

# ELECTRIC VEHICLES: TAX BENEFITS & INCENTIVES IN THE EU

## Glossary

**BEV** = Battery electric vehicle

**FCEV** = Fuel-cell electric vehicle

**PHEV** = Plug-in hybrid electric vehicle

**EREV** = Extended-range electric vehicle

**HEV** = Hybrid electric vehicle

**CNG** = Compressed natural gas

**LPG** = Liquefied petroleum gas

**E85** = Blend of 85% ethanol fuel and 15% petrol or other hydrocarbon

— = None

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COUNTRY	TAX BENEFITS			INCENTIVES
	ACQUISITION	OWNERSHIP	COMPANY CARS	
<b>AUSTRIA</b>	VAT deduction and exemption from tax for zero-emission cars (eg BEVs and FCEVs).	Exemption for zero-emission cars.	Exemption for zero-emission cars.	Incentive scheme (until end of 2020): <ul style="list-style-type: none"> <li>€3,000 for new BEVs and FCEVs</li> <li>€1,500 for PHEVs and EREVs</li> </ul> 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 rate for BEVs.</li> <li><b>Flanders:</b> BEVs and FCEVs (emitting 50g CO<sub>2</sub>/km or less) are exempt until end of 2020.</li> </ul>	<ul style="list-style-type: none"> <li><b>Brussels and Wallonia:</b> minimum rate for zero-emission vehicles.</li> <li><b>Flanders:</b> BEVs and FCEVs (emitting 50g CO<sub>2</sub>/km or less) are exempt until end of 2020.</li> </ul>	Deductibility of 120% under corporate tax of expenses for zero-emission cars until end of 2019 (100% from 2020).	<ul style="list-style-type: none"> <li><b>Brussels:</b> financial incentives for companies to buy electric, hybrid or fuel-cell vehicles. For more details: <a href="http://werk-economie-emploi.brussels/investissements-environnementaux">http://werk-economie-emploi.brussels/investissements-environnementaux</a></li> <li><b>Flanders:</b> purchase incentives for BEVs and FCEVs (cars and vans only).</li> </ul>
<b>BULGARIA</b>	—	Exemption for electric vehicles.	—	—
<b>CROATIA</b>	—	—	—	—
<b>CYPRUS</b>	Exemption for vehicles emitting less than 120g CO <sub>2</sub> /km.	Minimum rate for vehicles emitting less than 120g CO <sub>2</sub> /km.	—	—

<b>CZECH REPUBLIC</b>	Exemption from registration charges for BEVs and FCEVs emitting 50g CO <sub>2</sub> /km or less (upon request of a special number plate).	Exemption for alternatively-powered vehicles (ie electric, hybrids, CNG, LPG and E85).	—	—
<b>DENMARK</b>	<ul style="list-style-type: none"> <li>▪ Exemption for FCEVs until 31/12/2021.</li> <li>▪ BEVs and PHEVs pay 20% of the tax in 2019 (set to increase to 40% in 2020, 65% in 2021, 90% in 2022 and 100% in 2023).</li> <li>▪ Reduction for BEVs and PHEVs of up to DKK 40,000 in 2019 and DKK 77,500 in 2020.</li> </ul>	Special rules apply to BEVs, PHEVs and FCEVs.	—	—
<b>ESTONIA</b>	—	—	—	—
<b>FINLAND</b>	Minimum rate for zero-emission vehicles.	Minimum rate for zero-emission vehicles.	—	Purchase incentive of €2,000 granted for new BEVs, provided value does not exceed €50,000.
<b>FRANCE</b>	Regions have the option to provide an exemption (either total or 50%) for alternatively-powered vehicles (ie electric, hybrids, CNG, LPG and E85).	—	Exemption from CO <sub>2</sub> -based tax component for vehicles emitting less than 20g/km.	<ul style="list-style-type: none"> <li>▪ <u>Bonus-malus scheme</u>: bonus of up to €6,000 for vehicles emitting 20g CO<sub>2</sub>/km or less. Vehicles under 117g CO<sub>2</sub>/km exempt from penalty.</li> <li>▪ <u>Scrappage scheme</u>: up to €5,000 for purchase of second hand or new BEVs and PHEVs.</li> </ul>
<b>GERMANY</b>	—	10-year exemption for BEVs and FCEVs registered between 1/1/2016 and 31/12/2020.	Reduction of the taxable amount for BEVs (from 1% to 0.5% of the gross catalogue price per month).	Environmental bonus: <ul style="list-style-type: none"> <li>▪ €4,000 for BEVs and FCEVs</li> <li>▪ €3,000 for PHEVs and EREVs</li> </ul>
<b>GREECE</b>	Exemption for electric vehicles (ie zero-emission vehicles).	Exemption for electric cars and cars emitting 90g CO <sub>2</sub> /km or less registered after 31/10/2010.	—	—
<b>HUNGARY</b>	Exemption for BEV and PHEV cars.	Exemption for BEV and PHEV cars	Exemption for BEV and PHEV cars.	—

<b>IRELAND</b>	Reduction for: <ul style="list-style-type: none"> <li>▪ BEVs up to €5,000 (31/12/2021)</li> <li>▪ PHEVs €2,500 (until 31/12/2019)</li> <li>▪ HEVs €1,500 (until 31/12/2019)</li> </ul>	Minimum rate (€120) for electric vehicles.	—	Purchase incentives: <ul style="list-style-type: none"> <li>▪ Up to €5,000 for BEVs (until 31/12/2021)</li> <li>▪ Up to €5,000 for PHEVs (until 31/12/2019)</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>▪ <b>Bonus</b>: a one-off amount (max €6,000 for cars emitting 20g CO<sub>2</sub>/km or less) at registration of the vehicle (between 1/3/2019 - 31/12/2021).</li> <li>▪ <b>Malus</b>: up to €2,500 for cars emitting more than 250g CO<sub>2</sub>/km.</li> </ul>
<b>LATVIA</b>	—	Exemption for cars emitting 50g CO <sub>2</sub> /km or less registered after 31/12/2009.	Minimum rate (€10) for BEVs.	—
<b>LITHUANIA</b>	—	—	—	—
<b>LUXEMBOURG</b>	Tax relief: <ul style="list-style-type: none"> <li>▪ €5,000 for BEVs and FCEVs</li> <li>▪ €2,500 for PHEVs</li> </ul>	Minimum rate for vehicles emitting 90g CO <sub>2</sub> /km or less.	Minimum rate for BEVs and FCEVs.	—
<b>MALTA</b>	Minimum rate for vehicles emitting less than 100g CO <sub>2</sub> /km.	Minimum rate for vehicles emitting less than 100g CO <sub>2</sub> /km.	—	—
<b>NETHERLANDS</b>	Exemption for zero-emission cars.	Exemption for zero-emission cars.	Minimum rate (4%) for zero-emission cars.	—
<b>POLAND</b>	Exemption for BEVs and PHEVs (not in effect yet <sup>1</sup> ).	—	—	—
<b>PORTUGAL</b>	VAT deduction for BEVs (with value of less than €62,000) and PHEVs (with value of less than €50,000).	—	Exemption for BEVs.	—

<sup>1</sup> To be introduced after positive decision by European Commission on public aid

<b>ROMANIA</b>	—	Exemption for electric vehicles.	—	Scrappage scheme: <ul style="list-style-type: none"> <li>▪ €10,000 for BEVs (plus €1,500 for scrapping a vehicle older than eight years)</li> <li>▪ €4,500 for new HEVs</li> </ul>
<b>SLOVAKIA</b>	Minimum rate (€33) for BEVs.	Exemption for BEVs.	—	—
<b>SLOVENIA</b>	Minimum rate (0.5%) for vehicles emitting less than 110g CO <sub>2</sub> /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)<sup>2</sup></li> </ul>
<b>SPAIN</b>	Exemption for vehicles emitting less than 120g CO <sub>2</sub> /km.	Reduction of 75% for BEVs in main cities (eg Madrid, Barcelona, Zaragoza, Valencia, etc).	—	Incentive scheme for BEVs, FCEVs, PHEVs, EREVs: <ul style="list-style-type: none"> <li>▪ Up to €5,500 for cars</li> <li>▪ €6,000 for vans</li> <li>▪ €8,000 for medium vehicles (M<sub>2</sub>, N<sub>2</sub>)</li> <li>▪ €15,000 for heavy vehicles (M<sub>3</sub>, N<sub>3</sub>)<sup>2</sup></li> </ul> For more details: <a href="https://www.idae.es/ayudas-y-financiacion/para-movilidad-y-vehiculos/plan-moves-incentivos-la-movilidad-eficiente-y">https://www.idae.es/ayudas-y-financiacion/para-movilidad-y-vehiculos/plan-moves-incentivos-la-movilidad-eficiente-y</a>
<b>SWEDEN</b>	—	—	Reduction for BEVs and PHEVs of 40% (up to SEK 10,000).	Incentive scheme: <ul style="list-style-type: none"> <li>▪ SEK 60,000 for BEVs</li> <li>▪ SEK 10,000 for PHEVs emitting less than 60g CO<sub>2</sub>/km</li> </ul>
<b>UNITED KINGDOM</b>	Exemption for BEVs and cars emitting less than 50g CO <sub>2</sub> /km (from April 2018 until March 2021).	Exemption for zero-emission vehicles.	Minimum rate for zero-emission vehicles.	Government grants (through dealers): <ul style="list-style-type: none"> <li>▪ Cars: 35% of purchase price BEVs, up to £3,500</li> <li>▪ Vans: 20% of purchase price BEVs, up to £8,000</li> </ul> For more details: <a href="https://www.gov.uk/plug-in-car-van-grants">https://www.gov.uk/plug-in-car-van-grants</a>

<sup>2</sup> Vehicle categories based on UNECE standards