



ACEA

22.02.2008

OVERVIEW OF CO₂ BASED MOTOR VEHICLE TAXES IN THE EU

At present, 14 EU Member States levy passenger taxes that are totally or partially based on the car's CO₂ emissions and/or fuel consumption. The table below provides an overview of these taxes.

COUNTRY	CO ₂ /FUEL CONSUMPTION TAXES
AUSTRIA	<p>A fuel consumption tax (Normverbrauchsabsage or NoVA) is levied upon the first registration of a passenger car. It is calculated as follows:</p> <ul style="list-style-type: none">- <u>Petrol cars</u>: 2% of the purchase price x (fuel consumption in litres – 3 litres)- <u>Diesel cars</u>: 2% of the purchase price x (fuel consumption in litres – 2 litres) <p>Under a bonus-malus system starting on 1 July 2008, cars emitting less than 120g/km receive a maximum bonus of €300. Cars emitting more than 180g/km pay a penalty of €25 for each gramme emitted in excess of 180g/km. (160 g/km as from 1 January 2010). Alternative fuel vehicles attract a bonus of maximum €500.</p>
BELGIUM	<ol style="list-style-type: none">1. Tax incentives are granted to private persons purchasing a car that emits less than 115g CO₂ /km. The incentives consist of a reduction of the invoice price with the following amount:<ul style="list-style-type: none">- Cars emitting less than 105g/km: 15% of the purchase price, with a maximum of €4,350- Cars emitting between 105 and 115 g/km: 3% of the purchase price, with a maximum of €8102. The company car tax is based on CO₂ emissions.3. The deductibility of expenses related to the use of the car (60 to 90%) is linked to CO₂ emissions.4. The Walloon Region operates a bonus-malus system whereby new cars emitting 145 g/km or less obtain a bonus (maximum € 1,000 for cars below 105g/km) and cars emitting more than 195 g/km pay a penalty (maximum €1,000 for cars emitting more than 255 g/km).
CYPRUS	<ol style="list-style-type: none">1. The rates of the registration tax (based on engine capacity) are adjusted in accordance with the vehicle's CO₂ emissions. This adjustment ranges from a 30% reduction for cars emitting less than 120 g/km to a 20% increase for cars emitting more than 250 g/km.2. The rates of the annual circulation tax (based on engine capacity) are reduced by 15% for cars emitting less than 150 g/km.3. A premium of €683 is granted for the purchase of a new car when its CO₂ emissions are below 120 g/km. For the purchase of hybrid and flexible fuel vehicles, the premium amounts to €1,196.

DENMARK	<p>1. The annual circulation tax is based on fuel consumption.</p> <ul style="list-style-type: none"> - <u>Petrol cars</u>: rates vary from 520 Danish Kroner (DKK) for cars driving at least 20 km per litre of fuel to DKK 18,460 for cars driving less than 4.5 km per litre of fuel. - <u>Diesel cars</u>: rates vary from DKK 160 for cars driving at least 32.1 km per litre of fuel to DKK 25,060 for cars driving less than 5.1 km per litre of fuel. <p>2. Registration tax (based on price): An allowance of DKK 4,000 is granted for cars for every kilometre in excess of 16 km (petrol) respectively 18 km (diesel) they can run on one litre of fuel. A supplement of DKK 1,000 is payable for cars for every kilometre less than 16 km (petrol) respectively 18 km (diesel) they can run on one litre of fuel.</p>
FINLAND	<p>1. The registration tax is based on CO2 emissions. Rates vary from 10% for cars emitting 60g/km or less to 40% for cars emitting 360g/km or more. The system is fully linear and technologically neutral.</p> <p>2. The annual circulation tax (currently based on weight) will be based on CO2 emissions from 2010 onwards. Rates will vary from €20 to €605 per year.</p>
FRANCE	<p>1. Under a bonus-malus system, a premium is granted for the purchase of a new car when its CO2 emissions are below 130 g/km. The maximum premium is €5,000 (below 60 g/km). A “super-bonus” of €300 is granted when a car of at least 15 years old is scrapped simultaneously. A tax is payable for the purchase of a car when its CO2 emissions exceed 160 g/km. The maximum tax amounts to €2,600 (above 250 g/km). The different thresholds are strengthened by 5g/km every two years.</p> <p>2. The regional tax on registration certificates (“carte grise”) is based on fiscal horsepower, which includes a CO 2 emissions factor. Tax rates vary between €25 and €46 per horsepower according to the region.</p> <p>3. The company car tax is based on CO2 emissions. Tax rates vary from €2 to €19 for each gramme for cars emitting 100g/km or less to €19 for each gramme emitted for cars emitting more than 250g/km.</p>
GERMANY	<p>The Federal Government has announced its intention to change the basis of the annual circulation tax from cylinder to CO2 emission as from 1 January 2009. The system should be linear. Cars with CO2 emissions below 100 g/km should be exempt.</p>
IRELAND	<p>1. As from 1 July 2008, the registration tax will be based on CO2 emissions. Rates will vary from 14% for cars with CO 2 emissions up to 120 g/km to 36% for cars with CO 2 emissions above 225 g/km. Hybrid and flexible fuel vehicles will benefit from an additional tax relief of €2,500.</p> <p>2. The annual circulation tax will also be based on CO2 emissions. Rates will vary from €100 (up to 120 g/km) to €2,000 (above 225 g/km).</p>
ITALY	<p>A tax incentive of €800 and a two-year exemption from annual circulation tax is granted for the purchase of a new passenger car complying with the Euro 4 or Euro 5 exhaust emissions standards and emitting not more than 140 g of CO2 /km, provided a Euro 0 or Euro 1 car is scrapped simultaneously. The exemption from annual circulation tax is extended to three years for cars with a cylinder capacity below 1,300.</p>

LUXEMBOURG	The annual circulation tax is based on CO2 emissions. Tax rates are calculated by multiplying the CO2 emissions in g/km with 0.9 for diesel cars and 0.6 for cars using other fuels respectively and with an exponential factor (0.5 below 90 g/km and increased by 0.1 for each additional 10 g of CO2 /km).
THE NETHERLANDS	<p>1. The rate of the registration tax (based on price) is reduced or increased in accordance with the car's fuel efficiency relative to that of other cars of the same size (length x width). The maximum bonus is €1,400 for cars emitting more than 20% less than the average car of their size, the maximum penalty is €1,600 for cars emitting more than 30% more than the average car of their size. Hybrid cars benefit from a maximum bonus of €6,400. Cars emitting more than 232 g/km (petrol) respectively 192 g/km (diesel) pay an additional tax supplement of €110 per gramme emitted in excess of these thresholds.</p> <p>2. The annual circulation is reduced by 50% for cars with CO2 emissions up to 110 g/km (petrol) respectively 95 g/km (diesel).</p>
PORTUGAL	<p>The registration tax is based on engine capacity and CO2 emissions. The CO2 component is calculated as follows:</p> <ul style="list-style-type: none"> - Petrol cars emitting less than 120g pay [(€5 x g/km) - 475]. Diesel cars emitting less than 100g pay [(€15 x g/km) - 1,100] - The highest rates are for petrol cars emitting more than 210g [(€115 x g/km) - 19,285] and for diesel cars emitting more than 180g [(€160 x g/km) - 21,190].
SPAIN	The registration tax is based on CO 2 emissions. Rates vary from 0% (below 120 g/km) to 14.75% (above 200 g/km).
SWEDEN	<p>1. The annual circulation tax for cars meeting the Euro 4 exhaust emission standards is based on CO2 emissions. The tax consists of a basic rate (360 Swedish Kroner) plus SEK 15 for each gramme of CO2 emitted above 100 g/km. This sum is multiplied by 3.15 for diesel cars registered for the first time in 2008 and by 3.3 for other diesel cars. For alternative fuel vehicles, the tax is SEK 10 for every gramme above 100 g/km.</p> <p>2. A premium of SEK 10,000 is granted for the purchase of "environmentally-friendly cars":</p> <ul style="list-style-type: none"> - Petrol/diesel/hybrid cars with CO2 emissions up to 120 g/km - Alternative fuel/flexible fuel cars with a maximum consumption of 9.2 l (petrol)/8.4 l (diesel)/9.7cm/100 km (CNG, biogas) - Electric cars with a maximum consumption of 37 kwh/100 km
UNITED KINGDOM	<p>1. The annual circulation tax is based on CO2 emissions. Rates range from £ 0 (up to 100 g/km) to £ 300 (petrol, diesel)/ £285 (alternative fuels) for cars emitting more than 225 g/km.</p> <p>2. Company car tax rates range from 15% of the car price for cars emitting less than 140 g/km to 35% for cars emitting more than 240 g/km. Diesel cars pay a 3% surcharge.</p>