

TAX BENEFITS AND INCENTIVES

Electric cars | 27 EU member states (2024)

→ GLOSSARY

BEV Battery electric vehicle	M1 Passenger car
PHEV Plug-in hybrid electric vehicle	NEDC New European Driving Cycle
HEV Hybrid electric vehicle	WLTP Worldwide Harmonised Light Vehicle Test Procedure
FCEV Fuel cell electric vehicle (hydrogen)	× No benefit or incentive
EREV Extended-range electric vehicle	

TAX BENEFITS			INCENTIVES	
Acquisition	Ownership	Company cars	Purchase	Infrastructure
AUSTRIA				
VAT deduction and exemption for zero-emission passenger and combination cars used for business purposes (eg BEVs and FCEVs). VAT deduction applies according to gross purchase value (including 20% VAT and pollution tax): <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 	Exemption from ownership tax for all zero-emission passenger and combination cars. Exemption from pollution tax for zero-emission passenger and combination cars.	Exemption from ownership tax for zero-emission passenger and combination cars. A tax investment incentive for the purchase of a zero-emission car amounting to 15% of the purchase price, and a special depreciation applies. Exemption from pollution tax for zero-emission passenger and combination cars. For employees, the private use of a zero-emission company car, and the electricity to charge it, are exempt from taxation as benefit in kind.	Bonus (until the end of 2024) for the purchase of new cars (private use) with a fully electric range of ≥ 60km and gross list price of ≤ €60,000: €2,000 + €3,000 (importer bonus and federal bonus) for BEVs and FCEVs. Additional incentives are granted by provinces and communities. More details: www.umweltfoerderung.at .	Bonus (until the end of 2024) for the purchase of the following loading infrastructure (private use): <ul style="list-style-type: none"> • €600 for an intelligent loading cable • €600 for a wallbox (in a single- or double-family home) • €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) Additional incentives are granted by provinces and communities. More details: www.umweltfoerderung.at .
BELGIUM				
Brussels and Wallonia: minimum tax rate (€61.50) for BEVs and FCEVs. Flanders: BEVs and FCEVs exempt.	Brussels and Wallonia: minimum rates for BEVs and FCEVs (€85.27/year). Flanders: BEVs and FCEVs are exempt. 6% VAT (instead of 21%) for electricity consumption.	Tax benefits in Brussels, Flanders, and Wallonia for BEVs and FCEVs also apply to company cars. 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: 4% of the list value.	×	×

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BULGARIA				
×	Tax exemption for electric vehicles.	×	×	×
CROATIA				
No excise duties for electric vehicles.	Exemption from special environmental tax for electric vehicles.	×	Incentive scheme (once a year, limited funds): <ul style="list-style-type: none"> • €9,000 for BEVs • €5,000 for PHEVs The purchase deadline is 31 December 2024. The vehicle must be kept for at least two years and cost ≤ €50,000.	×
CYPRUS				
Exemption for vehicles emitting ≤ 120g CO2/km.	Minimum rate for vehicles emitting ≤ 120g CO2/km.	×	Up to €12,000 to scrap and replace a vehicle emitting < 50g CO2/km and costing ≤ €80,000. Up to €19,000 to buy a BEV (≤ €80,000) and €1,000 to scrap a used car.	×
CZECHIA				
BEVs and FCEVs emitting ≤ 50g CO2/km are exempt from registration fees (with a special number plate).	BEVs, PHEVs, and FCEVs are exempt from road tax. Road toll: <ul style="list-style-type: none"> • BEVs exempt • PHEVs emitting ≤ 50g CO2/km pay 25% Reduced depreciation period for electric vehicle charging stations from 10 to five years (wallboxes and standalone charging stations). Accelerated depreciation for BEVs and FCEVs.	Tax reduction from 0.25–1% for BEVs, and 0.5% for PHEVs also used for private purposes.	Purchase incentives for low- and zero-emission vehicles for state and local government bodies. Guaranteed discounted loans on BEVs, FCEVs, and charging stations for corporate persons with a budget of CZK 1.95bn.	Support from the Ministry of Transport for the development of charging and hydrogen refilling infrastructure for BEVs and FCEVs, totalling CZK 6bn.
DENMARK				
Zero-emission vehicles: <ul style="list-style-type: none"> • Pay 40% of the registration tax • Additional DKK 165,500 registration tax deduction • DKK 500 deduction of taxable value per kWh battery capacity (maximum 45 kWh) Low-emission vehicles (emitting < 50g CO2/km): <ul style="list-style-type: none"> • 55% of the registration tax • Additional DKK 46,250 registration tax deduction • DKK 500 deduction of taxable value per kWh battery capacity (maximum 45 kWh) 	Ownership taxes are based on CO2 emissions. Zero-emission cars and cars with CO2 emissions of maximum 58g/km pay the minimum semi-annual tax rate of DKK 390.	The value of a charging stand/outlet provided together with the company car (at the employee's residence) is not taxed.	×	×

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ESTONIA				
×	×	×	New 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 have been exempt from registration taxes since October 2021.	×	Tax deduction of €170 per month from taxable value (income tax) for BEVs (2021-2025), and €85 per month for cars with 1-100g CO2/km (2022-2025). Electric vehicle charging at the workplace is exempt from income tax (2021-2025).	×	×
FRANCE				
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 (except diesel vehicles).	Bonus for a new BEV or FCEV eligible for the minimum environmental score (list established by decree and available here) if ≤ €47,000 and < 2.4 tonnes (t): <ul style="list-style-type: none"> • €7,000 for low-income households • €4,000 for other households Scrappage scheme for a second-hand or new BEV or FCEV ≤ €47,000 (same conditions as for the bonus): <ul style="list-style-type: none"> • €5,000 for low-income households • €1,500 for other households or a legal entity 	×
GERMANY				
×	10-year exemption for BEVs and FCEVs registered until 31 December 2025. Exemption granted until 31 December 2030 at the latest. Exemption from the annual circulation tax for vehicles emitting ≤ 95g CO2/km.	Reduction of the taxable amount for BEVs and PHEVs (1-0.5% of the gross catalogue price per month). PHEVs must meet additional requirements, which become more stringent over time. Additional reduction of the taxable amount for BEVs with a gross list price up to €60,000 (1-0.25% of gross catalogue price per month). An increase in this price is being discussed.	Funding applications are no longer accepted since 31 December 2023.	×

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🇬🇷 GREECE				
75% reduction in registration tax (RT) for PHEVs up to 50g/km. 50% reduction in RT for HEVs and PHEVs emitting ≥ 50g CO2/km.	HEVs with engine capacity < 1,550cc and registered before 31 October 2010 are exempt from circulation tax. 60% of the circulation tax for HEVs with an engine capacity ≥ 1,550cc 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.	Exemption of the benefit-in-kind tax for BEVs and PHEVs emitting ≤ 50g CO2/km (NEDC or WLTP) with a net retail price (NRP) ≤ €40,000. €40,000 deductible in the NRP for BEVs and PHEVs up to 50g CO2/km with a higher NRP value.	30% cashback on NRP for BEVs, with a maximum cashback of €8,000. Extra €1,000 if a car of ≥ 10 years is scrapped, or the buyer is ≤ 29 years old. 40% cashback on NRP for battery-electric taxis, with a maximum cashback of €17,500. Extra €5,000 for scrapping the old taxi, which is mandatory.	✗
🇭🇺 HUNGARY				
Exemption for BEVs and PHEVs.	Exemption for BEVs and PHEVs.	Exemption for BEVs and PHEVs.	From 15 June 2020, purchase incentives for electric cars: <ul style="list-style-type: none"> • €7,350 for a gross price of up to €32,000 • €1,500 if gross price is €32,000–44,000 	✗
🇮🇪 IRELAND				
€5,000 relief for BEVs up to €40,000. The relief gradually reduces after €40,000 and ends at €50,000. BEVs are exempt from NOx tax.	Minimum rate (€120 per year) for BEVs. Reduced rate (€140 per year) for PHEVs ≤ 50g CO2/km.	0% of benefit in kind applies to the first €50,000 for BEVs.	Purchase incentives for individuals: <ul style="list-style-type: none"> • Up to €5,000 for BEVs • Up to €5,000 for PHEVs with ≤ 50g CO2/km and full-electric range of ≥ 50km 	✗
🇮🇹 ITALY				
✗	BEV: Five-year exemption from the date of first registration. After this period, a 75% tax rate reduction applied to equivalent petrol vehicles. HEV: Application of a minimum flat rate (€2.58/kW). Some regions apply discounts on tax ownership.	✗	BEVs emitting ≤ 20g CO2/km with a selling price of ≤ €35,000 + VAT: <ul style="list-style-type: none"> • €6,000 (without scrappage); a bonus of €7,500 where the Equivalent Economic Situation Indicator (ISEE) < €30,000 • €11,000 (with scrappage Euro 0-2); €13,750 with ISEE < €30,000 • €10,000 (with scrappage Euro 3); €12,500 with ISEE < €30,000 • €9,000 (with scrappage Euro 4); €11,250 with ISEE < €30,000 • €0 (with scrappage Euro 5); €8,000 with ISEE < €30,000 	For domestic users, a contribution of 80% of the purchase and installation price of standard power infrastructure for recharging electric vehicles, within the maximum limit of €1,500 per applicant.

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			PHEVs emitting 21-60g CO2/km with a selling price of ≤ €45,000 + VAT: <ul style="list-style-type: none"> • €4,000 (without scrappage); €5,000 with ISEE < €30,000 • €8,000 (with scrappage Euro 0-2); €10,000 with ISEE < €30,000 • €6,000 (with scrappage Euro 3); €7,500 with ISEE < €30,000 • €5,500 (with scrappage Euro 4); €6,875 with ISEE < €30,000 • €0 (with scrappage Euro 5); €5,000 with ISEE < €30,000 	
LATVIA				
Exemption from registration costs for BEVs (first registration only).	Exemption for cars emitting ≤ 50g CO2/km.	Minimum rate (€10) for BEVs.	×	×
LITHUANIA				
Exemption for BEVs (first registration only).	×	Purchase incentives (bonus) for vehicles ≤ six months: <ul style="list-style-type: none"> • BEVs: €4,000 • Additional €1,000 for scrapping a used diesel or petrol car, owned for at least 12 months, with a valid MOT Maximum subsidy is €400,000 per company.	Purchase incentives (bonus) for individuals: <ul style="list-style-type: none"> • €2,500 for a used BEV with a first registration after 2 April 2016, or model year 2016 or newer • €5,000 for a new BEV not older than six months from the first registration • Additional €1,000 for scrapping used diesel or petrol cars, owned for at least 12 months, and with a valid MOT 	×
LUXEMBOURG				
50% of administrative tax.	Minimum rate of €30/year for zero-emission vehicles.	Monthly benefit in kind: 0.5–1.8% depending on CO2 emissions.	BEVs ≤ 18 kWh: €8,000 > 18 kWh: €3,000 PHEVs ≤ 50g CO2/km: €2,500	×

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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. More details: www.transport.gov.mt/land/sustainable-transport/financial-incentives-2023/new-electric-vehicles-6188 .	×
NETHERLANDS				
Exemption for zero-emission cars.	Exemption for zero-emission cars. 50% tax for PHEVs.	Minimum rate (16%) for zero-emission cars. Cap at €30,000 for BEVs. No cap for hydrogen-powered cars.	Subsidy scheme (SEPP) for individuals to buy/lease small or compact BEVs, new or used. Arbitrary depreciation of environmental investments scheme (Vamil) for fuel-cell electric cars or taxis and battery-electric cars equipped with solar panels. More details: www.rvo.nl/subsidie-en-financieringswijzer .	×
POLAND				
Exemption for BEVs and FCEVs. 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 maximum price of PLN 225,000.	×
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 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: <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, with purchase price of up to €62,500, limited to one vehicle per person.	×

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ROMANIA				
×	Exemption for BEVs.	×	Renewal scheme (RABLA) for cars: <ul style="list-style-type: none"> • Obligation to scrap at least one vehicle > eight years old • Up to €3,300 for an HEV (≤ 150g CO2/km) RABLA PLUS for cars: <ul style="list-style-type: none"> • Bonus of €2,500 for a PHEV (≤ 80g CO2/km) • Bonus of €5,000 for a BEV • Not mandatory to scrap a vehicle 	×
SLOVAKIA				
Registration fee: <ul style="list-style-type: none"> • BEV: maximum charge of €33 • PHEV: 50% reduction 	Road tax: <ul style="list-style-type: none"> • Exemption for BEVs • 50% for PHEVs Accelerated depreciation for BEVs and PHEVs from four to two years.	×	×	×
SLOVENIA				
Minimum additional tax rate (0.5%) for BEVs.	×	×	Incentive scheme: up to €4,500 for BEVs.	×
SPAIN				
Exemption from 'special tax' for vehicles emitting ≤ 120g CO2/km. In 2023-2024: <ul style="list-style-type: none"> • BEVs, PHEVs, EREVs, and FCEVs (for private use): personal income tax deduction of 15% of the acquisition cost (without taxes) with a maximum of €3,000. Maximum price of the vehicle: €45,000 (without taxes) • Home infrastructure installation cost: deduction of 15% in personal income tax (maximum €4,000) Canary Islands: VAT exemption for alternatively powered vehicles (eg BEVs, FCEVs, PHEVs, EREVs, and HEVs) emitting ≤ 110g CO2/km.	Road tax: reduction of 75% for BEVs in main cities (eg Madrid, Barcelona, Zaragoza, Valencia, etc).	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: <ul style="list-style-type: none"> • 30% reduction for BEVs and PHEVs ≤ €40,000 • 20% reduction for HEVs ≤ €35,000 Early amortisation for vehicles (BEVs, PHEVs, and FCEVs) and infrastructure investments.	Incentive scheme (MOVES III) until 31 July 2024 for private individuals, depending on whether a vehicle is being scrapped: <ul style="list-style-type: none"> • €4,500-7,000 for BEVs and FCEVs • €2,500-5,000 for PHEVs More details: www.idae.es/ayudas-y-financiacion/para-movilidad-y-vehiculos/programa-moves-iii .	Incentive scheme (MOVES III) until 31 July 2024: <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 These amounts increase in municipalities with less than 5,000 inhabitants.

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🇸🇪 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:</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 amount. The discount may not exceed 50% of the car price.</p>	<p>Scrapping premium will be introduced during the second half of 2024. More information will be published on www.boverket.se.</p>	<p>50% tax deduction of the labour and material costs (maximum SEK 50,000) for households installing a charging box at home for an electric car. For more details: www.skatteverket.se/privat/fastigheterochbostad/gronteknik.4.676f4884175c-97df4192860.html.</p> <p>"Ladda bilen" grant for the installation of AC charging for residents in apartment buildings and workplaces. The grant covers up to 50% of costs (maximum SEK 15,000 per charging point). More details: www.naturvardsverket.se/bidrag/ladda-bilen/.</p>

EFTA member states and the United Kingdom (2024)

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🇮🇸 ICELAND				
Minimum tax rate: 5% of the customs value.	×	×	€6,000/ISK 900,000 for a new BEV costing < €67,000/ISK 10m retail price. Used BEV costing < €67,000/ISK 10m retail price: <ul style="list-style-type: none"> • €4,700/ISK 700,000 for a car of one-two years old • €3,350/ISK 500,000 for a car of two-three years old • €2,700/ISK 400,000 for a car of three-four years old The total amount allocated in subsidies for zero-emission vehicles (all categories) in 2024 is €50.25m (ISK 7.5bn).	×
🇳🇴 NORWAY				
BEVs and FCEVs: <ul style="list-style-type: none"> • no VAT ≤ NOK 500,000 • 25% VAT > NOK 500,000 Tax deduction for cars emitting < 70g CO2/km	×	×	×	×
🇨🇭 SWITZERLAND				
×	Various cantons reduce or exempt traffic tax over a certain period, depending on fuel consumption (CO2/km).	Various cantons reduce or exempt the traffic tax over a certain period, depending on fuel consumption (CO2/km).	×	Various cantons and municipalities contribute to the installation costs for electromobility.
🇬🇧 UNITED KINGDOM				
×	×	Preferential tax rates for electric and ultra-low emission cars (< 75g CO2/km). More details: www.gov.uk/tax-company-benefits/tax-on-company-cars .	35% discount (maximum £2,500) for a converted car 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). 	The Electric Vehicle Homecharge Scheme (EVHS): for homeowners who live in apartments and renters. The Workplace Charging Scheme (WCS): a business scheme for electric car charger installation. It covers up to 75% of the cost and maximum £350/socket (maximum 40 sockets).