Question for written answer P-001762/2019
to the Commission
Rule 130
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Subject: Tax deductibility of corporate vehicles in Italy

In Europe, the normal regime of tax deductibility for corporate vehicles means that companies and holders of VAT numbers can offset 100% of the costs.

By way of derogation from the European tax regime, punitive tax arrangements have been in force in Italy for over 30 years involving a low ceiling (EUR 18 076) and a further limit of 20% on deductibility. Much of the cost of corporate vehicles continues to be borne by Italian companies which thus face far greater costs than those of their European competitors.

This situation also penalizes the Italian car market. In 2018, corporate vehicles accounted for 43.1% of vehicles sold in Italy, 20% less than in the 5 largest markets where VAT is deductible. If the European tax regime were in force in Italy, about one hundred thousand more vehicles would be sold every year, generating an average of EUR 2 billion in sales and tax revenue of EUR 500 million.

In view of the above, will the Commission:

1) Call on Italy to introduce the normal regime of tax deductibility for corporate vehicles which has applied in Europe for over thirty years?

2) Reject the request for a further three-year extension to the regime of partial tax deductibility for corporate vehicles submitted by the Italian government?