

# ELECTRIC VEHICLES: TAX BENEFITS & PURCHASE INCENTIVES

In the 27 member states of the European Union (2021)

## GLOSSARY

<b>BEV</b> Battery electric vehicle	<b>FCEV</b> Fuel cell electric vehicle (hydrogen)
<b>PHEV</b> Plug-in hybrid electric vehicle	<b>LPG</b> Liquefied petroleum gas
<b>HEV</b> Hybrid electric vehicle	<b>CNG</b> Compressed natural gas
<b>EREV</b> Extended-range electric vehicle	<b>E85</b> Blend of 85% ethanol fuel and 15% petrol, or other hydrocarbon
<b>M1</b> Passenger car	<b>N1</b> Vehicle for carriage of goods, mass ≤ 3.5 t
<b>M2</b> Vehicle for carriage of passengers, mass ≤ 5t	<b>N2</b> Vehicle for carriage of goods, mass > 3.5t and ≤ 12t
<b>M3</b> Vehicle for carriage of passengers, mass > 5t	<b>N3</b> Vehicle for carriage of goods, mass > 12t
<b>×</b> No benefit or incentive available	

TAX BENEFITS			PURCHASE INCENTIVES
Acquisition	Ownership	Company cars	
<b>AUSTRIA</b>			
VAT deduction and exemption from tax for zero-emission cars (eg BEVs and FCEVs).	Tax exemption for zero-emission cars.	Tax exemption for zero-emission cars.	Bonus (until the end of 2021) for the purchase of new cars and vans with fully-electric range of ≥ 50km and gross list price of ≤ €60,000: • €3,000 for BEVs and FCEVs • €1,250 for PHEVs and EREVs For more details: <a href="http://www.umweltfoerderung.at">www.umweltfoerderung.at</a>
<b>BELGIUM</b>			
<ul style="list-style-type: none"> <li>• <b>Brussels and Wallonia:</b> minimum tax rate for zero-emission vehicles (€61.50).</li> <li>• <b>Flanders:</b> zero-emission vehicles (BEVs, FCEVs and H2) are exempted.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Brussels and Wallonia:</b> minimum rate for zero-emission vehicles (€76.32 + 10% municipal tax per year).</li> <li>• <b>Flanders:</b> zero-emission vehicles (BEVs, FCEVs and H2) are exempted.</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum deductibility (100%) of expenses for vehicles with ≤ 42g CO2/km (NEDC or WLTP).</li> <li>• Minimal annual benefit in kind of 4% list value of vehicles (private use allowed) with ≤ 87g CO2/km (NEDC / WLTP).</li> </ul>	×
<b>BULGARIA</b>			
×	Exemption for electric vehicles.	×	×
<b>CROATIA</b>			
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
<b>CYPRUS</b>			
Exemption for vehicles emitting less than 120g CO2/km.	Minimum rate for vehicles emitting < 120g CO2/km.	×	×

TAX BENEFITS			PURCHASE INCENTIVES
Acquisition	Ownership	Company cars	
<b>CZECH REPUBLIC</b>			
<ul style="list-style-type: none"> <li>BEVs and FCEVs emitting ≤ 50g CO2/km exempted from registration charges (with a special number plate).</li> <li>Exemption from vignettes for BEVs and FCEVs up to 3.5t and emitting ≤ 50g CO2/km.</li> <li>Exemption from toll fees for BEVs and FCEVs &gt; 3.5t and emitting ≤ 50g CO2/km.</li> </ul>	×	Exemption for alternatively-powered vehicles (ie BEVs, HEVs, FCEVs, CNG, LPG and E85).	×
<b>DENMARK</b>			
<p>Zero-emission cars:</p> <ul style="list-style-type: none"> <li>Pay 40% of registration tax</li> <li>DKK 170,000 deduction (2021)</li> <li>Exemption from CO2-based surcharge of registration tax</li> </ul> <p>FCEVs:</p> <ul style="list-style-type: none"> <li>Exemption (2021)</li> <li>Deduction of DKK 58,500 in the taxable value (2022)</li> </ul> <p>Low-emission cars (emitting &lt; 50g CO2/km):</p> <ul style="list-style-type: none"> <li>45% of the full registration tax</li> <li>DKK 50,000 deduction (2021)</li> </ul> <p>BEVs and low-emission PHEVs (≤ 45kWh):</p> <ul style="list-style-type: none"> <li>DKK 1,700 deduction of taxable value (2021)</li> </ul>	<ul style="list-style-type: none"> <li>Taxes on ownership are based on CO2 emissions.</li> <li>Zero-emission cars pay the minimum tax rate of DKK 330 annually in 2021 and DKK 340 in 2022.</li> </ul>	×	×
<b>ESTONIA</b>			
×	×	×	×
<b>FINLAND</b>			
Minimum rate for zero-emission vehicles.	Minimum rate for zero-emission vehicles.	<ul style="list-style-type: none"> <li>Tax deduction of €170 per month from taxable value (income tax) for BEVs from 1 January 2021 until 31 December 2025.</li> <li>Charging of electric vehicles at workplace is exempted from income tax (2021-2025).</li> </ul>	<ul style="list-style-type: none"> <li>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 2018-2021.</li> <li>Temporary bonus of € 2,000 for purchase of a new BEV or PHEV if scrapping an old passenger car, valid from 1 December 2020 to 31 December 2021.</li> </ul>

TAX BENEFITS			PURCHASE INCENTIVES
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<b>FRANCE</b>			
Regions provide an exemption (either total or 50%) for alternatively-powered vehicles (ie electric, HEVs, CNG, LPG and E85).	×	Exemption from CO2-based tax component ('TVS') for vehicles emitting less than 20g CO2/km.	<p>Bonus to buy car or van with ≤ 20g CO2/km:</p> <ul style="list-style-type: none"> <li>• €7,000 for households, if vehicle ≤ €45,000</li> <li>• €5,000 for legal persons, vehicle ≤ €45,000</li> <li>• €3,000 for households and legal persons:                             <ul style="list-style-type: none"> <li>- Vehicle between €45,000 and €60,000</li> <li>- FCEV vans and cars, or vans &gt; €60,000</li> </ul> </li> </ul> <p>Bonus cars or vans &gt; 21 and ≤ 50g CO2/km:</p> <ul style="list-style-type: none"> <li>• €2,000 for households, vehicle ≤ €50,000</li> </ul> <p>Bonus BEV or FCEV heavy-duty vehicles:</p> <ul style="list-style-type: none"> <li>• €50,000 for N2/N3 vehicles</li> <li>• €30,000 for M2/M3 vehicles</li> </ul> <p>Scrappage scheme for purchase of second-hand or new vehicles with ≤ 50g CO2/km, price ≤ €60,000:</p> <ul style="list-style-type: none"> <li>• Cars                             <ul style="list-style-type: none"> <li>- €5,000 for households, based on income</li> <li>- €2,500 for legal persons</li> </ul> </li> <li>• Vans                             <ul style="list-style-type: none"> <li>- €5,000 (households or legal persons)</li> </ul> </li> </ul>
<b>GERMANY</b>			
×	10-year exemption for BEVs and FCEVs registered until 31 December 2025. Exemption granted until 31 December 2030 at the latest.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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).</li> </ul>	<p>Until 31 December 2021, the 'innovation bonus' temporarily increases the environmental bonus for new and used BEVs, PHEVs and FCEVs. Applies to all eligible vehicles registered from 8 July 2020.</p> <ul style="list-style-type: none"> <li>• Bonus for cars with net list price ≤ €40,000:                             <ul style="list-style-type: none"> <li>- €9,000 for BEVs and FCEVs</li> <li>- €6,750 for PHEVs</li> </ul> </li> <li>• Bonus for cars with net list price &gt; €40,000:                             <ul style="list-style-type: none"> <li>- €7,500 for BEVs and FCEVs</li> <li>- €5,625 for PHEVs</li> </ul> </li> </ul> <p>Note: stricter requirements under discussion.</p>
<b>GREECE</b>			
<ul style="list-style-type: none"> <li>• Registration tax (RT) exemption for BEV cars.</li> <li>• 75% reduction in RT for PHEVs up to 50g/km.</li> <li>• 50% reduction in RT for other PHEVs and all HEVs.</li> <li>• RT exemption for electric trucks.</li> </ul>	Exemption for cars emitting less than 122g CO2/km (WLTP).	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Deductible of €40,000 in the NRP for BEVs and PHEVs up to 50g CO2/km with higher NRP value.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 15% cashback for vans (up to €5,500 for BEVs; €4,000 for PHEVs), plus €1,000 for scrapping.</li> </ul>
<b>HUNGARY</b>			
Tax exemption for BEV and PHEV cars.	Exemption for BEV and PHEV cars	Exemption for BEV and PHEV cars.	<p>From 15 June 2020, purchase incentives for electric cars:</p> <ul style="list-style-type: none"> <li>• €7,350 for gross price of up to €32,000</li> <li>• €1,500 if price between €32,000-44,000</li> </ul>

TAX BENEFITS			PURCHASE INCENTIVES
Acquisition	Ownership	Company cars	
<b>IRELAND</b>			
×	<ul style="list-style-type: none"> <li>Minimum rate (€120 per year) for BEVs.</li> <li>Reduced rate (€140 per year) for PHEVs ≤ 50g CO2/km.</li> </ul>	'Benefit-in-kind concession' for electric cars and vans with a market value of less than €50,000 (until the end of 2022).	Purchase incentives for individuals in 2021: <ul style="list-style-type: none"> <li>Up to €5,000 for BEVs</li> <li>Up to €5,000 for PHEVs with ≤ 50g CO2/km and full-electric range of ≥ 50km</li> <li>Up to €3,800 for BEV vans</li> </ul>
<b>ITALY</b>			
×	<ul style="list-style-type: none"> <li>Five-year exemption for electric vehicles from the date of first registration.</li> <li>After this period, 75% reduction of the tax rate applied to equivalent petrol vehicles.</li> </ul>	×	Bonus-malus scheme: <ul style="list-style-type: none"> <li>'Ecobonus': a one-off amount (max €6,000 for cars emitting ≤ 20g CO2/km and a price of less than €50,000, excluding VAT)</li> <li>Malus: up to €2,500 for cars emitting more than 290g CO2/km</li> </ul> Additional incentives to buy BEVs or PHEVs of up to €2,000.  Alternatively: contribution of 40% for households with an ISEE < €30,000, buying a new electric car with < 150kWh power and a list price < €30,000 (excluding VAT).  Special fund with up to €8,000 per BEV and PHEV special car (M1) and light commercial vehicle (N1).
<b>LATVIA</b>			
Exemption for electric vehicles (first registration).	Exemption for cars emitting 50g CO2/km or less registered after 31 December 2009.	Minimum rate (€10) for BEVs.	×
<b>LITHUANIA</b>			
Exemption for electric vehicles (first registration only).	×	Purchase incentives (bonus) for vehicles ≤ six months: <ul style="list-style-type: none"> <li>M1 or N1 electric vehicle: €4,000</li> <li>M2 or N2 electric vehicle: €10,000</li> <li>Additional €1,000 for scrapping an old diesel or petrol M1, owned for at least 12 months, with a valid MOT</li> </ul> Maximum subsidy is €400,000 per company.	Purchase incentives (bonus) for individuals in 2021: <ul style="list-style-type: none"> <li>€2,500 for used M1 electric vehicle with first registration after 2 April 2016, or model year 2016 and after</li> <li>€5,000 for new M1 electric vehicle not older than six months from the first registration</li> <li>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</li> </ul>
<b>LUXEMBOURG</b>			
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"> <li>BEVs ≤ 18 kWh: €8,000</li> <li>&gt; 18 kWh: €3,000</li> <li>PHEVs ≤ 50g/km: €1,500</li> </ul>
<b>MALTA</b>			
Minimum rate for vehicles emitting < 100g CO2/km.	Minimum rate for vehicles emitting < 100g CO2/km.	×	×

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Acquisition	Ownership	Company cars	
<b>NETHERLANDS</b>			
Exemption for zero-emission cars.	Exemption for zero-emission cars. 50% tariff for PHEVs.	Minimum rate (12%) for zero-emission cars. Cap at €40,000 for BEVs. No cap for hydrogen cars.	<ul style="list-style-type: none"> <li>Subsidy scheme (SEPP) for individuals to buy / lease a small or compact BEV car, new or used.</li> <li>Environmental investment deduction (MIA) for BEV and FCEV light commercial vehicles and BEV taxis.</li> <li>Arbitrary depreciation of environmental investments scheme (Vamil) for FCEV cars or taxis and BEV cars equipped with solar panels.</li> </ul> For more details: <a href="http://www.rvo.nl/subsidie-en-financieringswijzer">www.rvo.nl/subsidie-en-financieringswijzer</a>
<b>POLAND</b>			
Exemption for BEVs and PHEVs ≤ 2,000cc (until end 2022).	×	×	×
<b>PORTUGAL</b>			
Car tax: <ul style="list-style-type: none"> <li>BEVs and renewable energy vehicles: complete exemption</li> <li>PHEVs: 75% reduction if range in all-electric mode ≥ 50km and &lt; 50g CO2/km</li> <li>CNG: 60% reduction</li> <li>HEVs: 40% reduction if range in all-electric mode over 50km and CO2 emissions less than 50g/km</li> </ul>	Exemption for electric vehicles.	Autonomous corporate income tax: <ul style="list-style-type: none"> <li>Exemption for BEVs</li> <li>Reduction for PHEVs if range in all-electric mode ≥ 50km and CO2 emissions &lt; 50g/km</li> </ul> VAT deduction for M1 and N1: <ul style="list-style-type: none"> <li>100% for BEVs ≤ €62,500</li> <li>100% for PHEVs ≤ €50,000</li> <li>50% for LPG and CNG vehicles ≤ €37,500</li> </ul>	<ul style="list-style-type: none"> <li>Private: €3,000 to buy a new BEV (M1 vehicle), with purchasing price of up to €62,500, limited to one vehicle per person.</li> <li>Companies (limited to N1 vehicles): €6,000 to buy a new BEV.</li> </ul>
<b>ROMANIA</b>			
×	Exemption for electric vehicles.	×	Renewal scheme (RABLA) for cars: <ul style="list-style-type: none"> <li>€10,000 to buy a new BEV</li> <li>€4,250 for a new PHEV with ≤ 50g CO2/km</li> <li>Plus €1,250 for scrapping an old vehicle</li> </ul>
<b>SLOVAKIA</b>			
<ul style="list-style-type: none"> <li>BEV registration is subject to a maximum charge of €33.</li> <li>BEVs, or PHEVs combined with other fuel types or energy sources, are depreciated for two years.</li> </ul>	Exemption for BEVs.	×	×
<b>SLOVENIA</b>			
Minimum rate (0.5%) for vehicles emitting less than 110g CO2/km.	×	×	Incentive scheme: <ul style="list-style-type: none"> <li>€7,500 for BEVs (cars)</li> <li>€4,500 for BEVs (vans and heavy quadricycles)</li> <li>€4,500 for PHEVs (cars and vans) and EREVs</li> <li>€3,000 for BEVs (light quadricycles)</li> </ul>

TAX BENEFITS			PURCHASE INCENTIVES
Acquisition	Ownership	Company cars	
<b>SPAIN</b>			
<ul style="list-style-type: none"> <li>Exemption from 'special tax' for vehicles emitting up to 120g CO2/km.</li> <li>Canary Islands: VAT exemption for alternative-powered vehicles (ie BEVs, FCEVs, PHEVs, EREVs, HEVs, CNG, LPG) emitting up to 110g CO2/km.</li> </ul>	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"> <li>30% reduction for BEVs and PHEVs ≤ €40,000</li> <li>20% reduction for HEVs ≤ €35,000</li> </ul>	<p>Incentive scheme (MOVES III) in 2021-2023:</p> <ul style="list-style-type: none"> <li>Cars: €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</li> <li>Vans and trucks: €7,000-9,000 for private individuals, depending on scrapping</li> <li>The plan also includes different incentives for SMEs and large companies</li> </ul> <p>For more details: <a href="http://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-iii</a></p>
<b>SWEDEN</b>			
X	Low annual road tax (SEK 360) for zero-emission vehicles and PHEVs (petrol).	X	<p>Climate bonus:</p> <ul style="list-style-type: none"> <li>SEK 60,000 for new zero-emission cars and light trucks until 31 March 2021. From 1 April it increases to SEK 70,000.</li> <li>SEK 59,286 for PHEVs with 1g CO2/km down to SEK 10,000 for ≤ 70g CO2/km until 31 March. From 1 April, SEK 44,417 for PHEVs with 1g CO2/km down to SEK 10,000 for 60g CO2/km.</li> <li>SEK 10,000 for CNG cars, light trucks / buses</li> <li>Premium for purchase of new electric buses and trucks</li> </ul>