

ELECTRIC VEHICLES: TAX BENEFITS & PURCHASE INCENTIVES

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

GLOSSARY

BEV = Battery electric vehicle

FCEV = Fuel-cell electric vehicle (hydrogen)

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	ACQUISITION	TAX BENEFITS OWNERSHIP	COMPANY CARS	PURCHASE INCENTIVES
AUSTRIA	VAT deduction and exemption from tax for zero-emission cars (eg BEVs and FCEVs).	Exemption for zero-emission cars.	Exemption for zero-emission cars.	Bonus (until the end of 2020) for the purchase 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. For more details: www.umweltfoerderung.at
BELGIUM	<ul style="list-style-type: none"> ▪ Brussels and Wallonia: minimum rate for zero-emission vehicles (€61.50). ▪ Flanders: BEVs, PHEVs and FCEVs emitting 50g CO₂/km (or less) under NEDC are exempted until the end of 2020. As of 1 July 2020, newly-registered leased zero-emission vehicles are exempted. 	<ul style="list-style-type: none"> ▪ Brussels and Wallonia: minimum rate for zero-emission vehicles (€76.32 + 10% municipal tax). ▪ Flanders: BEVs, PHEVs and FCEVs emitting 50g CO₂/km (or less) under NEDC are exempted until the end of 2020. As of 1 July 2020, newly-registered leased zero-emission vehicles are exempted. 	Deductibility of 100% under (corporate) taxation of expenses for vehicles emitting no more than 42g CO ₂ /km (NEDC).	—
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): <ul style="list-style-type: none"> ▪ €9,200 for BEVs. ▪ €4,600 for PHEVs.
CYPRUS	Exemption for vehicles emitting less than 120g CO ₂ /km.	Minimum rate for vehicles emitting less than 120g CO ₂ /km.	—	—
CZECH REPUBLIC	<ul style="list-style-type: none"> ▪ Exemption from registration charges for BEVs and FCEVs emitting up to 50g CO₂/km (upon request of a special number plate). ▪ Exemption from vignettes for BEVs and FCEVs emitting up to 50g CO₂/km. 	Exemption for alternatively-powered vehicles (ie electric, hybrid, CNG, LPG and E85).	—	<ul style="list-style-type: none"> ▪ Incentives for companies to buy BEVs and EREVs, for more details: https://www.agentura-api.org/wp-content/uploads/2019/12/resume-nut-elektromobilita-v.vyzva-eng.pdf ▪ Incentives for public sector to buy BEVs, FCEVs, EREVs, PHEVs and natural gas vehicles, details: https://www.narodniprogramzp.cz/nabidka-dotaci/detail-vyzvy/?id=80 ▪ Incentives for public transport operators to buy BEVs, FCEVs, CNG or LNG road vehicles: https://irop.mmr.cz/cs/vyzvy/seznam/vyzva-c-93-nizkoemisni-a-bezemisni-vozidla-pro
DENMARK	<ul style="list-style-type: none"> ▪ Exemption for FCEVs until the end of 2021. ▪ BEVs and PHEVs pay 20% of the registration tax in 2020 (set to increase to 65% in 2021, 90% in 2022 and 100% in 2023). ▪ Plus a reduction of DKK 40,000 for BEVs and PHEVs in 2020. 	Taxes on ownership are based on fuel consumption. The electric energy consumption of BEVs, PHEVs and FCEVs is recalculated to the equivalent fuel consumption of petrol vehicles.	Temporary deduction in taxable personal income for private users of (company) BEVs and PHEVs of up to DKK 3,333 per month, valid from 1 April to 31 December 2020.	—
ESTONIA	—	—	—	Bonus of €5,000 for the purchase of a full-electric car or van with a price below €50,000. For more details: https://kik.ee/et/toetatav-tegevus/elektriliste-soidukite-soetamine
FINLAND	Minimum rate for zero-emission vehicles.	Minimum rate for zero-emission vehicles.	—	Incentive of €2,000 for households to purchase or lease a new BEV with value ≤€50,000 (until 2021).

FRANCE	Regions provide an exemption (either total or 50%) for alternatively-powered vehicles (ie electric, hybrid, CNG, LPG and E85).	—	Exemption from CO ₂ -based tax component ('TVS') for vehicles emitting less than 20g CO ₂ /km.	Bonus to buy cars or vans with ≤20g CO ₂ /km: <ul style="list-style-type: none"> ▪ €7,000 for households, vehicle price ≤€45,000. ▪ €5,000 for legal persons, vehicle price ≤€45,000. ▪ €3,000 for households and legal persons: <ul style="list-style-type: none"> - Vehicle price between €45,000 and €60,000. - FCEV vans and cars or vans with price >€60,000. Scrappage scheme for purchase of second-hand or new vehicles with ≤50g CO ₂ /km, price ≤€60,000: <ul style="list-style-type: none"> ▪ Cars: <ul style="list-style-type: none"> - €5,000 for households, depending on income. - €2,500 for legal persons. ▪ Vans: €5,000 (for households or legal persons).
GERMANY	From 1 July 2020 until 31 December 2020, temporary VAT reduction from 19% to 16%.	10-year exemption for BEVs and FCEVs registered until the end of 2020.	<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). ▪ Additional reduction of the taxable amount for BEVs with a gross list price of up to €60,000 (from 1% to 0.25% of the gross catalogue price per month). 	Until 31 December 2021, an 'innovation bonus' temporarily increases the environmental bonus for new and used BEVs, PHEVs and FCEVs. Applies to all eligible vehicles registered from 4 June 2020. <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.
GREECE	<ul style="list-style-type: none"> ▪ Exemption for BEV cars. ▪ 50% reduction for HEV and PHEV cars. ▪ Exemption for trucks with electric motors. 	Exemption for cars emitting less than 90g CO ₂ /km (under NEDC).	<ul style="list-style-type: none"> ▪ Exemption for BEVs and PHEVs emitting up to 50g CO₂/km with net retail price of up to €40,000. ▪ 30% deduction to lease expenses for BEV and PHEV cars. 	<ul style="list-style-type: none"> ▪ 15% cashback on the net retail price of BEV cars (up to €5,500), plus extra €1,000 if an old car is scrapped (10 years or older). ▪ 25% cashback for BEV taxis of up to €8,000 (15% for PHEVs with ≤50g CO₂/km), plus extra €2,500 if an old taxi is scrapped. ▪ 15% cashback for vans (up to €5,500 for BEVs; €4,000 for PHEVs), plus €1,000 for scrapping.
HUNGARY	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€ and €44,000.

IRELAND	Reduction for: <ul style="list-style-type: none"> BEVs up to €5,000 (till end 2021). PHEVs with ≤65g CO₂/km up to €2,500 (until the end of 2020). HEVs with ≤80g CO₂/km up to €1,500 (until the end of 2020). 	<ul style="list-style-type: none"> Minimum rate (€120 per year) for BEVs. Reduced rate (€170 per year) for PHEVs with ≤60g CO₂/km. 	'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: <ul style="list-style-type: none"> Up to €5,000 for BEVs (until the end of 2021). Up to €5,000 for PHEVs with ≤50g CO₂/km that can travel in full-electric mode for a minimum of 50km (until the end of 2020). Up to €3,800 for BEV vans.
ITALY	—	<ul style="list-style-type: none"> Five-year exemption for electric vehicles from the date of first registration. After this period, 75% reduction of the tax rate applied to equivalent petrol vehicles. 	—	Bonus-malus scheme: <ul style="list-style-type: none"> Bonus: a one-off amount (max €6,000 for cars emitting ≤70g CO₂/km and a price less than €50,000 (excluding VAT)). Malus: up to €2,500 for cars emitting more than 250g CO₂/km.
LATVIA	Exemption for electric vehicles (first registration).	Exemption for cars emitting 50g CO ₂ /km or less registered after 31 December 2009.	Minimum rate (€10) for BEVs.	—
LITHUANIA	—	—	—	—
LUXEMBOURG	—	Minimum rate for vehicles emitting 90g CO ₂ /km or less.	Minimum rate for BEVs and FCEVs.	Incentives as part of people's annual tax return: <ul style="list-style-type: none"> €5,000 for BEVs and FCEVs. €2,500 for PHEVs emitting <50g CO₂/km.
MALTA	Minimum rate for vehicles emitting less than 100g CO ₂ /km.	Minimum rate for vehicles emitting less than 100g CO ₂ /km.	—	—
NETHERLANDS	Exemption for zero-emission cars.	Exemption for zero-emission cars.	Minimum rate (8%) for zero-emission cars with catalogue price of up to €45,000 (no price limit for FCEV cars).	<ul style="list-style-type: none"> Subsidy scheme (SEPP) for private individuals to buy or lease a new or used BEV. 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 the end of 2020).	—	—	Incentive scheme for natural persons buying a car (until the end of 2027). Up to: <ul style="list-style-type: none"> ▪ PLN 37,500 for BEVs with price ≤PLN 125,000. ▪ PLN 90,000 for FCEVs with price ≤ PLN 300,000.
PORTUGAL	VAT deduction for BEVs (with value of less than €62,000) and PHEVs (with value of less than €50,000).	Exemption for electric vehicles.	Autonomous corporate income tax: <ul style="list-style-type: none"> ▪ Exemption for BEVs. ▪ Reduction for PHEVs. 	<ul style="list-style-type: none"> ▪ Private: €3,000 to buy a new BEV (car or van), limited to one vehicle per person. ▪ Companies (limited to four vehicles): <ul style="list-style-type: none"> ▪ €2,000 for cars. ▪ €3,000 for vans.
ROMANIA	—	Exemption for electric vehicles.	—	Renewal scheme (RABLA) for passenger cars: <ul style="list-style-type: none"> ▪ €10,000 to buy a new BEV. ▪ €4,250 to buy a new PHEV with ≤50g CO₂/km. ▪ In addition, €1,250 for scrapping an old vehicle.
SLOVAKIA	BEVs, or PHEVs combined with other fuel types or energy sources, are depreciated for two years.	Exemption for BEVs.	—	Incentive scheme: <ul style="list-style-type: none"> ▪ €8,000 for BEVs. ▪ €5,000 for PHEVs.
SLOVENIA	Minimum rate (0.5%) for vehicles emitting less than 110g CO ₂ /km.	—	—	Incentive scheme: <ul style="list-style-type: none"> ▪ €7,500 for BEVs (cars). ▪ €4,500 for BEVs (vans and heavy quadricycles). ▪ €4,500 for PHEVs (cars and vans) and EREVs. ▪ €3,000 for BEVs (light quadricycles).
SPAIN	<ul style="list-style-type: none"> ▪ Exemption from 'special tax' for vehicles emitting up to 120g CO₂/km. ▪ <u>Canary Islands</u>: VAT exemption for alternative-powered vehicles (ie BEVs, FCEVs, PHEVs, EREVs, HEVs, CNG, LPG) emitting up to 110g CO₂/km. 	Reduction of 75% for BEVs in main cities (eg Madrid, Barcelona, Zaragoza, Valencia, etc).	—	Incentive scheme (MOVES Plan): <ul style="list-style-type: none"> ▪ Cars: €4,000-€5,000 for BEVs and €1,900-€2,600 for PHEVs for private individuals, depending on whether a vehicle older than seven years is being scrapped. ▪ Vans and trucks: between €4,400 and €6,000 for private individuals, depending on scrapping. For more details: https://www.idae.es/ayudas-y-financiacion/para-movilidad-y-vehiculos/plan-moves-incentivos-la-movilidad-eficiente-y

SWEDEN	-	Reduced annual road tax (SEK 360) for zero-emission vehicles.	Reduction for BEVs and PHEVs of 40% (up to SEK 10,000).	Climate bonus: <ul style="list-style-type: none"> ▪ SEK 60,000 for new zero-emission cars and light trucks. ▪ SEK 10,000 for PHEVs with $\leq 70g$ CO₂/km. ▪ Premium for purchase of new electric buses and trucks.
UNITED KINGDOM	Exemption for zero-emission vehicles.	Exemption for zero-emission vehicles.	Minimum rate for zero-emission vehicles: <ul style="list-style-type: none"> ▪ 0% in 2020-2021. ▪ 1% in 2021-2022. ▪ 2% in 2022-2025. 	Government grants (through dealers) for: <ul style="list-style-type: none"> ▪ Zero-emission cars up to £3,000, if price is <£50,000. ▪ Vans, taxis and trucks. For more details: https://www.gov.uk/plug-in-car-van-grants