



ACEA

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OVERVIEW OF CO₂ BASED MOTOR VEHICLE TAXES IN THE EU

At present, eleven EU Member States (Austria, Belgium, Cyprus, Denmark, France, Italy, Luxembourg, The Netherlands, Portugal, Sweden, UK) 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)
BELGIUM	<p>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 purchaser's taxable income under personal income tax with the following amount:</p> <ul style="list-style-type: none">- Cars emitting less than 105g/km: 15% of the purchase price, with a maximum of €4,270- Cars emitting between 105 and 115 g/km: 3% of the purchase price, with a maximum of €800 <p>2. Company car tax is based on CO₂ emissions.</p>
CYPRUS	<p>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.</p> <p>2. The rates of the annual circulation tax (based on engine capacity) are reduced by 15% for cars emitting less than 150 g/km.</p>
DENMARK	<p>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.

FRANCE	<p>1. Regional tax on registration certificates (“carte grise”) is increased for cars emitting more than 200 g/km.</p> <ul style="list-style-type: none"> - The basic tax varies between €25 and €46 according to the region - Cars emitting more than 200 g/km pay an additional €2 for each gramme between 200 and 250 g/km and €4 for each gramme above 250 g/km - For example, a car emitting 275 g/km will pay an extra tax of $(50 \times 2) + (25 \times 4) = €200$ <p>2. Company car tax is based on CO2 emissions. Tax rates vary from €2 to €19 for each gramme emitted depending on the car’s total CO2 emissions:</p> <ul style="list-style-type: none"> - ≤ 100 g CO2/km : €2 per gramme - > 100 and ≤120: €4/g - > 120 and ≤ 140: €5/g - > 140 and ≤ 160: €10/g - > 160 and ≤ 200: €15/g - > 200 and ≤ 250: €17/g - > 250 : €19/g
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	<p>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).</p>
THE NETHERLANDS	<p>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 €1,000 for cars emitting more than 20% less than the average car of their size, the maximum penalty is €540 for cars emitting more than 30% more than the average car of their size. Hybrid cars benefit from a maximum bonus of €6,000.</p>
PORTUGAL	<p>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 €0.41 per gramme. Diesel cars emitting less than 100 g pay €1.02 per gramme. - The highest rates are for petrol cars emitting more than 210g [$(€29.31 \times \text{g/km}) - 5,125.01$] and for diesel cars emitting more than 180g [$(€34.20 \times \text{g/km}) - 4,664.64$]
SWEDEN	<p>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. For diesel cars, this sum is multiplied by 3.5. For alternative fuel vehicles, the tax is SEK 10 for every gramme above 100 g/km.</p>
UNITED KINGDOM	<p>Annual circulation tax is based on CO2 emissions. Rates range from £ 0 (up to 100 g/km) to £ 210 (petrol)/ £ 215 (diesel) for cars emitting more than 225 g/km. 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>