

TAX BENEFITS AND PURCHASE INCENTIVES

Electric passenger cars | 27 EU member states (2023)

→ 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	× No benefit or incentive available
M1 Passenger car	

TAX BENEFITS			INCENTIVES	
Acquisition	Ownership	Company cars	Purchase	Infrastructure
AUSTRIA				
<p>VAT deduction and exemption from tax for zero-emission cars used for business purposes (eg BEVs and FCEVs). Vehicle gross purchase value (including 20% VAT and pollution tax):</p> <ul style="list-style-type: none"> • ≤ €40,000: full VAT deduction • €40,000-80,000: VAT deduction for the first €40,000 • > €80,000: no VAT deduction 	<p>Exemption from ownership tax for all zero-emission cars. Exemption from pollution tax for all zero-emission cars.</p>	<p>Exemption from ownership tax for all zero-emission cars. A tax investment incentive for the purchase of a zero-emission car amounting to 10% and a special depreciation applies. Exemption from pollution tax for all zero-emission cars. For employees, the private use of a zero-emission company car, and the electricity to charge it, are exempted from taxation as benefit in kind.</p>	<p>Bonus until the end of 2023 for the purchase (private use) of new cars with a fully electric range of ≥ 60km and gross list price of ≤ €60,000:</p> <ul style="list-style-type: none"> • €3,000 for BEVs and FCEVs • €1,250 for PHEVs and EREVs <p>Additional incentives are granted by provinces and communities. For more details: www.umweltfoerderung.at</p>	<p>Bonus until the end of 2023 for the purchase (private use) of the following loading infrastructure:</p> <ul style="list-style-type: none"> • €600 for an intelligent loading cable • €600 for a wallbox (in a single/double house) • €900 for a wallbox (in a housing complex as single equipment) • €1,800 for a wallbox (in a housing complex as integrated equipment with load management) <p>Additional incentives are granted by provinces and communities. For more details: www.umweltfoerderung.at</p>
BELGIUM				
<ul style="list-style-type: none"> • Brussels and Wallonia: minimum tax rate (€61.50) for BEVs and FCEVs (M1). • Flanders: BEVs and FCEVs (M1) are exempt. 	<ul style="list-style-type: none"> • Brussels and Wallonia: minimum rates for BEVs and FCEVs (€85.27/year for M1). • Flanders: BEVs and FCEVs are exempt. • 6% VAT (instead of 21%) for electricity consumption 	<ul style="list-style-type: none"> • Tax benefits for BEVs and FCEVs in Brussels, Flanders, and Wallonia apply to company cars as well. • Maximum deductibility (100%) of expenses for M1 with ≤ 50g CO2/km (NEDC) and battery capacity ≥ 0.5kWh per 100kg of vehicle weight. • Minimal annual benefit in kind for BEVs, FCEVs, and PHEVs (M1): 4% of the list value. 	×	×

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Acquisition	Ownership	Company cars	Purchase	Infrastructure
BULGARIA				
×	Exemption for electric vehicles.	×	×	×
CROATIA				
No excise duties for electric vehicles.	Exemption from special environmental tax for electric vehicles.	×	Incentive scheme (once per year, limited funds): <ul style="list-style-type: none"> • €9,291 for BEVs • €5,309 for PHEVs There is a 12-month deadline to purchase the vehicle and submit a grant request. The vehicle must be kept two years.	×
CYPRUS				
Exemption for vehicles emitting ≤ 120g CO2/km.	Minimum rate for vehicles emitting ≤ 120g CO2/km.	×	<ul style="list-style-type: none"> • Up to €12,000 to scrap and replace with a vehicle emitting < 50g CO2/km and costing ≤ €80,000. • Up to €19,000 to buy a BEV (≤ €80,000) + €1,000 to scrap an old car. 	×
CZECH REPUBLIC				
BEVs and FCEVs emitting ≤ 50g CO2/km exempt from registration charges (with a special number plate).	<ul style="list-style-type: none"> • BEVs and HEVs exempt from road tax. • Vehicles emitting ≤ 50g CO2/km exempt from road toll. • Reduction of the depreciation period for charging stations for electric vehicles from 10 to five years (wallboxes and standalone charging stations). • Accelerated depreciation for BEVs and PHEVs below 50g CO2/km. 	<ul style="list-style-type: none"> • Road tax exemption for alternatively powered vehicles (ie BEVs, HEVs, FCEVs, CNG, LPG, and E85). • Tax reduction from 0.5-1% for BEVs and PHEVs used for private purposes. 	Purchase incentive for low- and zero-emission vehicles by state and local government bodies.	Support from the Ministry of Transport for the development of charging infrastructure.
DENMARK				
Zero-emission vehicles: <ul style="list-style-type: none"> • Pay 40% of the registration tax • Additional DKK 165,000 registration tax deduction • DKK 900 deduction of taxable value per kWh battery capacity (max 45 kWh) Low-emission vehicles (emitting < 50g CO2/km): <ul style="list-style-type: none"> • 55% of the registration tax • Additional DKK 47,500 registration tax deduction • DKK 900 deduction of taxable value per kWh battery capacity (max 45 kWh) 	<ul style="list-style-type: none"> • Taxes on ownership are based on CO2 emissions. • Zero-emission cars and cars with CO2 emissions of max 58g/km pay the minimum semi-annual tax rate of DKK 370. 	×	×	The value of a charging stand/charging outlet provided together with a company car (at the employee's residence) is not taxed.

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ESTONIA				
×	×	×	New M1 BEVs and FCEVs (purchase and leasing): <ul style="list-style-type: none"> • €5,000/vehicle for individuals • €4,000/vehicle for legal persons 	×
FINLAND				
Zero-emission passenger cars are exempt from registration tax as of 1 October 2021.	×	<ul style="list-style-type: none"> • Tax deduction of €170 per month from taxable value (income tax) for BEVs (2021-2025). • Charging of electric vehicles at a workplace is exempt from income tax (2021-2025). 	×	×
FRANCE				
<ul style="list-style-type: none"> • Regions provide an exemption (either total or 50%) for alternatively powered vehicles (ie electric, HEVs, CNG, LPG, and E85). • BEVs, FCEVs, and PHEVs (with a range of > 50km) are exempt from the mass-based malus. 	×	Exemption from CO2-based tax component ("TVS") for vehicles emitting < 60g CO2/km (apart from diesel vehicles).	Bonus for a new BEV or FCEV: <ul style="list-style-type: none"> • €5,000 for households if vehicle ≤ €47,000 • €3,000 for legal persons if vehicle ≤ €47,000 Scrappage scheme for a second-hand or new BEV or FCEV of ≤ €47,000: up to €6,000, based on income.	×
GERMANY				
×	<ul style="list-style-type: none"> • 10-year exemption for BEVs and FCEVs registered until 31 December 2025. Exemption granted until 31 December 2030. • Exemption from the annual circulation tax for vehicles emitting ≤ 95g CO2/km. 	<ul style="list-style-type: none"> • Reduction of the taxable amount for BEVs and PHEVs (from 0.5-1% of the gross catalogue price per month). PHEVs must meet further requirements, which become more stringent over time. • Additional reduction of taxable amount for BEVs with a gross list price up to €60,000 (0.25-1% of the gross catalogue price per month). 	As of 1 January 2023, funding is only available for new and used BEVs and FCEVs. One-third of the funding is provided by the industry and two-thirds by the government. <ul style="list-style-type: none"> • Bonus for new cars with a net list price ≤ €40,000: €6,750 • Bonus for new cars with a net list price > €40,000 and ≤ €65,000: €4,500 • From 1 September 2023, only private individuals will be able to apply for funding. • From 1 January 2024, reduction in funding and stricter requirements. 	×

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🇬🇷 GREECE				
<ul style="list-style-type: none"> 75% reduction in registration tax (RT) for PHEVs up to 50g CO2/km. 50% reduction in RT for HEVs and PHEVs emitting ≥ 50g CO2/km. 	<ul style="list-style-type: none"> HEVs with an engine capacity $\leq 1,549$cc and registered before 31 October 2010 are exempt from circulation tax. 60% of the circulation tax for HEVs with engine capacity $\geq 1,550$cc registered before 31 October 2010. Exemption for cars emitting ≤ 90g CO2/km (NEDC) or 122g (WLTP). BEVs are exempt from the personal income presumption system. 	<ul style="list-style-type: none"> Exemption of the benefit-in-kind tax for BEVs and PHEVs emitting ≤ 50g CO2/km (NEDC or WLTP) with a net retail price (NRP) $\leq \text{€}40,000$. Deductible of $\text{€}40,000$ in the NRP for BEVs and PHEVs up to 50g CO2/km with higher NRP value. 	<ul style="list-style-type: none"> 30% cashback on NRP for BEVs, with a max cashback of $\text{€}8,000$. Extra $\text{€}1,000$ if a car of ≥ 10 years is scrapped, or the buyer is ≤ 29 years old. 40% cashback on NRP for BEV taxis, with a max cashback of $\text{€}17,500$. Extra $\text{€}5,000$ for scrapping the old taxi, which is mandatory. 	✗
🇭🇺 HUNGARY				
Tax exemption for BEVs and PHEVs.	Tax exemption for BEVs and PHEVs.	Tax exemption for BEVs and PHEVs.	From 15 June 2020, purchase incentives for electric cars: <ul style="list-style-type: none"> $\text{€}7,350$ for a gross price of up to $\text{€}32,000$ $\text{€}1,500$ if the price is between $\text{€}32,000$-$\text{€}44,000$ 	✗
🇮🇪 IRELAND				
<ul style="list-style-type: none"> $\text{€}5,000$ relief for BEVs costing up to $\text{€}40,000$. The relief tapers off after $\text{€}40,000$ and ends at $\text{€}50,000$. BEVs are exempt from a nitrogen oxides (NOx) tax. 	<ul style="list-style-type: none"> Minimum rate ($\text{€}120$ per year) for BEVs. Reduced rate ($\text{€}140$ per year) for PHEVs ≤ 50g CO2/km. 	0% of benefit in kind applies to the first $\text{€}50,000$ for BEVs.	Purchase incentives for individuals in 2021: <ul style="list-style-type: none"> Up to $\text{€}5,000$ for BEVs Up to $\text{€}5,000$ for PHEVs with ≤ 50g CO2/km and full-electric range of ≥ 50km 	✗
🇮🇹 ITALY				
✗	<ul style="list-style-type: none"> BEVs: five-year exemption from the date of first registration. After this period, 75% reduction of the tax rate applied to equivalent petrol vehicles. HEVs: Application of a minimum flat rate ($\text{€}2.58/\text{kW}$). Some regions apply discounts on the tax ownership. 	✗	<ul style="list-style-type: none"> $\text{€}3,000$ ($\text{€}5,000$ with scrappage) for a BEV/PHEV emitting ≤ 20g CO2/km and with a selling price of $\leq \text{€}35,000 + \text{VAT}$. $\text{€}2,000$ ($\text{€}4,000$ with scrappage) for a BEV/PHEV emitting 21-60g CO2/km and with a selling price of $\leq \text{€}45,000 + \text{VAT}$. 	For domestic users, a contribution of 80% of the purchase and installation price of standard power infrastructures for recharging electric vehicles, within the maximum limit of $\text{€}1,500$ per applicant.
🇱🇻 LATVIA				
Exemption from the registration costs for BEV vehicles (first registration).	Exemption for M1 vehicles emitting ≤ 50 g CO2/km.	Minimum rate ($\text{€}10$) for BEVs.	✗	✗

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LITHUANIA				
Exemption for electric vehicles (first registration only).	×	Purchase incentives (bonus) for vehicles ≤ six months: <ul style="list-style-type: none"> • M1 electric vehicle: €4,000 • Additional €1,000 for scrapping an old diesel or petrol M1, owned for at least 12 months, with a valid MOT Maximum subsidy is €400,000 per company.	Purchase incentives (bonus) for individuals in 2021: <ul style="list-style-type: none"> • €2,500 for a used M1 electric vehicle with first registration after 2 April 2016, or model year 2016 and later • €5,000 for a new M1 electric vehicle not older than six months from the first registration • 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 	×
LUXEMBOURG				
Only 50% of administrative tax.	Minimum rate of €30 per year for zero-emission vehicles.	Monthly benefit in kind from 0.5-1.8% depending on CO2 emissions.	<ul style="list-style-type: none"> • BEVs: <ul style="list-style-type: none"> ≤ 18 kWh: €8,000 > 18 kWh: €3,000 • PHEVs: <ul style="list-style-type: none"> ≤ 50g CO2/km: €2,500 	×
MALTA				
Minimum rate for vehicles emitting ≤ 100g CO2/km.	Minimum rate for vehicles emitting ≤ 100g CO2/km.	×	BEVs: <ul style="list-style-type: none"> • €11,000 for individuals • Up to €20,000 for companies (additional incentive if established in and operating from certain localities) Additional grant to scrap a vehicle of ≥ 10 years. For more details: www.transport.gov.mt/land/sustainable-transport/financial-incentives-2023/new-electric-vehicles-6188	×

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NETHERLANDS				
Exemption for zero-emission cars.	Exemption for zero-emission cars. 50% tariff for PHEVs.	Minimum rate (16%) for zero-emission cars. Cap at €30,000 for BEVs. No cap for hydrogen cars.	<ul style="list-style-type: none"> Subsidy scheme (SEPP) for individuals to buy/ lease a small or compact BEV car, new or used. Arbitrary depreciation of environmental investments scheme (Vamil) for FCEV cars or taxis and BEV cars equipped with solar panels. For more details: www.rvo.nl/subsidie-en-financieringswijzer .	✗
POLAND				
<ul style="list-style-type: none"> Exemption for BEVs. Exemption for PHEVs up to 2,000cc until end 2029. 	Depreciation: <ul style="list-style-type: none"> up to PLN 225,000 for BEVs and FCEVs up to PLN 150,000 for vehicles emitting 0-50g CO2/km up to PLN 100,000 for vehicles emitting > 50g CO2/km 	✗	Purchase incentives for individuals and legal persons (purchase, leasing): from PLN 18,750 to PLN 27,000 for BEVs and FCEVs of a max price of PLN 225,000	Up to 50% of the eligible costs for hydrogen stations.
PORTUGAL				
Car tax: <ul style="list-style-type: none"> BEVs: complete exemption PHEVs: 75% reduction if range in all-electric mode ≥ 50km and < 50g CO2/km HEVs: 40% reduction if range in all-electric mode > 50km and CO2 emissions ≤ 50g/km 	Exemption for battery electric vehicles (BEVs).	Autonomous corporate income tax: <ul style="list-style-type: none"> Exemption for BEVs Reduction for PHEVs if range in all-electric mode ≥ 50km and CO2 emissions < 50g/km VAT deduction for M1: <ul style="list-style-type: none"> 100% for BEVs ≤ €62,500 + VAT 100% for PHEVs ≤ €50,000 + VAT 	Private users: €3,000 to buy a new BEV (M1 vehicle), with purchasing price of up to €62,500, limited to one vehicle per person.	✗
ROMANIA				
✗	Exemption for electric vehicles.	✗	Renewal scheme (RABLA) for cars: <ul style="list-style-type: none"> Up to €3,300 for a HEV (≤ 160g CO2/km) Up to €6,400 for a PHEV (≤ 78g CO2/km) Up to €11,500 for a BEV 	✗
SLOVAKIA				
<ul style="list-style-type: none"> BEV registration is subject to a maximum charge of €33. BEVs or PHEVs combined with other fuel types or energy sources, are depreciated for two years. 	<ul style="list-style-type: none"> Exemption for BEVs. 50% for FCEVs and HEVs. 	✗	✗	✗

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 SLOVENIA				
Minimum additional tax rate (0.5%) for BEVs.	×	×	Incentive scheme: up to €4,500 for BEVs.	×
 SPAIN				
<ul style="list-style-type: none"> Exemption from 'special tax' for vehicles emitting ≤ 120g CO₂/km. Canary Islands: VAT exemption for alternatively powered vehicles (eg BEVs, FCEVs, PHEVs, EREVs, and HEVs) emitting ≤ 110g CO₂/km. 	75% reduction for BEVs in main cities (eg Barcelona, Madrid, Valencia, Zaragoza, 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"> 30% reduction for BEVs and PHEVs ≤ €40,000 20% reduction for HEVs ≤ €35,000 	<p>Incentive scheme (MOVES III) in 2021-2023:</p> <ul style="list-style-type: none"> Cars (M1): €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 Different incentives for SMEs and large companies (+ MOVES FLOTAS) <p>For more details:</p> <ul style="list-style-type: none"> 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-flotas 	<p>Incentive scheme (MOVES III) in 2021-2023:</p> <ul style="list-style-type: none"> Self-employed, individuals, neighbouring communities, and administration: 70% of the eligible cost Companies and public charging points (power ≤ 50 kW): 35% of the eligible cost for a large, 45% for a medium, and 55% for a small company Companies and public charging points (power > 50 kW): 30% of the eligible costs <p>These amounts are increased if the location is in municipalities with less than 5,000 inhabitants.</p>
 SWEDEN				
×	Low annual road tax (SEK 360) for zero-emission vehicles and PHEVs.	<p>The private use of a company car is taxed on benefits. For some cars, there is a permanent tax reduction of the benefit value. The reduction is a fixed amount based on the environmental technology:</p> <ul style="list-style-type: none"> BEVs and FCEVs: SEK 350,000 PHEVs: SEK 140,000 <p>The taxable benefit value is based on the new car price and reduced by the relevant amount. The discount may not exceed 50% of the car price.</p>	×	<ul style="list-style-type: none"> 50% tax deduction (max SEK 15,000) for households installing a charging box at home for an electric car. <i>Ladda bilen</i> grant for the installation of AC charging for residents in apartment buildings. <p>For more details:</p> <p>www.naturvardsverket.se/amnesomraden/klimatomstallningen/klimatklivet/elbilsladdning-och-laddinfrastruktur/</p>

EFTA member states and the United Kingdom (2023)

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🇮🇸 ICELAND				
Minimum tax rate: 5% of the custom value.	×	×	BEVs and HEVs: <ul style="list-style-type: none"> • Custom clearance: VAT waiver (€8,800/ ISK 1,320,000). • No VAT on the retail price ≤ €36,600 (ISK 5,500,000); full VAT above that. Special discount for battery electric car rentals: the total amount is max €6,600,000 (ISK 1,000,000,000) in 2023. Max 300 cars per rental company.	VAT waiver on charging stations and the installation of charging stations.
🇨🇭 SWITZERLAND				
Electric cars are exempt from the automobile tax.	Various cantons reduce or exempt the traffic tax over a certain period, depending on the fuel consumption (CO2/km).	Various cantons reduce or exempt the traffic tax over a certain period, depending on the fuel consumption (CO2/km).	×	Various cantons and municipalities contribute to the installation costs for electromobility.
🇬🇧 UNITED KINGDOM				
×	×	Preferential tax rates for electric and ultralow emission cars (< 75g CO2/km). For more details: www.gov.uk/tax-company-benefits/tax-on-company-cars	35% discount (max £2,500) for a converted M1 to a wheelchair accessible vehicle. It should: <ul style="list-style-type: none"> • have zero CO2 emissions; • be able to travel ≥ 112km without any emissions; and • cost < £35,000 (conversion cost not included). 	<ul style="list-style-type: none"> • The Electric Vehicle Homecharge Scheme (EVHS): for homeowners who live in apartments and people in rental accommodation. • The Workplace Charging Scheme (WCS): electric car charger installation scheme for businesses. It covers up to 75% of the cost and max £350/socket (max 40 sockets).