discussion.
## Electric Vehicles: Tax Benefits & Purchase Incentives

### Ireland
- **Acquisition**
  - €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.
- **Ownership**
  - Minimum rate (€120 per year) for BEVs.
  - Reduced rate (€140 per year) for PHEVs ≤ 50g CO2/km.
- **Company cars**
  - 0% benefit in kind applies to the first €50,000 for BEVs.

### Italy
- **Exemption from registration costs for BEV vehicles** (first registration).
- **Exemption for M1 and N1 vehicles emitting ≤ 50g CO2/km.**
- Minimum rate (€10) for BEVs.

### Latvia
- **Exemption for electric vehicles** (first registration only).

### Lithuania
- **Exemption for electric vehicles** (first registration only).
- **Purchase incentives (bonus)** for vehicles ≤ six months:
  - 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.

### 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.
  - 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.

---

**Purchase incentives for individuals in 2021**:
- 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
# ELECTRIC VEHICLES:
## TAX BENEFITS & PURCHASE INCENTIVES

## TAX BENEFITS

<table>
<thead>
<tr>
<th>Country</th>
<th>Acquisition</th>
<th>Ownership</th>
<th>Company cars</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NETHERLANDS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exemption for zero-emission cars.</td>
<td>Exemption for zero-emission cars. 50% tariff for PHEVs.</td>
<td>Minimum rate (16%) for zero-emission cars. Cap at €35,000 for BEVs. No cap for hydrogen cars.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>POLAND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exemption for BEVs and PHEVs ≤ 2,000cc (until end 2022).</td>
<td>Depreciation:  • 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 &gt; 50g CO2/km</td>
<td>Purchase incentives for individuals:  • From PLN 18,750 to PLN 27,000 for BEVs and FCEVs of a max price of PLN 225,000 for M1 BEVs and FCEVs of a max price of PLN 225,000  • Up to PLN 70,000 for N1 BEVs and FCEVs</td>
</tr>
<tr>
<td><strong>PORTUGAL</strong></td>
<td>Car tax:  • BEVs: complete exemption  • PHEVs: 75% reduction if range in all-electric mode ≥ 50km and &lt; 50g CO2/km  • HEVs: 40% reduction if range in all-electric mode &gt; 50km and CO2 emissions ≤ 50g/km</td>
<td>Exemption for battery electric vehicles (BEVs).</td>
<td>Autonomous corporate income tax:  • Exemption for BEVs  • Reduction for PHEVs if range in all-electric mode ≥ 50km and CO2 emissions ≤ 50g/km VAT deduction for M1 and N1:  • 100% for BEVs ≤ €62,500 + VAT  • 100% for PHEVs ≤ €50,000 + VAT</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROMANIA</strong></td>
<td>×</td>
<td>Exemption for electric vehicles.</td>
<td>×</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SLOVAKIA</strong></td>
<td>×</td>
<td>Exemption for BEVs. 50% for FCEVs and HEVs.</td>
<td>×</td>
</tr>
</tbody>
</table>

## PURCHASE INCENTIVES

<table>
<thead>
<tr>
<th>Country</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Subsidy scheme (SEPP) for individuals to buy/lease a small or compact BEV car, new or used.</td>
</tr>
<tr>
<td></td>
<td>Subsidy scheme (SEBA) for entrepreneurs to buy/lease a new commercial vehicle (N1 or N2 weighing up to 4,250kg).</td>
</tr>
<tr>
<td></td>
<td>Environmental investment deduction (MIA) for BEV and FCEV light commercial vehicles and BEV taxis.</td>
</tr>
<tr>
<td></td>
<td>Arbitrary depreciation of environmental investments scheme (Vamil) for FCEV cars or taxis and BEV cars equipped with solar panels.</td>
</tr>
</tbody>
</table>


## www.acea.auto
<table>
<thead>
<tr>
<th>TAX BENEFITS</th>
<th>PURCHASE INCENTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>Ownership</td>
</tr>
</tbody>
</table>

**SLOVENIA**

Minimum additional tax rate (0.5%) for BEVs.

**SPAIN**

- Exemption from ‘special tax’ for vehicles emitting ≤ 120g CO2/km.
- Canary Islands: VAT exemption for alternatively-powered vehicles (e.g. BEVs, FCEVs, PHEVs, EREVs, HEVs) emitting ≤ 110g CO2/km.
- Reduction of 75% for BEVs in main cities (e.g. Madrid, Barcelona, Zaragoza, Valencia, etc).
- 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:
  - 30% reduction for BEVs and PHEVs ≤ €40,000
  - 20% reduction for HEVs ≤ €35,000

Incentive scheme (MOVES III) in 2021-2023:

- 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)

Incentive scheme (MOVES MITMA) for N2, N3, M2 and M3 vehicles:

- Scrappage 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

**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.

Climate bonus for light vehicles:

- 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.

Proposals for 1 July 2022:

- 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).