

## Chapter 5

# Taxing vehicles

*This chapter describes the main features of vehicle taxes and their use for influencing customer behaviour over the last decades, in particular within the context of environmental policies. It looks in more detail at the taxes on sale and registration of vehicles and recurrent taxes on use of motor vehicles and their components and provides comparative statistics on the level of these taxes.*

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements.

## 5.1. Introduction

Taxes on vehicles were introduced in most OECD countries in the first half of the 20<sup>th</sup> century and have become an important source of tax revenue for most governments. All member countries rely heavily on a range of tax instruments to ensure significant budgetary receipts from both private and commercial road users. Vehicle taxation in its widest definition represents a prime example of the use of the whole spectrum of consumption taxes including VAT, specific and *ad valorem* taxes. For more than fifteen years, these taxes have been adapted to influence consumer behaviour, mainly to achieve environmental objectives.

Taxes and charges on vehicles include:

- Taxes on the purchase (including VAT and retail sales taxes) and registration of motor vehicles, payable once at the time of acquisition, or first putting into service, of a vehicle (see Table 5.A5.1).
- Periodic taxes payable in connection with the ownership or use of the vehicles (see Table 5.A5.2).
- Taxes on fuels (see Tables 4.A4.6 and 4.A4.7 in Chapter 4).
- Any other taxes and charges that are directly or indirectly connected with the use or ownership of vehicles, such as insurance taxes, road tolls, congestion charges, company car taxation, etc.

The sale and use of motor vehicles generate considerable VAT or sales tax revenues. These taxes are levied on the import and sale of vehicles (in the latter case by application to the full selling price or, for used cars, in respect of the margin between the buying and the selling price). VAT or sales tax will generally also apply to general maintenance and running costs. In addition, they are levied in most cases on the final duty-paid value (e.g. VAT on fuel is levied on the excise-inclusive price See Tables 4.A4.6 and 4.A4.7).

Taxes on vehicles reflect a variety of influences beyond the obvious need to raise revenue. Geographic, industrial, social, energy, transport and environmental policy considerations have all had an influence on the level and structure of taxation. Most of them (except more recent pollution-related taxes) were instituted in a time when cars were considered luxury items. Wider ownership of cars in recent decades has reduced the progressivity of those taxes (many low income households have at least one car today). In most cases current taxation schemes are used to influence consumer or business behaviour. More recently, energy and environmental considerations have led to an adjustment of taxation according to the fuel efficiency of vehicles, CO<sub>2</sub> and other polluting emissions, town planning and transport policies, including the introduction of road or urban tolls.

In most countries total taxes on vehicles result from a combination of one-off (on purchase or import) and recurrent (on ownership or use) taxes as well as from a mix between *ad valorem* (on the price) and specific taxes (taking into account polluting

emissions, weight, engine power, number of axles, age, fuel efficiency, equipment, suspension, cylinder capacity, number of seats, type of fuel, electric propulsion and distance covered).

Although this chapter only focuses on taxes on sale/registration and use of motor vehicles (Tables 5.A5.1 and 5.A5.2), these taxes should not be regarded in isolation from other tax bases and rates. A number of other elements should also be taken into consideration such as insurance premium taxes, specific road tolls (bridge or motorway tolls), fuel taxes (see Chapter 4), energy taxes and a number of direct tax components such as the personal tax treatment of company cars (Harding, 2014).

## 5.2. Car taxation and polluting emissions

Governments have developed policies for reducing motor vehicle pollution for about forty years by imposing technical norms to the car industry. For example, in the European Union (EU) polluting emissions have been regulated since 1970 and a series of amendments have been issued since then to gradually tighten the limit values. The current norms set maximum emissions of carbon monoxide (CO), Volatile Organic Compounds (VOC), nitrogen oxides (NO<sub>x</sub>) and particles. It resulted in the Euro 6 (setting lower emission limits for the registration and sale of new types of cars and vans as of 1 September 2015) and in the Euro VI standards for heavy duty vehicles. Emissions of carbon dioxide (CO<sub>2</sub>) have also been targeted by the European Commission since 2007 and the EU has put in place a comprehensive legal framework to reduce CO<sub>2</sub> emissions from new light duty vehicles as part of efforts to ensure it meets its greenhouse gas emission reduction targets under the Kyoto Protocol and beyond. As a result of EU regulation (510/2011), the EU car manufacturers' fleet average has to be aligned with 130g CO<sub>2</sub>/km as of 2015 and the intention is to reduce the fleet average emission to 95 grams of CO<sub>2</sub>/km in 2021. Norms for heavy-duty vehicles (busses, trucks, etc.) will in principle also be developed as part of a comprehensive strategy to reduce CO<sub>2</sub> emissions.

Taxation is increasingly used to influence customer behaviour and encourage the purchase of low polluting vehicles. In 2016, more than three quarters (29 out of 35) of OECD member countries apply lower taxes or exemptions on purchase or use/ownership for vehicles according to environmental or fuel efficiency criteria (see Tables 5.A5.1 and 5.A5.2). Amongst them, 22 base purchase or annual taxes directly on polluting emissions (for example, the level of CO, CO<sub>2</sub>, NO<sub>x</sub> or particulate matter per kilometre) and 19 have tax rebates or exemptions for electric or hybrid vehicles. A number of EU Member States use the polluting emission norms set by the European Directives (see paragraph above) as a benchmark for their vehicle taxes although there is currently no European rule regarding car taxation.

Differentiating motor vehicle purchase taxes according to the fuel-efficiency or the polluting emissions can give potential vehicle purchasers an immediate incentive to buy a vehicle that causes relatively few emissions. Differentiation in purchase or annual registration charges on motor vehicles may also provide such an incentive, but somewhat less directly. Very high registration taxes are also likely to reduce the number of new motor vehicles purchase. However, while this would at first appear to favour environmental policy, higher purchase taxes on vehicles can cause some purchasers to defer their purchase or to purchase a used vehicle, increasing the population of older, more polluting, cars. By making assumptions regarding how far a vehicle is driven over its lifetime, one can

also calculate tax rates expressed per tonne CO<sub>2</sub> each vehicle will emit over its lifetime. Comparisons make it clear that the tax rates applied per tonne CO<sub>2</sub> emitted over a vehicle's lifetime vary significantly between countries (for an in-depth study on this topic see OECD 2009).

### 5.3. Taxes on purchase and registration of motor vehicles

Taxes on the acquisition and registration of motor vehicles may include VAT, sales taxes, excise duties and other fees and charges associated with the registration of a vehicle. These taxes may vary considerably from one country to another (see Table 5.A5.1). They are based on a large diversity of criteria or a combination of these criteria. There are five main criteria against which the tax can be assessed:

- The price or value of the vehicle.
- The engine power or cylinder capacity.
- Environmental impact (fuel consumption, polluting emissions, the type of fuel used).
- Social considerations: exemptions for emergency vehicles, ambulances, vehicles for disabled people, vehicles for public transport, etc.
- The use of the vehicle (specific criteria apply to commercial vehicles such as number of axles, cargo room, number of seats, etc.).

A number of specific elements can further be taken in consideration for assessing the tax burden such as weight, presence of safety equipment or of air conditioning. Taxation is also adjusted according to the age of the vehicle in several countries and a specific tax applies on tyres in the United States.

The burden of these taxes may vary considerably from one country to another and sometimes between states, provinces, cities or regions in several countries. For example, a VAT rate of 8% and a 3% acquisition tax apply in Japan while a 25% VAT and a 150% registration tax applies in Denmark.

Unlike many other products, the international differences in taxation of sale and registration of motor vehicles do not give rise to cross-border shopping as motor vehicles need to be registered with a unique identification number in the principal country of use. Similarly VAT levied on the importation (or on the "acquisition" of the vehicle within the EU) will generally be due in the country of registration. Even in the integrated market of the EU there has been no harmonisation or even approximation of taxes or tax rates on motor vehicles.

Nevertheless, motor vehicle taxation can affect the functioning of the motor vehicle market. This may notably be the case for registration taxes. Generally, registration tax paid in the country of first registration is not paid back when a car is transferred from one country to another (e.g. when the owner moves from one country to another). When registration tax has to be paid (again) in the country of destination where the car is to remain permanently, double taxation occurs. In addition, large differences in tax systems reinforce car market fragmentation. Cars marketed in one country with specifications designed to meet the national tax structure (e.g. brackets of fiscal horsepower, tax policy regarding diesel) are imperfect substitutes and may not effectively compete with cars sold in another country with different tax requirements. Also pre-tax prices appear to be influenced by tax considerations. Significant tax differentials may encourage consumers in some cases to buy cars in countries where registration taxes are very high and where car

manufacturers tend to offer lower prices net of taxes by compensation and import and register them in their own country. This may undermine the benefits that should derive from a competitive market for both consumers and industry.

#### 5.4. Periodic taxes in connection with ownership or use of motor vehicles

Taxes on the use of vehicles include recurring charges levied on the right to drive on public roads, usually in the form of an annual motor tax (see Table 5.A5.2). Taxes on the operation of motor vehicles also include excise duties on fuel (see Chapter 4) and motorway charges or other road user tolls and motor fuel taxation. Recurring taxes on the ownership of motor vehicles can take many forms. The main elements used to assess these kinds of taxes are very similar to those used for assessing taxes on sale and registration such as use (commercial or not), vehicle type, type of fuel, engine size, age, emissions of pollutants and fuel efficiency.

#### References

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- OECD (2009), *Incentives for CO<sub>2</sub> Emissions Reductions in Current Motor Vehicle Taxes*, OECD Publishing, Paris [www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=env/epoc/wpnep/t\(2009\)2/final&doclanguage=en](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=env/epoc/wpnep/t(2009)2/final&doclanguage=en).
- Motor Vehicle Taxes Database ([www.oecd.org/env/policies/database](http://www.oecd.org/env/policies/database)).

ANNEX 5.A5

*Data on car taxation*

Table 5.A5.1. Taxes on sale and registration of motor vehicles<sup>1</sup>

Pays	Taxes	Criteria	Rebates/Exemptions
Australia	<p><b>GST:</b> 10%</p> <p><b>Luxury Car Tax:</b> 33% calculated on the value of the car that exceeds the luxury car tax threshold. The luxury car tax threshold is AUD 64 132 (in 2016-17), tax inclusive (including GST).</p> <p><b>Registration fee</b> calculated on the tare weight of the vehicle.</p> <p><b>Stamp duty</b> calculated on the value of the vehicle.</p>	<p>Value</p> <p>Weight</p>	<p>Emergency vehicles such as ambulances and fire engines.</p> <p>Vehicles modified to suit the transportation of eligible people with disabilities.</p> <p>Luxury Car Tax: Eligible fuel efficient cars are subject to a higher threshold known as the "fuel efficient car limit", AUD 75 375, tax inclusive for the 2013-14 financial year. Exemptions apply for emergency vehicles, vehicles modified to transport a person in a wheelchair (provided it is not GST-free), commercial vehicles primarily used for carrying goods in business or trade. Eligible tourism operators and primary producers are eligible to claim a refund of LCT paid up to AUD 3 000 for certain cars.</p> <p>GST: exemption is provided to veterans and persons with a disability that fulfil legal requirements.</p>
Austria	<p><b>VAT:</b> 20%.</p> <p><b>New Car Registration Tax:</b> while the tax base is the selling price, the tax rate depends on the CO<sub>2</sub>-emissions of the car: (CO<sub>2</sub> emissions in gram/km, reduced by 90 grams), divided by 5. The rate cannot exceed 32% (which corresponds to 250g CO<sub>2</sub>/km). For CO<sub>2</sub> emissions above 250g/km, the tax increases by 20 EUR for each g/km exceeding the limit of 250g/km. An amount of up to 300 EUR (no bonus possible) has to be deducted from the amount of tax calculated following the above rules.</p> <p><b>Registration fee (tax):</b> fixed rate for motor vehicles registered for the state or local authorities EUR 119.80 per motor vehicle (+ up to 45 Euro processing fee for the registration office + approx. EUR 20 for other expenditures).</p>	<p>Value</p> <p>CO<sub>2</sub> emissions</p>	<p>Exemptions for demonstration vehicles, motor vehicles for driving schools, vehicles that are hired, used for guests or as taxis, motor vehicles used for short time hiring out, motor vehicles used for the transport of sick persons and for rescue services, vehicles used for the transport of corpses, vehicles used by fire brigades and accompanying vehicles for special transports.</p> <p>Registration fee: motor vehicles registered for the state or local authorities.</p>
Belgium	<p><b>VAT:</b> 21%</p> <p><b>Entry into Service Tax</b></p> <p><i>Federal tax:</i> a company car tax is based on CO<sub>2</sub> emissions. The deductibility of expenses, except for fuel costs, related to the use of the car (50 to 120%) is linked to CO<sub>2</sub> emissions.</p> <p><i>Flemish Region:</i> the tax rate depends on engine power, vehicle age and environmental characteristics. It is set according to a progressive scale from EUR 41.99 to EUR 10 497.70, subject to indexation and modified on July 1st of each year according to inflation.</p> <p><i>Walloon Region:</i> the tax rate depends on engine power and is set according to a degressive scale based on the age of the vehicle. For motorcycles the amount is calculated with respect to the kilowatt. For electric cars, the nominal continuous power is taken into account. If the engine power corresponds to different amounts expressed in h.p. than in kilowatt, the highest amount has to be taken into consideration.</p> <p><i>Brussels Capital Region:</i> the tax rate depends on engine power and is set according to a degressive scale based on the age of the vehicle (fuel and gasoil from EUR 61.50 to EUR 4.957 and Liquefied Gas Petroleum from EUR 61.50 to EUR 4.659).</p>	<p>Value</p> <p>Age</p> <p>Engine power</p> <p>CO<sub>2</sub> emissions</p> <p>Type of fuel/gas</p> <p>Bonus/malus</p>	<p><i>Flemish Region:</i> exemption for certain fuel types (pure electric, hydrogen-powered, plug-in hybrid (until 2021), powered by CNG/LNG (until 2021)).</p> <p>Rebate (EUR 298.00) for cars running with Liquefied Gas Petroleum or other Gas</p> <p>Exemption for disabled people and for utility vehicles Exemption of the additional annual tax for utility vehicles. Rebate (EUR 298.00) for cars running with Liquefied Gas Petroleum or other Gas.</p> <p><i>Walloon Region:</i> Cars emitting 145g CO<sub>2</sub>/km and more pay a penalty with a maximum of EUR 2 500 for cars emitting more than 255g CO<sub>2</sub>/km. The penalty is reduced when the beneficiary has at least 3 dependent children (&lt; 25y or &gt; 25 if legally considered a minor) or for cars with gas-powered engines. For certain categories of old-timers and for cars owned by leasing companies the bonus/penalty is reduced to 0. Exemption from the eco-malus for utility cars.</p> <p><i>Brussels Capital Region:</i> exemption for disabled persons. Rebate (EUR 298) for cars running with Liquefied Gas Petroleum or other Gas.</p>

Table 5.A5.1. Taxes on sale and registration of motor vehicles<sup>1</sup> (cont.)

Pays	Taxes	Criteria	Rebates/Exemptions
Canada	<p><b>GST:</b> 5%</p> <p><b>HST:</b> 13%, 14% or 15% for sales in the participating provinces.</p> <p>The following provinces have harmonized their provincial sales taxes with the federal Goods and Services Tax and therefore levy a rate of GST/HST of: New Brunswick, Newfoundland and Labrador, Ontario: 13%; Prince Edward Island: 14%; Nova Scotia 15%. Québec applies GST at a rate of 5% and Québec Sales Tax at a rate of 9.975%.</p> <p><b>Provincial tax rates</b> are applicable for sales made in provinces not applying HST.</p> <p><b>Automotive Air Conditioning Tax:</b> CAD 100 per unit.</p> <p><b>Tax on Fuel Inefficient Vehicles:</b> vehicles with a weighted fuel consumption rating of 13 or more litres per 100 kilometres (55% city and 45% highway) are subject to an excise tax at the following rates:</p> <ul style="list-style-type: none"> <li>– at least 13 but less than 14 litres per 100 kilometres, CAD 1 000;</li> <li>– at least 14 but less than 15 litres per 100 kilometres, CAD 2 000;</li> <li>– at least 15 but less than 16 litres per 100 kilometres, CAD 3 000; and</li> <li>– 16 or more litres per 100 kilometres, CAD 4 000.</li> </ul>	<p>Value</p> <p>Fuel efficiency</p> <p>Air conditioning</p>	<p><b>Rebate of GST/HST – Specially Equipped Motor Vehicle:</b> to purchasers of specially equipped motor vehicles for persons with disabilities. The rebate is only available on the GST/HST paid on the portion of the purchase price that is attributable to the special features.</p> <p><b>Rebate of Excise Tax on Fuel Inefficient Vehicles – Specially Equipped Van:</b> to end-users of vans equipped with a device designed exclusively to assist in placing a wheelchair in the van without having to collapse the wheelchair.</p>
Chile	<p><b>VAT:</b> 19% (used cars are exempt with some exceptions).</p> <p><b>Registration fees payable to Civil Registry:</b> first registration fee, new plate fee, fee for transfer and registration of vehicles.</p> <p><b>Tax on transfer of used motor vehicles (levied by municipalities):</b> 1.5% of the value of the vehicle.</p>	<p>Value</p> <p>Fixed fee</p>	-
Czech Republic	<p><b>VAT:</b> 21%</p> <p><b>Registration fee:</b> motorcycles CZK 300 or 500 (depending on cylinder capacity); Other motor vehicles CZK 800. The fee includes the registration plate.</p> <p>Permit fee on non-standard motor vehicles.</p>	<p>Value</p> <p>Cylinder capacity</p>	
Denmark	<p><b>VAT:</b> 25%</p> <p><b>Vehicle registration tax:</b> payable on first registration of the vehicle. Graduated tax rates according to the value of the vehicle (with lower rates for commercial vehicles) from 105% to 150% (on the remainder above DKK 82 800) for private vehicles and from 0% to 50% (on the remainder above DKK 17 500) for commercial vehicles.</p>	<p>Value</p> <p>Utilisation</p> <p>Safety equipment</p> <p>Anti-pollution equipment</p>	<p><b>Rebate for low fuel consumption vehicles:</b> Registration tax is reduced by DKK 4 000 for every kilometre the vehicle can run in excess of 16 km with 1 litre of petrol or in excess of 18 km with 1 litre of diesel. A supplement of DKK 1 000 is payable for cars for every kilometre less than 16 km (petrol) or 18 km (diesel) they can run on one litre of fuel.</p> <p><b>Traffic Safety Equipment:</b> Motor vehicles with major traffic safety equipment receive a deduction in the value liable to registration duty up to DKK 13 370. Motor vehicles with minor traffic safety equipment receive a deduction between DKK 200 and DKK 600.</p>
Estonia	<p><b>VAT:</b> 20%</p> <p><b>Vehicle registration fee (State fee):</b> Vehicle – EUR 130; Temporarily imported vehicle – EUR 335.</p>	<p>Value</p> <p>Type of vehicle</p>	



Table 5.A5.1. **Taxes on sale and registration of motor vehicles<sup>1</sup>** (cont.)

Pays	Taxes	Criteria	Rebates/Exemptions
Finland	<p><b>VAT:</b> 24%</p> <p><b>Vehicle Registration Tax</b> is based on CO<sub>2</sub> emissions. Rates vary from 4.4% of the general consumer price of the vehicle for cars emitting 0g/km or less to 50% for cars emitting 360g/km or more.</p> <p><b>For delivery vans</b> there is a deduction based on maximum laden weight of the vehicle for vans over 2 500 kg.</p> <p><b>For motor cycles</b> varies according to the cylinder capacity, between 9.8% and 24.4%, and the base is general retail value.</p>	<p>Value</p> <p>CO<sub>2</sub> emissions</p> <p>Utilisation</p> <p>Cylinder capacity</p> <p>Type</p>	<p><b>Exemption</b> for disabled people, taxis, motor homes, cars used for veterinary purposes, rescue vehicles and funeral cars.</p>
France	<p><b>VAT:</b> 20%</p> <p><b>Tax on Registration Certificates</b> or regional tax on certificates is based on engine power and CO<sub>2</sub> emissions. Rates vary between EUR 27 and EUR 46 per horsepower according to the region. CO<sub>2</sub> Emission component of the tax varies from EUR 0 for vehicles emitting less than 160g CO<sub>2</sub>/km to EUR 2600 for vehicles emitting more than 250g CO<sub>2</sub>/km. The rate is reduced by half for some vehicles depending on their nature (trucks weighing more than 3.5 tons, motorcycles) or age (more than 10 years old).</p> <p><b>Additional Lorries Tax</b> is levied on the regional certificate tax for lorries according to their weight (from EUR 38 for less than 3.5 tons to EUR 305 for more than 11 tons or trailers and buses for public transport of passengers).</p> <p><b>Company car tax</b> is based on CO<sub>2</sub> emissions. Tax rates vary from EUR 2 for each gram emitted for cars emitting 100g CO<sub>2</sub>/km or less to EUR 19 for each gram emitted for cars emitting more than 250g CO<sub>2</sub>/km.</p>	<p>Value</p> <p>Engine power</p> <p>Weight</p> <p>Utilisation</p> <p>Age</p> <p>CO<sub>2</sub> emissions</p> <p>Type of fuel</p> <p>Electric propulsion</p> <p>Bonus-malus</p>	<p><b>Exemption for new demonstration models</b> weighing less than 3.5 tons, state vehicles, certain motorcycles</p> <p><b>Rebate for electricity or gas propelled cars:</b> from 50% to 100% of the Tax on Registration Certificates.</p> <p><b>Rebate for Ethanol propelled cars:</b> the Tax on Registration Certificates is reduced by 50% for cars that run with E85 fuel (super ethanol).</p> <p><b>Bonus-malus system:</b> a premium is granted for the purchase of a new car when its CO<sub>2</sub> emissions are 125 g/km or less. The maximum premium is EUR 5000 (below 60 g/km). A malus is payable for the purchase of a car emitting more than 155 g CO<sub>2</sub>/km. The maximum tax amounts to EUR 2.600 (above 245 g/km).</p>
Germany	<p><b>VAT:</b> 19%</p>	<p>Value</p>	
Greece	<p><b>VAT:</b> 23%</p> <p><b>Registration tax:</b> rate varies.</p> <p>From 5% to 346% of the taxable value (wholesale price) for passenger cars according to cylinder capacity and anti-polluting technology (polluting emissions).</p> <p>From 5% – 26% of the taxable value for lorries – trucks etc. according to cylinder capacity and mass (less or more than 3.5 tons). Rates are increased by 30% for vehicles that do not meet EU Directives'/Regulations' emissions requirements.</p> <p>From 0% to 25% of the taxable value for motorcycles according to cylinder capacity.</p> <p><b>Registration tax for buses</b> depends on the number of seats.</p> <p><b>Luxury tax:</b> rate varies from 10% to 40% according to taxable value.</p>	<p>Value</p> <p>Weight</p> <p>Cylinder capacity</p> <p>Polluting emissions</p> <p>Number of seats</p> <p>Electric propulsion</p>	<p><b>Exemptions from registration tax:</b></p> <p>Cars used by public authorities.</p> <p>Cars with hybrid motor technology or those with electric motors.</p> <p>Cars used by disabled persons.</p> <p>Cars used by parents having at least three (3) children.</p> <p>Ambulances used by public hospitals.</p> <p>Cars used by people who have moved their normal residence to Greece.</p> <p>Cars donated to the Greek Police, Fire Brigade or Greek Coast Guards.</p> <p><b>Exemptions from luxury tax:</b></p> <p>Taxis, caravans, ambulances, hearses, cars with electric motors.</p> <p>Cars used by disabled persons having complete paralysis of the lower limbs with disability percentage of 80% or 100% and disabled persons having ambilateral amputation of their lower limbs.</p> <p>Cars donated to the Greek Police, Fire Brigade or Greek Coast Guards.</p>

Table 5.A5.1. Taxes on sale and registration of motor vehicles<sup>1</sup> (cont.)

Pays	Taxes	Criteria	Rebates/Exemptions
Hungary	<p><b>VAT:</b> 27%</p> <p><b>Registration Tax:</b> from HUF 45 000 to HUF 400 000 on new passenger cars according to engine type (diesel or petrol) and engine cylinder capacity, and from HUF 20 000 to HUF 230 000 on motorcycles according to engine cylinder capacity. For cars with lower environmental category of engine higher rates are levied (400, 600, 800 or 1200% higher), but rate is reduced according to a scale based on age (until 90%). Reduced rate is levied to hybrid cars and HUF 0 is levied to electric cars.</p> <p><b>Transfer of motor vehicles:</b> the rate of duty shall be determined based on the capacity of motor vehicle's engine (in kW). The tax rate is from HUF 300/kW to HUF 850/kW depending on the age of the vehicle (the older the vehicle, the less is due).</p>	<p>Engine type</p> <p>Cylinder capacity</p> <p>Engine power</p> <p>Polluting emissions</p> <p>Type of fuel</p> <p>Age</p> <p>Electric propulsion</p>	<p><b>Reduced registration tax</b> for cars with hybrid engines or with gas-powered engines (HUF 76 000) and for cars with electric engines (HUF 0).</p>
Iceland	<p><b>VAT:</b> 24%</p> <p><b>Vehicle Registration Fee</b> of ISK 15 000 on initial registration and ISK 2 630 for subsequent changes.</p> <p><b>Motor vehicle excise duty:</b> based on CO<sub>2</sub> emissions ranging from 0-65%.</p> <p><b>Excise duties on motor vehicles other than private automobiles</b></p> <p>Large goods vehicles, large special purpose vehicles, tractors, agriculture trailers, large snow-mobiles, amphibious vehicles, competition cars and motorbikes, vehicles for transport of disabled persons, rescue vehicles and large coaches is none.</p> <p>Small goods vehicles, small special purpose vehicles, vehicles over 40 years old, motor vehicle bodies 13%.</p> <p>Small coaches, motorbikes, other vehicles 30%.</p>	<p>Value</p> <p>CO<sub>2</sub> emissions</p> <p>Electric propulsion</p>	<p><b>Temporary VAT exemption</b> at import and domestic sales of electric-, hydrogen or plug-in hybrid vehicles.</p>
Ireland	<p><b>VAT:</b> 23%</p> <p><b>Registration Tax:</b> the registration tax is based on CO<sub>2</sub> emissions. Rates vary from 14% of the value of the car for cars with CO<sub>2</sub> emissions of up to 80 g/km to 36% for cars with CO<sub>2</sub> emissions above 225 g/km.</p> <p>Specific rate applies to vehicles designed and constructed for the carriage of goods and having a maximum mass not exceeding 3.5 tonnes with more than 3 seats and motor caravans (13.30% of the value with a minimum of EUR 125); new motor cycles and used motor cycles (EUR 2 per cc up to and EUR 1 per cc above 350cc); commercial vehicles and "vintage" (over 30 years old) vehicles (EUR 200).</p>	<p>Value</p> <p>CO<sub>2</sub> emissions</p> <p>Type</p> <p>Age</p> <p>Type of fuel</p> <p>Electric propulsion</p>	<p><b>Relief for hybrid electric vehicles:</b> with a maximum tax relief of EUR 1500.</p> <p><b>Relief for plug-in hybrid electric vehicles:</b> with a maximum tax relief of EUR 2500.</p> <p><b>Relief for series production electric vehicles:</b> subject to a maximum of EUR 5000.</p> <p><b>Remission/repayment for vehicles specially adapted for disabled persons</b> subject to a maximum of EUR 10 000, EUR 16 000 and EUR 22 000 for a disabled driver and EUR 16 000 and EUR 22 000 for a disabled passenger. The amount is depended on the adaptations carried out on the vehicle.</p>
Israel <sup>2</sup>	<p><b>VAT:</b> 17%</p> <p><b>Purchase Tax:</b></p> <p>Private and commercial vehicle weight not exceeding 3500 kg are taxed at 83% of the value; Additional luxury tax is levied on the value of the vehicle that exceeds 300 000 NIS, according to the following formula:</p> <p>20% * (vehicle price – 300 000)/vehicle price;</p> <p>Taxi &lt; 3 500 kg – 8%;</p> <p>Taxi &gt; 3 500 kg – 0%;</p> <p>Commercial vehicles over 3500 kg are taxed at 72% of their value but not eligible for a grant.</p>	<p>Weight</p> <p>Polluting emissions</p> <p>Power</p> <p>Electric propulsion</p>	<p><b>Rebates according to the polluting emissions:</b> vehicles weighing up to 3500 kg benefit of a rebate on the Purchase Tax according to their degree of pollution. There are 15 levels of polluting emissions that are set by a "Green Score" (weighting the emission of five major pollutants). Rebate is up to the amount of 16 384 NIS.</p> <p><b>Hybrid vehicles</b> – Pollution level 1 or 2 –</p> <ol style="list-style-type: none"> <li>1. battery capacity &gt; 3 KWH and green score &lt; 100 – 20%</li> <li>2. others are taxed at a rate of 30%.</li> </ol> <p><b>Electricity powered vehicles</b> are taxed a rate of 10% of their value depending on the customs and purchase tax rate.</p> <p>There is no luxury tax on hybrid vehicles and electronic vehicles.</p>

Table 5.A5.1. Taxes on sale and registration of motor vehicles<sup>1</sup> (cont.)

Pays	Taxes	Criteria	Rebates/Exemptions
Italy	<p><b>VAT:</b> 22%</p> <p><b>Registration Tax (IPT):</b> EUR 151 for cars &lt; 53 kw , EUR 3.5 per kw for cars &gt; 53 kW.</p> <p>For other vehicles, such as, for instance, buses, tractors and lorries with trailer, the tax is determined on the basis of their engine power, weight, number of seats or other criteria. Provinces may increase the rate up to a maximum of 30%.</p>	<p>Vehicle Type</p> <p>Engine power</p> <p>Polluting emissions</p> <p>Weight</p> <p>Number of seats</p>	<p><b>Rebate for disabled people, voluntary associations, motorcycles, sale of used cars by private individual to car dealers:</b> 100% relief of the Registration Tax.</p> <p>Reduced registration tax: historic and special vehicles.</p>
Japan	<p><b>VAT:</b> 8%</p> <p><b>Automobile Acquisition Tax (Prefecture):</b> 3% of purchase price (2% for commercial and light vehicles).</p>	<p>Value</p>	<p>Special measures of reduced automobile acquisition tax.</p> <p>Vehicles with small burden of environment, barrier-free buses and taxis, trucks with collision damage alleviation brake control device, etc., buses for ordinary passengers used on the bus routes provided for in prefectural ordinance.</p>
Korea	<p><b>VAT:</b> 10%</p> <p><b>Special Excise Tax:</b> from zero to 5% of the manufacturer's price according to cylinder capacity.</p> <p><b>Education Tax:</b> 30% on the amount of Excise Tax.</p> <p><b>Acquisition Tax:</b> 2-7% of the retail price excluding VAT.</p>	<p>Value</p> <p>Cylinder capacity</p> <p>Electric propulsion</p>	<p><b>Exemptions from special excise tax and education tax:</b></p> <ul style="list-style-type: none"> <li>– Cars used by disabled persons.</li> <li>– Ambulances used by hospitals.</li> <li>– Cars used for transportation business(public passenger transportation only).</li> <li>– Cars used for car-rental business.</li> </ul> <p><b>Exemptions from acquisition tax:</b></p> <ul style="list-style-type: none"> <li>– Cars used by disabled persons.</li> <li>– Cars used by parents having at least 3 children.</li> <li>– Small cars for non-commercial activities.</li> </ul> <p><b>Rebate for hybrid and electricity powered vehicles:</b> relief of the Special excise tax (not exceed KRW 1 000 000(hybrid), KRW 2 000 000(electricity powered)).</p>
Latvia	<p><b>VAT 21%</b></p> <p><b>Registration Tax:</b> for passenger cars from 2009 is based on CO<sub>2</sub> emissions. The lowest rate EUR 0.43 for each gram CO<sub>2</sub> per km (CO<sub>2</sub> emissions up to 120 g CO<sub>2</sub>/km) and the highest EUR 7.11 for each gram CO<sub>2</sub> per km if CO<sub>2</sub> emissions exceed 350 g CO<sub>2</sub>/km. Passenger cars registered before 2009 is taxed depending on age of vehicle and motor capacity. Registration tax for motorcycles is EUR 0.14 per each cc of motor capacity.</p>	<p>CO<sub>2</sub> emissions</p> <p>Age of vehicle</p> <p>Motor capacity</p> <p>Electric propulsion</p>	<p><b>Exemptions form registration tax:</b></p> <ul style="list-style-type: none"> <li>– cars and motorcycles that are older than 25 years;</li> <li>– cars with an electric motor (electromobiles);</li> <li>– special passenger cars (for example, ambulances, motor caravans, hearses);</li> <li>– cars that are specially equipped for carrying disabled persons in wheelchairs.</li> </ul>
Luxembourg	<p><b>VAT:</b> 17%</p> <p><b>Registration Tax:</b> the tax is calculated per 100 cm<sup>3</sup> according to the following formula: Tax = a * b * c, where a = CO<sub>2</sub> emissions component; b = multiplier (= 0.9 for cars using gasoil &amp; 0.6 for cars not using gasoil). c= additional multiplier when CO<sub>2</sub> emissions &gt; 90 g/km (= 0.5 plus 0.1 per additional 10 g/km).</p>	<p>Value</p> <p>CO<sub>2</sub> Emissions</p> <p>Type of fuel</p> <p>Electric propulsion</p>	<p><b>Bonus system:</b> purchasers of new hybrid cars emitting less than 60g CO<sub>2</sub>/km and electricity powered vehicles are entitled to a bonus of EUR 5 000.</p>
Mexico	<p><b>VAT:</b> 16%</p> <p><b>New vehicles tax:</b> from 2% to 17% plus a no movable fee according to vehicle value. For vehicles whose price is higher than MXN 660 255.71 (for 2016), there is an additional discount consisting in the reduction of the tax according to the 7% of the difference between the sales price and the threshold mentioned above. The update of the limits of the tax tariff is made every year.</p>	<p>Value</p> <p>Electric propulsion</p>	<p>Exemption of 100% in New Vehicles Tax to vehicles with value up to MXN 222 032.19.</p> <p>Exemption of 50% in New Vehicles Tax to vehicles with value from MXN 222 032.20 to MXN 281 240.78.</p> <p>Exemption of 100% in New Vehicles Tax for hybrid electricity powered vehicles.</p>

Table 5.A5.1. **Taxes on sale and registration of motor vehicles<sup>1</sup>** (cont.)

Pays	Taxes	Criteria	Rebates/Exemptions																																							
Netherlands	<p><b>VAT:</b> 21%</p> <p><b>Registration Tax:</b> for passenger cars, it is fully based on CO<sub>2</sub> emissions and the type of motor fuel used.</p> <p>Vehicles with a CO<sub>2</sub> emission of 0g/km are in any case exempt from the registration tax. For passenger cars, the registration tax is progressive and varies between EUR 175 and EUR 478 per g/km exceeding the level of 1g/km.</p> <p>Passenger cars using diesel are charged with an additional EUR 86.43 per g/km exceeding the level of 67 g/km.</p> <p>Registration tax for motorcycles and delivery vans is based on the value of the vehicle.</p>	<p>CO<sub>2</sub> Emissions</p> <p>Motor fuel</p> <p>Value</p> <p>Electric propulsion</p>	<p><b>Zero-emission (e.g. electricity powered vehicles)</b> are exempt from Registration Tax</p> <p><b>Other examples of exemption are:</b> delivery vans owned by entrepreneurs and used for business purposes for at least 10%.</p> <p><b>Tax refunds are provided for vehicles such as:</b> vehicles used by fire brigades, vehicles used by the police, funerary vehicles, vehicles used for the transport of prisoners, vans used by disabled persons, (animal) ambulances, taxis and vehicles that are used for secure transport.</p>																																							
New Zealand	<p><b>GST:</b> 15%</p> <p><b>Registration Fee</b> on initial registration: rates vary depending on the cylinder capacity and type of vehicle and whether registration is for 6 months or a year. For private passenger, petrol driven cars this ranges from NZD 291.08 to NZD 462.30.</p>	<p>Value</p> <p>Cylinder capacity</p>																																								
Norway	<p><b>VAT:</b> 25%</p> <p><b>Registration Tax:</b> rates vary according to weight, engine performance (KW), CO<sub>2</sub> emissions and NO<sub>x</sub> emissions. When CO<sub>2</sub> emissions information is not stated, the tax is calculated based on cylinder capacity instead of CO<sub>2</sub> emissions.</p>	<p>Weight</p> <p>Engine performance</p> <p>CO<sub>2</sub> emissions</p> <p>NO<sub>x</sub> emissions</p> <p>Type of fuel</p> <p>Electric propulsion</p>	<p><b>Electricity powered vehicles</b> are exempt from Registration Tax.</p> <p><b>Hybrid vehicles</b> (both electric and combustion engine) have a rebate. The engine performance of the electric engine and 10 pct. of the total weight are not included in the tax base. For plug-in hybrid cars the weight deduction is 26%.</p> <p><b>Flexifuel vehicles</b> (can use fuel with at least 85 pct. ethanol) have a rebate of 10 000 NOK per vehicle.</p>																																							
Poland	<p><b>VAT:</b> 23%</p> <p><b>Excise-Duty</b> is levied on passenger cars prior to their first registration due to their sale, intra-community acquisition and import. The excise tax rates for personal cars depend on engine capacity and amount to:</p> <ul style="list-style-type: none"> <li>– for passenger cars with engine cubic capacity over 2000 cm<sup>3</sup> – 18.6%,</li> <li>– for others – 3.1%.</li> </ul>	<p>Value</p> <p>Cylinder capacity</p>																																								
Portugal	<p><b>VAT:</b> 23%</p> <p><b>Vehicle excise duty</b> varies according to the following formula and rates, Cylinder capacity x rate – fixed rebate (as at 31 March 2016).</p> <p>Vehicles up to 1000 cc = number of cc x EUR 0.95 – EUR 737.00.</p> <p>Vehicles from 1001 to 1250 cc = number of cc x EUR 1.03 – EUR 740.55.</p> <p>Vehicles above 1250 = number of cc x EUR 4.84 – EUR 5 362.67.</p> <p>There are other rate brackets for light commercial vehicles and some segments of combined (passenger and freight) vehicles.</p>	<p>Value</p> <p>Engine capacity</p> <p>CO<sub>2</sub> Emissions</p>	<p><b>Rebates according to CO<sub>2</sub> Emissions (as at 31 March 2016)</b></p> <p>Rebate is calculated according to the formula (grams CO<sub>2</sub>/km) x rate – fixed rebate</p> <table border="1"> <thead> <tr> <th><b>Petrol Vehicles</b></th> <th>EUR</th> <th>EUR</th> </tr> </thead> <tbody> <tr> <td>Up to 99</td> <td>4.00</td> <td>370.00</td> </tr> <tr> <td>From 100 to 115</td> <td>7.00</td> <td>650.00</td> </tr> <tr> <td>From 116 to 145</td> <td>45.49</td> <td>5 110.00</td> </tr> <tr> <td>From 146 to 175</td> <td>53.00</td> <td>6 180.00</td> </tr> <tr> <td>From 176 to 195</td> <td>135.00</td> <td>20 450.00</td> </tr> <tr> <td>Above 195</td> <td>178.00</td> <td>28 900.00</td> </tr> </tbody> </table> <p><b>Diesel Vehicles*</b></p> <table border="1"> <tbody> <tr> <td>Up to 79</td> <td>5.00</td> <td>380.00</td> </tr> <tr> <td>From 80 to 95</td> <td>20.30</td> <td>1 600.00</td> </tr> <tr> <td>From 96 to 120</td> <td>68.58</td> <td>6 228.00</td> </tr> <tr> <td>From 121 to 140</td> <td>152.10</td> <td>16 380.00</td> </tr> <tr> <td>From 141 to 160</td> <td>169.15</td> <td>18 800.00</td> </tr> <tr> <td>Above 160</td> <td>232.33</td> <td>28 950.00</td> </tr> </tbody> </table> <p>*Light passenger diesel vehicles with particle emissions equal or above 0.002 grams/km have a penalization of EUR 500 on the amount of tax.</p>	<b>Petrol Vehicles</b>	EUR	EUR	Up to 99	4.00	370.00	From 100 to 115	7.00	650.00	From 116 to 145	45.49	5 110.00	From 146 to 175	53.00	6 180.00	From 176 to 195	135.00	20 450.00	Above 195	178.00	28 900.00	Up to 79	5.00	380.00	From 80 to 95	20.30	1 600.00	From 96 to 120	68.58	6 228.00	From 121 to 140	152.10	16 380.00	From 141 to 160	169.15	18 800.00	Above 160	232.33	28 950.00
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Table 5.A5.1. Taxes on sale and registration of motor vehicles<sup>1</sup> (cont.)

Pays	Taxes	Criteria	Rebates/Exemptions
Slovak Republic	<p><b>VAT:</b> 20%</p> <p><b>Administrative fees:</b></p> <p>First record of vehicle in to Slovak cars register shall be registration fee payable by the first owner of a motor vehicle. If the engine capacity is up to 80 KW (apply for new, imported and used cars): EUR 33,</p> <p>First record of vehicle in to Slovak cars register shall be registration fee payable by the first owner. If the engine capacity is in excess of 80 KW and up to 86 KW (apply for new or imported cars): EUR 167,</p> <p>in excess of 86 KW up to 92 KW: EUR 217,</p> <p>in excess of 92 KW up to 98 KW: EUR 267,</p> <p>in excess of 98 KW up to 104 KW: EUR 327,</p> <p>in excess of 104 KW up to 110 KW: EUR 397,</p> <p>in excess of 110 KW up to 121 KW: EUR 477,</p> <p>in excess of 121 KW up to 132 KW: EUR 657,</p> <p>in excess of 132 KW up to 143 KW: EUR 787,</p> <p>in excess of 143 KW up to 154 KW: EUR 957,</p> <p>in excess of 154 KW up to 165 KW: EUR 1 157,</p> <p>in excess of 165 KW up to 176 KW: EUR 1 397,</p> <p>in excess of 176 KW up to 202 KW: EUR 1 697,</p> <p>in excess of 202 KW up to 228 KW: EUR 2 047,</p> <p>in excess of 228 KW up to 254 KW: EUR 2 467,</p> <p>in excess of 254 KW: EUR: 2 997.</p> <p>First record of electric car in to Slovak cars register shall be registration fee payable by the CO<sub>2</sub> first owner of a motor vehicle: EUR 33.</p> <p>Any other record (second, third and so on...) of vehicle in to Slovak cars register shall be registration fee payable by the current owner: EUR 33.</p> <p>Registration fee for assigning and releasing of a licence plate number: EUR 16.50 per one plate number (i.e. EUR 33 for 1 vehicle).</p>	<p>Value</p> <p>Engine power</p>	<p><b>Disabled persons:</b> rebates in administration fees are applied for disabled persons.</p> <p><b>Other exemptions:</b> state authorities, higher territorial units, budget organisation, diplomats, court of justice, prosecution, police, Slovak red cross and legal person owned by state authority (100% of shares).</p>

Table 5.A5.1. Taxes on sale and registration of motor vehicles<sup>1</sup> (cont.)

Pays	Taxes	Criteria	Rebates/Exemptions
Slovenia	<p><b>VAT:</b> 22%</p> <p><b>Motor vehicle tax</b> is paid for passenger motor vehicles, motorcycles and camper vans, which are put into circulation in Slovenia for the first time; imports and acquisitions from other EU Member States are also taxed. The tax base is the selling price of an individual motor vehicle, excluding VAT and this tax. The tax rate is determined according to environmental criteria (CO<sub>2</sub>, Euro emission standards) and the rates are determined from 0.5% to 28% for petrol cars and from 1% to 31% for diesel cars. Passenger cars with cylinder capacity over 2500 cm<sup>3</sup> are subject to the additional tax. Rates vary from 8% (2500 cm<sup>3</sup> and more) to 16% (4000 cm<sup>3</sup> and more). For diesel cars particulate matter (PM) emissions are also considered. Tax rates for motorcycles and camper vans are set upon engine power in the range from 1.5% to 5% for motorcycles and 6% to 18% for camper vans. Motorcycles with cylinder capacity over 1000 cm<sup>3</sup> are subject to the additional tax of 5%. Motor vehicle tax is levied only at the time of first registration of a vehicle and not on an annual basis.</p> <p><b>Environmental tax</b> for pollution of the environment with used motor vehicles is paid for passenger motor vehicles, motorcycles, camper vans and vehicles for the carriage of goods, which are put into circulation in Slovenia for the first time; imports and acquisitions from other EU Member States and imports from third countries are also taxed. The basis for calculating the environmental tax is the mass of a motor vehicle. The amount of tax is determined by the government each year according to the costs of handling used motor vehicles deregistered from traffic on the territory of Slovenia in the previous year. The environmental tax is paid in certain amount per kilo of vehicle and is a precondition for registration. For the year 2015 the amount of tax hasn't been determined and it amounts to 0 EUR/kg. Environmental tax is levied only at the time of first registration of a vehicle and not on an annual basis.</p>	<p>Value</p> <p>Selling price</p> <p>CO<sub>2</sub> emissions</p> <p>Particulate matter emissions</p> <p>EURO emissions standards</p> <p>Engine power</p> <p>Cylinder capacity</p> <p>Weight</p>	<p><b>Tax exemptions (motor vehicle tax):</b></p> <ul style="list-style-type: none"> <li>– vehicles acquired for transport of families with three or more children;</li> <li>– vehicles purchased for carrying disabled people;</li> <li>– vehicles intended for:               <ol style="list-style-type: none"> <li>1. Official use by diplomatic and consular representations accredited to Slovenia;</li> <li>2. Official use by international organisations, if so stipulated by international treaties binding on Slovenia;</li> <li>3. Personal use by foreign staff of diplomatic and consular missions, accredited to Slovenia, including their family members;</li> <li>4. Personal use by foreign staff of international organisations, including their family members, if so stipulated by international treaties binding on Slovenia;</li> </ol> </li> <li>– used vehicles (old-timers);</li> <li>– vehicles imported on a temporary basis (the temporary change of residence of the vehicle's proprietor who does not maintain his permanent residence in Slovenia);</li> <li>– sports vehicles that have not been adapted for road use and are intended only for driving on circuits;</li> <li>– transfer of vehicles in the case of reorganizations of vehicle's proprietor;</li> <li>– emergency rescue motor vehicles used for transport of victims and patients;</li> <li>– leasing of the vehicles.</li> </ul> <p><b>Environmental tax:</b> no exemptions.</p>
Spain	<p><b>VAT:</b> 21%.</p> <p><b>Vehicle Registration Tax (VRT)</b> is based on CO<sub>2</sub> emissions. Rates vary from 0% (up to 120 g CO<sub>2</sub>/km) to 14.75% (200 g CO<sub>2</sub>/km and more).</p>	<p>Value</p> <p>CO<sub>2</sub> emissions</p>	<p><b>VRT exemptions:</b> taxis, driving school vehicles, rental service vehicles; vehicles acquired and used by disabled people; vehicles with special diplomatic registration; transfer of vehicles in the case of change of residence of vehicle's proprietor.</p>
Sweden	<b>VAT:</b> 25%	Value	
Switzerland	<p><b>VAT:</b> 8%</p> <p><b>Acquisition Tax</b> on new vehicles (up to 1 600 kg and all passenger cars up to 3 500Kg): 4% of purchase price.</p> <p>No registration tax (but small fees for number plates and registration papers).</p>	<p>Value</p> <p>Electric propulsion</p>	<p><b>Electrically powered vehicles</b> are exempt from acquisition tax.</p>

Table 5.A5.1. **Taxes on sale and registration of motor vehicles<sup>1</sup>** (cont.)

Pays	Taxes	Criteria	Rebates/Exemptions
Turkey	<p><b>VAT: 18%.</b></p> <p><b>Special Consumption Tax (SCT)</b> is payable on first acquisition of vehicles (importation, acquisition by public auction, acquisition from those who carry out motor vehicle trade, inception of use, capitalisation or registration in the name of those who carry out motor vehicle trading).</p> <p><b>Motor vehicles:</b> proportional duty is applied. For motor vehicles under CN Code 87.02 and designed for transport of passengers, tax rate is 9% for minibuses, 4% for minibuses and 1% for buses. Passenger cars and other motor vehicles: designed for transport of passengers excluding those under CN Code 87.02 and placed under CN Code 87.03 and having a max. weight of 3.5 tons and passenger carrying capacity less than 50% of max. load capacity. Vehicles with a max. loading capacity not over 850 kg and having an engine capacity below 2000cm<sup>3</sup> are subject to the SCT at a rate of 15% and the ones with a max. loading capacity over 850 kg and having an engine capacity below 2800cm<sup>3</sup> are subject to the SCT at a rate of 15% and SCT rates for others vary from 45% to 145% according to their engine capacity. Tax rates applied to electric cars vary from 3% to 15% according to electric engine capacity.</p> <p><b>For motor vehicles designed for transport of goods</b> and placed under CN Code 87.04 and have a max. loaded weight not over 4700 kg and have a seat other than the driver's seat or have side windows other than those besides the driver's seat, SCT rate is 10% for the ones with an engine capacity not over 3000 cm<sup>3</sup>, 52% for those with an engine capacity over 3000 cm<sup>3</sup> but not over 4000 cm<sup>3</sup> and 75% for those with an engine capacity over 4000 cm<sup>3</sup>. Tax rate for those provided with a covered body and have a max. loading capacity under 620 kg is 10%. For others 4%.</p> <p><b>The tax on motor cycles</b> varies from 8% to 37% according to the cylinder capacity. Tax rates applied to electric motor cycles vary from 3% to 37% according to electric engine capacity.</p>	<p>Value</p> <p>Cylinder capacity</p> <p>Weight</p> <p>Customs category</p> <p>Electric propulsion</p>	<p><b>Rebate for disabled people:</b> disabled people are exempt from the Special Consumption Tax.</p>
United Kingdom	<p><b>VAT: 20%</b></p> <p><b>Vehicle First Registration Fee:</b> a flat rate fee of GBP 55.0 is payable on the first registration or licensing of a motor vehicle in the United Kingdom.</p>	<p>Value</p>	<p><b>Rebate for disabled people:</b> disabled people are exempt from the Vehicle First Registration Fee.</p> <p><b>Other exemptions:</b></p> <p>Vehicles previously registered in Northern Ireland.</p> <p>Vehicles registered for off road use.</p> <p>Crown Exempt Vehicles.</p> <p>Historic vehicles previously registered with the old Local Authorities (late conversions).</p> <p>Imported vehicles previously registered under the Personal Export Scheme and New Means of Transport Scheme.</p> <p>Visiting Forces Vehicles.</p>

Table 5.A5.1. **Taxes on sale and registration of motor vehicles<sup>1</sup>** (cont.)

Pays	Taxes	Criteria	Rebates/Exemptions
United States	<p><b>A Gas guzzler tax:</b> is imposed on the manufacturer or importer of a vehicle whose combined city and highway fuel efficiency is less than 22.5 miles per gallon. The tax varies from USD 1 000 to USD 7 700 depending on the fuel efficiency.</p> <p><b>A tax of 12%</b> of sales price is imposed on the first retail sale of a truck that is suitable for use on a highway and weights more than 33 000 pounds.</p> <p><b>A tax is imposed on the sale of tyres for highway vehicles.</b> A tax is imposed on taxable tyres sold by the manufacturer, producer, or importer at the rate of 9.45 cents (4.725 cents in the case of a bias ply tyre or super single tyre) for each 10 pounds of the maximum rated load capacity over 3 500 pounds. State and local governments impose a one-time sales tax and/or title fee.</p>	<p>Fuel efficiency</p> <p>Value</p> <p>Weight</p> <p>Tyres</p>	<p>The gas guzzler tax is widely applied and must be paid by vehicles sold to the federal government, state and local governments, and non-profit educational organizations. Vehicles used for police, other law enforcement purposes, or firefighting purposes or as ambulances are exempt. Limousines weighing more than 6 000 pounds or designed to carry more than 10 people are exempt.</p> <p>Tyres for use on local and school buses or for the exclusive use of the Department of Defence or the Coast Guard are exempt.</p>

1. This table does not include customs duties; specific regimes for second-hand cars (e.g. margin scheme, old timers); diplomatic sales; export/import and transit schemes and insurance premium tax.
  2. Israel: The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.
- Source: National delegates; position as at 1 January 2014.



Table 5.A5.2. Taxes on ownership or use of motor vehicles<sup>1</sup>

Country	Taxes	Criteria	Rebates/Exemptions
Australia	The States and Territories levy fees for annual registration, third party compulsory insurance and drivers' licenses. Fees for commercial vehicles are generally higher than the fees for private vehicles. In most States, fees for trucks vary depending on the type of vehicle and the gross vehicle mass. Licence renewal fees vary to reflect validity periods from one to five years.	Commercial/private use Gross vehicle mass	
Austria	Motor vehicles above a permissible gross weight of 3.5 tonnes: Motor Vehicle Tax based on the weight of the vehicle (from EUR 1.55 to EUR 1.90 per month and ton depending on the weight). Motor vehicles up to and including a maximum permissible gross weight of 3.5 tons: Motor Vehicle Insurance tax based on engine power in kilowatt (cars) or cubic capacity (motorbikes). For cars: gradual tariff from EUR 0.62 to 0.75 per month and kw. For motorbikes: EUR 0.025 per month and by cubic centimetre.	Weight Engine power Cubic capacity	Vehicles used by diplomatic missions and consular offices; armed forces; police; fire brigade; ambulances; mountain rescue; electrically propelled vehicles; self-propelled working machines; trial moving vehicles; taxi services; mopeds and motorcycles with a cubic capacity of maximum 100 CC; vehicle used solely in agricultural production and forestry; vehicles used for disabled persons.
Belgium	<b>Annual Road Tax:</b> <i>Walloon Region and Brussels Capital region:</i> the tax rate depends on fiscal h.p. and cylinder capacity and is set according to a progressive scale from EUR 77.35 to EUR 1 979.60. For vehicles above 20 h.p. (more than 41 cylinder capacity) an additional amount of EUR 107.98 by h.p. is levied. Vehicles of more than 30 years old (25 years old in the Brussels Capital Region) are subject to an annual tax of EUR 35.10. <i>Flemish Region:</i> the tax rate depends on fiscal h.p. and cylinder capacity and is set according to a progressive scale from EUR 70.32 up to EUR 1 799.52. For vehicles above 20 h.p. (more than 41 cylinder capacity) an additional amount of EUR 98.04 h.p. is levied. Vehicles of more than 25 years old are subject to an annual tax of EUR 35.10. As from the fiscal year 2016 the tax will be modulated depending on the CO <sub>2</sub> emission, the euro standard and the type of fuel (except for leasing cars). <i>Flemish and Walloon Region:</i> a "compensation tax" is levied on cars entirely or partially powered by Liquefied Gas Petroleum. This tax is calculated on a progressive scale depending on the engine power from EUR 89.16 to EUR 208, 20 <b>Eurovignette:</b> the tax will be abolished as of 1 April 2016 and replaced with a kilometre charge.	Engine power Cylinder capacity Fuel used Electric propulsion	All regions provide exemptions for cars used by public authorities, vehicles for disabled people and war invalids, agricultural vehicles, rescue vehicles, trial moving vehicles, ships and little boats, taxi services, mopeds and motorcycles with a cylinder capacity of maximum 250 CC. Rebates for the salaried transport of persons; vehicles used for road haulage in the ports. <i>Flemish Region:</i> as of fiscal year 2016 a tax reduction of EUR 100 is applicable to cars running on Liquefied Gas Petroleum. Exemption is provided to cars using certain fuels: pure electric, hydrogen-powered, plug-in hybrid (until 2021), CNG/LNG (until 2021).
Canada	All provinces impose annual fees for the use of motor vehicles. In general, the fees depend on the type of vehicles and in most cases on the weight of the vehicle.	Type Weight	
Chile	Annual Motor Vehicle Tax (levied by municipalities) for the use of motor vehicles on public roads depending on the commercial value of the vehicle. Lightweight vehicles: depending on the commercial value of the vehicle. Passenger vehicles: fixed fee. Cargo vehicles: according to loading capacity.	Commercial value Fixed fee Loading capacity (trucks)	

Table 5.A5.2. **Taxes on ownership or use of motor vehicles<sup>1</sup>** (cont.)

Country	Taxes	Criteria	Rebates/Exemptions
Czech Republic	<p>The road tax is imposed on all road motor vehicles and their trailers registered and operated in the Czech Republic if they are used by:</p> <ul style="list-style-type: none"> <li>– taxpayers of corporate income tax (except of vehicles used by public benefit taxpayer for activities which are not subject to corporate income tax);</li> <li>– taxpayers of personal income tax to the activities or in direct connection with that activities from which he has income from an independent activity under the Act on income tax.</li> </ul> <p>Vehicles with a total permitted weight above 3.5t registered in the Czech Republic and determined solely for freight transport are always liable to road tax.</p> <p>As regards passenger cars the tax base shall be the engine's cylinder capacity in cubic centimetres, with the exception of electric-driven passenger cars;</p> <p>As regards semi-trailers and other motor vehicles the tax base shall be:</p> <ul style="list-style-type: none"> <li>– the total of the maximum permitted weight on axles in tonnes and the number of axles of semi-trailers;</li> <li>– in the case of other vehicles the maximum permitted weight in tonnes and the number of axles. The annual tax rate of passenger cars varies from CZK 1 200 to CZK 4 200 and in the case of other vehicles vary from CZK 1 800 to CZK 44 100.</li> </ul>	<p>Cylinder capacity (passenger cars)</p> <p>Type of propulsion</p> <p>Type of fuel</p> <p>Total max. permitted weight on axles and number of axles (semi-trailers)</p> <p>Max. permitted weight and number of axles (other vehicles)</p>	<p>Tax Exemption: vehicles usually with less than four wheels (motorcycles); vehicles used by diplomatic missions and consular offices (where there is a reciprocal arrangement); vehicles ensuring domestic line passenger transport, vehicles operated by the armed forces and civil defence; vehicles which are state mobilisation reserve or emergency reserve; vehicles of the Police of the Czech Republic; fire protection vehicles; ambulances; mining and mountain rescue vehicles; gas emergency service and power engineering emergency service vehicles. Special road sweeping vehicles; special single-purpose vehicles (e.g. vehicles used in road marking) and vehicles belonging to road authorities or to persons authorized by road authorities exclusively used to maintain land communications, except for passenger cars, electrically propelled vehicles, hybrid driven vehicles, vehicles using as fuel either LPG or CNG or vehicles equipped with an engine determined by his producer for combustion of E85.</p> <p>Tax reduction (25% to 100%) for vehicle exclusively used for carriage in the combined transport for which railway transport or inland waterway transport is made use of.</p> <p>The tax rate is reduced for the period of 108 months from the date of the first registration of vehicle (for the first 36 months by 48%, for the next 36 months by 40% and for the next 36 months by 25%).</p>
Denmark	<p><b>Passenger cars semi-annual tax:</b> the tax is based on fuel consumption, with different rates for petrol/diesel. Rates range from DKK 310 (&gt; 20km/l) up to DKK 10830 (&lt; 4.5km/l) for petrol cars, and from DKK 130 (&gt; 32.1km/l) up to 16 100 (&lt; 5.1km/l) for diesel cars.</p> <p><b>Lorries' annual tax:</b> Vehicles registered for the first time until 24 April 2007: the charge for private use is DKK 1 060 annually for cars with total permissible weight (tpw) up to 2000 kg and DKK 5 920 annually for cars with tpw between 2000 and 4000 kg.</p> <p>Vehicles registered on 25 April 2007 or after: the charge for private use is DKK 5920 annually for cars with total permissible weight (tpw) up to 3000 kg and DKK 17 590 annually for cars with tpw between 3000 and 4000 kg.</p> <p>For cars used for both private and commercial purposes the rates are 50%. Cars used exclusively for commercial purposes are free of charge.</p>	<p>Fuel efficiency</p> <p>Weight (for lorries)</p>	
Estonia	<p>Heavy goods vehicle tax. Varies from 0 to 232.60 (per quarter) EUR depending on the combination of following factors: weight range (12 tonnes to 40 and more tonnes), axle combination (2, 3, 4, 2+1, 2+2, 2+3, 3+2, 3+3), type of suspension (air, other).</p>	<p>Weight range,</p> <p>Axle combination,</p> <p>Type of suspension</p>	<p>Exemptions apply for Defence Force, Defence League, Enforcement Force and Rescue Service Heavy goods vehicles and Local Authority, NGO, Foundation and Business vehicles intended for rescue operations.</p>
Finland	<p>The annual tax for passenger cars and delivery vans is based on CO<sub>2</sub> emissions. If the car does not have emission data in the Vehicular and Driver Data Register, the tax is based on the total mass of the vehicle. Tax rates vary from EUR 106.21 for vehicles emitting from 0g CO<sub>2</sub>/km up to EUR 654.44 for vehicles emitting 400g CO<sub>2</sub>/km or more.</p> <p>For diesel passenger cars and vans there is a tax on driving power based on total mass of the vehicle. This is applied on other cars and vans using less taxed fuels than petrol as well. For lorries there is an annual tax based on maximum gross weight, number of axles and use of trailer.</p>	<p>CO<sub>2</sub> emissions</p> <p>Weight</p> <p>Number of axles (lorries)</p>	

Table 5.A5.2. Taxes on ownership or use of motor vehicles<sup>1</sup> (cont.)

Country	Taxes	Criteria	Rebates/Exemptions
France	Tax on business passenger cars: up to 7 HP: EUR 1130; more than 7 HP: EUR 2440. An annual tax is payable by owners of vehicles emitting more than CO <sub>2</sub> 190g/100km.	Engine power Electric propulsion Type of fuel	Exemptions: – Cars more than 10 years old; – Cars used for public passenger transport, cars used for leasing or sale, – Electrically or gas propelled cars (for mixed oil and gas propelled vehicles exemption is reduced by half). Vehicles that can use both petrol and GPL are exempt at rate of 50%.
Germany	For passenger cars being firstly registered since 1 July 2009, the Motor Vehicle Tax is based mainly on CO <sub>2</sub> emissions. It consists of a base tax (according to cylinder capacity) and a CO <sub>2</sub> tax. The rates of the base tax are EUR 2 per 100 cc (petrol) and EUR 9.50 per 100 cc (diesel) respectively. The CO <sub>2</sub> tax is linear at EUR 2 per g CO <sub>2</sub> /km. Cars being firstly registered before 1 July 2009 are taxed according to their polluting emissions (EURO-Norm) and cylinder capacity.	Polluting emissions Cylinder capacity CO <sub>2</sub> emissions	Cars with CO <sub>2</sub> emissions below 95 g/km are exempt from the CO <sub>2</sub> element. Only the base tax is due. Exemption for pure electric cars for ten years after the first registration, if the car is registered between 18 May 2011 and 31 December 2020.
Greece	Annual road tax on private passenger cars registered for the first time in Greece before 31.10.2010 (as well as those with international initial registration before 2002), and also motorcycles regardless of their date of registration: based on cylinder capacity from EUR 22 to EUR 1 380. For the above category, there is an extra criterion of years of circulation of cars. Private passenger cars and taxis registered for the first time in Greece, after 1.11.2010: based on CO <sub>2</sub> emissions from EUR 0 to EUR 3.72 per gram of CO <sub>2</sub> . Annual road tax on trucks based on gross weight and on buses on the number of seats.	Cylinder capacity CO <sub>2</sub> emissions Electric propulsion Gross weight (trucks) Number of seats (buses)	The main exemptions are: Cars used by public authorities, municipalities, ambulances etc, Cars used by disabled persons and members of foreign diplomatic services; Electric cars, Hybrid cars registered until 31.10.2010, with engine displacement under 1.549 cc, Private passenger cars, registered after 1.11.2011, with CO <sub>2</sub> emissions under 100g/km Motorcycles up to 300 cc cylinder capacity used in order to replace old technology ones (replacement should take place up to 31.12.2009). For motorcycles with cylinder capacity over 300 cc used in order to replace old technology motorcycles exemption applies for 5 years only following the date of first registration of the new motorcycle. Cars and motorcycles, registered with a valid permission of circulation, may be imported for a limited period up to six months per year, by the customs procedure of temporary importation.
Hungary	Motor vehicle tax levied according to capacity of engine (in Kw) of passenger cars and motorcycles. The tax base for busses, semi-trailers and caravans is the unladen weight of the vehicle. For lorries the tax is based on net weight plus 50% of cargo weight. The tax rate for passenger cars and motorcycles is from HUF 140/kW to HUF 345/kW depending on the age of the vehicle (the older the vehicle, the less is due). For lorries, busses, semi-trailers the tax rate is HUF 850/100 kg of the tax base, if the vehicle is equipped with road-saving axles. The tax rate for other lorries, trailers is HUF 1380/100 kg.	Engine capacity Weight (for lorries) Type of axles (for high-duty vehicles) Electric propulsion	Exemption for vehicles: – owned by budgetary agencies, religious organisations, – owned by social organisations, foundations if this organisations do not have to pay tax on profit, – used for public transport or fire service, – owned by a person who is seriously handicapped, or used for transporting seriously handicapped person under age 18, or used for transporting seriously handicapped person who is under guardianship because of his/her legal incapacity, – passenger cars equipped with environment-saving engine.

Table 5.A5.2. **Taxes on ownership or use of motor vehicles<sup>1</sup>** (cont.)

Country	Taxes	Criteria	Rebates/Exemptions
Iceland	<p>A disposal charge of ISK 350 is levied on each vehicle for each six-month period. This charge is payable for fifteen years from the date of the first registration of the vehicle in Iceland, except when the vehicle is already 25 years old at the beginning of the payment year. The charge is an environmental tax that is intended to finance the disposal of the vehicle at the end of its useful life. Once the vehicle is delivered for scrap, a ISK 20 000 refund will be paid to the owner.</p> <p>Motor vehicles fuelled with diesel in excess of 10 tonnes are subject to a special weight/distance tax, calculated on the basis of the weight of the vehicle and the number of kilometers driven. Owners of diesel vehicles that weigh less than 10 tonnes do not pay a weight/distance tax.</p> <p>A semi-annual road tax on passenger cars is levied based on the vehicle's carbon dioxide emissions declared by the car manufacturer for combination of city and road driving. Where emission data are not available, the tax rate is based on the weight of the vehicle. The semi-annual road tax is ISK 130 for each gram of carbon dioxide emission for emission above 121 grams, in addition to the minimum fee which is ISK 5 415 ISK.</p>	<p>Weight</p> <p>Distance</p> <p>CO<sub>2</sub> emissions</p>	
Ireland	<p>Road Tax on private cars based on CO<sub>2</sub> emissions. Rates vary from EUR 120 (for 0g CO<sub>2</sub>/km) to EUR 2350 (above 225 g CO<sub>2</sub>/km).</p> <p>Tax on commercial vehicles based on net weight: from EUR 333 (&lt; 3000 kg) up to EUR 5195 (&gt; 20 000 kg).</p>	<p>CO<sub>2</sub> emissions</p> <p>Weight</p> <p>(commercial vehicles)</p> <p>Electric propulsion</p>	<p>Electrically propelled vehicles: EUR 120 flat rate – private and EUR 92 flat rate – commercial not over 1 500kg</p>
Israel (b)	<p>Annual licensing fees: private and commercial vehicles weighing up to 3500 kg total: the vehicles are sorted into seven groups (generally the price). The annual licensing fees are reliant upon the year of vehicle production, and the group the vehicle belongs to. The annual licensing fees range between NIS 718 to NIS 4 535. Commercial vehicles above 3.500 kg, motorized by diesel, have a different tariff.</p>	<p>Price</p> <p>Age</p> <p>Category</p>	<p>Vehicles for disabled person, diplomats, United Nations Organisations, specific charity institutions.</p>
Italy	<p>Annual Ownership Tax: From EUR 2.58 per KW to EUR 4.95 per KW according to engine cylinder capacity and polluting emissions. Regions are entitled to vary the national rate.</p> <p>A surtax on use of cars and vehicles intended for the transport of persons or goods applies at a rate of EUR 20.00 for each KW exceeding 185 KW in engine power. Such surtax is reduced after five, ten or fifteen years from the construction of the vehicle by 40%, 70% and 85%, respectively.</p>	<p>Engine power</p> <p>Polluting emissions</p> <p>Electric propulsion</p>	<p>Exemption for historical vehicles over 30 years old; vehicles over 20 years old are exempt only if recognised as being of special historical or collectors' interest; flat rate road tax on vehicles over 30 or 20 years old if still running on public roads.</p> <p>An exemption of 100% from ownership tax is allowed for electric, LPG and CNG vehicles in the first 5 years (from the first registration) and an exemption of 75% afterwards in many regions. 100% exemption also applies to vehicles for disabled persons.</p>
Japan	<p>Motor Vehicle Tonnage Tax(National)(N.B. *Commercial vehicles): levied according to weight , the tax rate are for passenger vehicles from JPY 4 100 per 0.5 ton up to JPY 6 300 per 0.5 ton(from JPY 2 600 up to JPY 2 800); for lorries from JPY 3 300 per 0.5 ton up to JPY 6 300 per 0.5 ton(from JPY 2 600 up to JPY 2 800).</p> <p>Automobile Tax(Prefecture): levied according to cylinder capacity for passenger vehicle from JPY 29 500 up to JPY 111 000 (from JPY 7 500 up to JPY 40 700).</p> <p>Lorries: (e.g.4-5 tons maximum load) JPY 25 500 (JPY 18 500).</p> <p>Buses: (e.g.41-50 passengers capacity) JPY 49 000(JPY 17 500).</p> <p>Light Vehicle Tax (Local): levied on light vehicles and motorcycles according to cylinder capacity and standards.</p>	<p>Weight</p> <p>Cylinder capacity</p> <p>Impact on the environment</p>	<p>Special measures of reduced Motor Vehicle Tonnage Tax.</p> <p>Vehicles with low impact on the environment, barrier-free buses and taxis, trucks with collision damage alleviation brake control device, etc.</p> <p>Special measures of refunded Motor Vehicle Tonnage Tax.</p> <p>Used vehicles properly scrapped before the expiry date of valid period of inspection certificate.</p> <p>Special measures of reduced Automobile Tax and Light Vehicle Tax.</p> <p>Vehicles with low impact on the environment.</p>

Table 5.A5.2. **Taxes on ownership or use of motor vehicles<sup>1</sup>** (cont.)

Country	Taxes	Criteria	Rebates/Exemptions
Korea	Automobile Tax: rates are applicable according to cylinder capacity from KRW 80 per cc up to KRW 200 per cc for non-commercial vehicles; and from KRW 18 per cc to KRW 24 per cc for commercial vehicles.	Cylinder capacity	Full exemption for disabled persons
Latvia	<b>The annual tax</b> for passenger cars registered after 2005 is based on gross weight, motor capacity and maximum motor power, but annual for passenger cars registered before 2005 is based only on gross weight.  The annual tax for motorcycles is based on motor capacity, for heavy goods vehicle is based on gross weight and number of axes and type of suspension if gross weight exceeds 12 000 kg.	Weight (passenger cars and heavy goods vehicles) Motor capacity (passenger cars and motorcycles) Maximum motor power Number of axes and type of suspension (heavy good vehicles) Electric propulsion	The main exemptions are for: – a car, motorcycle, tricycle or quadricycle, the owner, holder or driver of which is a disabled person; – a vehicle, the owner, holder or driver of which is a representative of a diplomatic, consular or international organisation or a person who has diplomatic or consular privileges and immunities; – an emergency vehicle; – vehicles having been registered or being registered with the status of historic motor vehicle; – electric mobiles.
Luxembourg	Automobile Tax: the annual circulation tax is based on CO <sub>2</sub> emissions. Tax rates are calculated by multiplying the CO <sub>2</sub> 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 CO <sub>2</sub> /km).  Tax on heavy vehicles (also known as “Eurovignette”) is levied on vehicles (lorries) with a gross weight of 12 tons or more for the use of motor ways. Tax also varies according to Euro norms.	CO <sub>2</sub> emissions Electric propulsion	Exemptions: vehicles for disabled people; historical vehicles; cars used by public authorities; electrically propelled cars
Mexico	Starting 2012, the tax on ownership was eliminated as a Federal Tax. State governments may impose a tax on ownership and/or periodic registration.  Registration fee is near to MXN 400 in most states and Tax on ownership usually goes from 3% to 19% based on value, type of vehicle and number of passengers.	Value Type of vehicle Number of passengers Electric propulsion	Some states exempt hybrid and electric vehicles used for public passenger transport. Some states provide a subsidy of 100% for vehicles any value.
Netherlands	Motor vehicle tax is based on the dead-weight and the type fuel used. There is a Provincial surtax. Tax on heavy vehicles (also known as “Eurovignette”) is levied on vehicles (lorries) with a gross weight of 12 tons or more for the use of motor ways in the Netherlands. Tax also varies according to Euro norms (diesel category).	For motor vehicle tax: Fuel used Weight Region (province) CO <sub>2</sub> emissions For tax on heavy vehicles: Number of axles Polluting emissions	Vehicles with a CO <sub>2</sub> emission of 0 are exempt. Low-emissions vehicles (CO <sub>2</sub> is not exceeding a level of 50 g/km) pay 50% of the taxes.  <b>Other examples of exemptions are:</b> (Animal) ambulances; vehicles used by fire brigades; vehicles used by the police/defence; funerary vehicles; vehicles used to clean, maintain or construct roads; taxis and vehicles older than 40 years.  Other special regimes apply such as reduced tax rate for delivery vans owned by entrepreneurs and used for business purposes for at least 10% and for vans equipped for and used by disabled persons.
New Zealand	Annual licensing fees: vary depending on the type of vehicle. The licensing fee for private passenger, petrol driven cars is NZD 280.55.	Vehicle type	
Norway	Annual tax: NOK 3 655 for diesel cars without factory-fitted particle filter and NOK 3 135 for other cars; NOK 1 920 for motorbikes; NOK 1 120 for caravans and NOK 445 for moped, tractors, electric vehicles, etc.	Vehicle type Electric propulsion Particle filter	

Table 5.A5.2. **Taxes on ownership or use of motor vehicles<sup>1</sup>** (cont.)

Country	Taxes	Criteria	Rebates/Exemptions
Poland	Annual Motor Vehicles Tax levied at municipal level on heavy goods vehicles of maximum permissible gross laden weight over 3.5 tons, road and ballast tractors, trailers and semi-trailers and buses.	Weight Type of vehicle Number of passengers for busses	Vehicles under possession of diplomatic representations, consular offices and other foreign missions. Transport vehicles constituting mobilisation supply. Special vehicles and vehicles used for special purposes. Historic vehicles.
Portugal	Annual State and municipal tax due by the ownership of the vehicle, it was reformed on 1 <sup>st</sup> of July of 2007 for passengers vehicles and mixed use cars with gross weight not exceeding 2500 Kg, if registered after the reform, tax rate is based on motor capacity and CO <sub>2</sub> emissions and for vehicles registered since 1981 up to the reform rates vary depending on motor capacity or voltage, date of registration and fuel type.  Vehicle excise duty on lorries above 2.5 tonnes used in public and private transport of merchandise.	Motor capacity CO <sub>2</sub> emissions Electric propulsion Weight Number of axels Vehicle type and fuel Type of suspension	Vehicles owned by the State (central, regional or local administration), fire brigades, foreign States, diplomatic and consular missions, international organizations, specialized European agencies and disabled persons; vehicles seized by the State for as part of a criminal procedure.  Are also exempt ambulances, passengers vehicles destined to rental or taxi services, tractors, funerary vehicles, non-motorized vehicles that are purely electric or moved by renewable energies.
Slovak Republic	<b>Motor Vehicle Tax</b> is imposed only on vehicles used for business purposes. Rates vary depending on type, weight, cylinder capacity and number of axles (for utility vehicles and buses) of the vehicle.	Usage Vehicle type (passenger cars) Weight Cylinder capacity (utility vehicles and buses) Number of axles Polluting emissions	The vehicles exempt from the motor vehicle tax are the following:  a) vehicles the documents of which name as the vehicle holder the higher territorial unit to the budget of which the motor vehicle tax is transferred; b) vehicles of diplomatic missions and consular corps, provided that reciprocity is guaranteed.
Slovenia	<b>Circulation tax</b> (levied on an annual basis) – an annual fee for the use of road transport vehicles is paid once a year for the use of motor vehicles and trailers in Slovenia by vehicle owners. The fee is paid at the time of renewal of registration certificate. By paying an annual duty a person acquires the right to use a registered vehicle in road traffic for the next 12 months. The amount of tax depends on the category of the vehicle and is proportionate to the duration of the registration period in a certain year.	Cylinder capacity, Engine power, Weight Polluting emissions Electric propulsion Type of suspension Number of seats	Tax exemptions:  Vehicles exclusively using electricity for power, tractors and tractor trailers, motorcycles, three-wheeled cycles with engine capacity up to 50 cc and light four-wheeled cycles, light trailers with maximum permissible weight up to 750 kg, motor vehicles registered to the Slovenian Army, Civil Protection, Mountain Rescue Service, Ecological Laboratory with mobile unit, police and fire-fighting vehicles, ambulances, motor vehicles and trailers registered for diplomatic and consular missions, vehicles owned by certain international organizations, and vehicles used for the transport of disabled persons.  Tax reduction for low polluting trucks  Trucks of category N1: tax reduction for EURO 5 (-25%) and EURO 6 and higher (-35%) and tax increase for EURO 3 (+10%), EURO 2 (+20%), EURO 1 (+30%) and EURO 0 or lower (+40%);  Trucks of category N2, N3 and buses (M2, M3): tax reduction for EURO 5 (-25%) and EURO 6 and higher (-35%) and tax increase for EURO 3 (+10%) EURO 2 (+20%), EURO 1 (+30%) and EURO 0 or lower (+40%)  Tax reduction for buses and trucks with air suspension (-15%)  Tax reduction for old-timers (-80%) and vehicles acquired for transport of families with four or more children (-50%).
Spain	Motor Vehicle Tax (levied by municipalities) based on engine power for passenger cars, passenger capacity for buses, loading capacity for trucks and cylinder volume for motorcycles.	Vehicle type Engine power Cylinder capacity	<b>Tax exemptions:</b>  Official vehicles belonging to public bodies of diplomatic offices, ambulances, vehicles adapted to disabled people, public transport vehicles over nine seats, tractors and other vehicles of agricultural use; historic vehicles.

Table 5.A5.2. Taxes on ownership or use of motor vehicles<sup>1</sup> (cont.)

Country	Taxes	Criteria	Rebates/Exemptions
Sweden	The annual circulation tax for cars from 2006 and later or, older cars that meet at least Euro 4 exhaust emission standards, is based on CO <sub>2</sub> emissions. Also campers, light goods vehicles and light buses that are taken in to use in 2011 or later are taxed based on the CO <sub>2</sub> emissions. The tax consists of a basic rate of SEK 360 plus SEK 22 for each gram CO <sub>2</sub> the vehicle emits above 111 g/km. If the vehicle can be driven with diesel fuel this sum is multiplied by 2.37. For vehicles that can be driven with alternative fuels, the tax is SEK 360 plus SEK 11 for each gram CO <sub>2</sub> the vehicle emits above 111 g/km.	Weight CO <sub>2</sub> emissions Type of fuel. Electric propulsion	An exemption from annual circulation tax applies to green cars during the first five years. The exemption applies to cars, campers, light goods vehicles and light buses with low emissions of CO <sub>2</sub> in proportion to the vehicles weight. The vehicles emissions of CO <sub>2</sub> shall not exceed a calculated value; $(95 + 0.0457 \times (\text{the vehicles weight in kg} - 1\ 372))$ . For alternative fuel vehicles the value is calculated; $(150 + 0.0457 \times (\text{the vehicles weight in kg} - 1\ 372))$ . Electric cars shall not consume more electricity than 37 kWh/100 km.
Switzerland	<b>Cantonal (provincial) level:</b> The annual motor vehicle tax depends on the weight or engine volume of the vehicle. <b>Federal level:</b> Use of Swiss motorways (first and second-class motorways) has been generally subject to charge. The charge is levied in the form of the motorway charge sticker, which costs CHF 40. The obligation to display a motorway charge sticker generally applies to motor vehicles and trailers with a total weight of up to 3.5 tons each. This group comprises primarily passenger vehicles, motorbikes, vans, trailers, etc. Motor vehicles and trailers with a total weight exceeding 3.5 tons (so-called heavy vehicles) require a motorway charge sticker if they are not subject to the heavy vehicle charge. These include, for example, heavy utility vehicles (e.g. crane lorries). The performance-related heavy vehicle charge (LSVA) depends on the total weight, polluting emissions and kilometres driven in Switzerland. It is levied on all motor vehicles and trailers that have a total permissible laden weight of more than 3.5 tons, are used to transport goods, are registered in Switzerland or abroad and are driven on the Swiss public road network. The lump-sum heavy vehicle charge (PSVA) is levied in the form of a lump sum on heavy motor vehicles for the following vehicle types that are driven on the Swiss public road network: heavy passenger vehicles, heavy campervans, motor-homes and caravans, vehicles used for transporting passengers (coaches, buses), tractors and motor carriages, motor vehicles for fun fairs and circuses. Other motor vehicles for the carriage of goods and with a maximum speed of 45 km/h.	Weight Engine volume Kilometres driven Polluting emissions Electric propulsion	A reduced rate of the motor vehicle tax usually applies to electric and agricultural vehicles.
Turkey	Motor Vehicle Tax levied on all motor vehicles – based on weight, type and cylinder capacity. Paid as two equal instalments per annum by registered owner.	Weight, Vehicle type Cylinder capacity Electric propulsion	Electrically propelled passenger cars are not subject of the tax
United Kingdom	VED on lorries is set according to the number of axles, weight and type of vehicle. Cars that are presented for registration in the UK on or after 1 March 2001, on the basis of a type approval certificate specifying a carbon dioxide (CO <sub>2</sub> ) emission figure, attract a rate of Vehicle Excise Duty (VED) according to the amount of CO <sub>2</sub> emitted and the type of fuel used. These cars fall within a 13-banded graduated VED system. The bands are labelled A-M, with band A containing the least polluting vehicles and band M comprising of vehicles that have high CO <sub>2</sub> emissions. Full details can be found at <a href="http://www.direct.gov.uk/Motoring">www.direct.gov.uk/Motoring</a> . For private cars which do not fall into the above graduated VED system there is a two-tier threshold: vehicles not over 1549cc pay an annual rate of duty of GBP 145, and those over 1549cc pay a rate of duty of GBP 230.	Vehicle type CO <sub>2</sub> emissions Type of fuel Electric propulsion	Tax exemption applies to vehicles for disabled people, historic vehicles constructed before 1.1.1975, limited use vehicles, agricultural machines, mowing machines, steam powered vehicles, electrically propelled vehicles, and electrically assisted pedal cycles. Vehicles belonging to public bodies such as ambulances, fire engine, police cars, etc.

Table 5.A5.2. **Taxes on ownership or use of motor vehicles<sup>1</sup>** (cont.)

Country	Taxes	Criteria	Rebates/Exemptions
United States	<p>A tax is imposed on the use of trucks weighing 55 000 pounds or above. For those trucks (except logging trucks) weighing no more than 75 000 pounds, the tax is USD 100 per year plus USD 22 for each 1 000 pounds in excess of 55 000 pounds. For those trucks weighing more than 75 000 pounds the tax is USD 550. For logging trucks, the tax is USD 75 per year for trucks weighing at least 55 000 pounds plus USD 16.50 per 1 000 pounds in excess of 55 000 pounds. For logging trucks weighing more than 75 000 pounds the tax is USD 412.50. A credit may be claimed for the tax in the following year if the vehicle was driven 5 000 miles or less (7 500 miles or less for agricultural vehicles.).</p> <p>State and local governments may impose a periodic registration, operators' license, parking and inspection fees as well as property taxes.</p>	Weight (for trucks)	

1. Excluding insurance premium tax.
  2. Israel: The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.
- Source: National delegates; position as at 1 January 2016.





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