Non-paper on further evidence concerning the possible impacts on vehicle tax revenues of Member States of establishing the residence as criterion to register a vehicle in the Commission proposal for a Regulation simplifying the transfer of motor vehicles within the single market

1. CONTEXT AND METHODOLOGY

This analysis was carried out following the request by COREPER on 31 January 2014 to further analyse the fiscal implication for Member States of the Commission proposal for a Regulation of the Council and EP simplifying the transfer of motor vehicles registered in another Member State within the single market.

The non-paper includes the following elements:

- An outline of the existing EU legislation and the jurisprudence of the Court of Justice of the European Union on car taxation;

- Analysis of the responses[1] to a targeted questionnaire sent to Member States[2] in March 2014. It has to be underlined that Member States were requested to reply to particular questions and not to provide exhaustive information about all elements of their legislation. These responses represent **only** the views of the authority[3] that responded to the questionnaire and by no means represent the view or the position of the Commission on the different national vehicle tax schemes. Thus, some of the responses might not be consistent with the legislative review conducted by the Commission.

The non-paper used as background the following sources:

- The Commission Communication: "*Strengthening the single market by removing cross-border obstacles for passenger cars*"[4] and the accompanying Commission Staff Working Document (SWD(2012) 429 final);
- Statistics compiled from EUROSTAT, European Commission DG TAXUD database, ACEA[5], Insurance Europe, Leaseurope;
- Further data provided by Member States;
- Commission services (DG ENTR) estimations.

The input has been further complemented at meetings between the Commission services (DG ENTR) and Member States.

[1] The response rate was very high: all Member States replied.
[2] Permanent Representation coordinated the response from various competent authorities in MS
[3] Registration authorities, Ministries of Finance, customs and tax authorities and others
[4] COM(2012)756 final
[5] European Automobile Manufacturers Association

2. EU VEHICLE TAXATION LEGISLATION AND COJ JURISPRUDENCE

Vehicle taxation is little harmonised at EU level[6]. Therefore, Member States are free to apply vehicle taxes other than VAT as long as these taxes are in line with the general provisions of EU law. The EU legislator has sought to provide a solution for specific cross-border situations and eliminating certain tax obstacles that affect the movement of private individuals within the internal market by means of *Directive 83/182/EEC*[7] *and Directive 2009/55/EC*[8] (which codified the changes performed on the formerly applicable Directive 83/183/EEC[9]). However, the legal development regarding vehicle taxation in the EU has so far depended to a large extent on the jurisprudence of the Court of Justice of the European Union.

EU Legislation

Directive 83/182/EEC covers temporary use in a Member State other than the Member State of residence. For vehicles for private use, it provides that their temporary use in a Member State shall be exempt from registration and circulation taxes provided the individual transferring the vehicle has his normal residence[10] in another Member State and the vehicle is not disposed of or hired out in the Member State of temporary use or lent to a resident of that State. This means that in situations other than those covered by the Directive, Member States are in principle allowed to levy registration and/or circulation taxes.

Directive 2009/55/EC provides for an exemption for personal property introduced permanently from another Member State by private individuals from consumption taxes, which normally apply to such property. The exemption does not apply to VAT, excise duty and specific and/or periodical duties and taxes connected with the use of the property, such as for example, motor vehicle registration fees and road taxes. In general, vehicle registration taxes do not fall under the scope of Directive 2009/55/EC and Member States retain the right to impose them also when they are levied upon the permanent transfer of a residence.

Jurisprudence of the Court of Justice of the European Union

Given the sparse legislation at EU level in relation to car taxation, the Court of Justice of the European Union has been called upon to decide in a number of cases and has set out several principles, which Member States must respect when applying taxes. In particular, the following cases have been used as a reference to the current analysis:

- *Case C-393/98 Gomes Valente*: The Treaty does not permit a Member State to apply to second-hand vehicles imported from other Member States a system of taxation in which the depreciation in the actual value of those vehicles is calculated in a general and abstract

[6] Harmonisation in the field of indirect taxes has been difficult to achieve due to the unanimity requirement under Article 113 TFEU

[7] Council Directive 83/182/EEC of 28 March 1983 on tax exemptions within the Community for certain means of transport temporarily imported into one Member State from another, OJ L 105 of 23.04.1983, p. 59-63

[8] Council Directive 2009/55/EC of 25 May 2009 on tax exemptions applicable to the permanent introduction from a Member State of the personal property of individuals, OJ L 145 of 10.06.2009, p. 36-41

[9] Council Directive 83/183/EEC on tax exemptions applicable to permanent imports from a Member State of the personal property of individuals, OJ L 105 of 23.04.1983, p. 64-65

[10] The Directive defines 'normal residence' as the place where a person usually lives, that is at least 185 days in each calendar year, because of personal and occupational ties, or, in the case of a person with no occupational ties, because of personal ties which show close links between that person and the place where he is living

manner, on the basis of fixed criteria or scales determined by a legislative provision, a regulation or an administrative provision, unless those criteria or scales are capable of guaranteeing that the amount of the tax due does not exceed, even in a few cases, the amount of the residual tax incorporated in the value of similar vehicles already registered in the national territory.

- *Case C-262/99 Louloudakis*: Article 7(1) of Council Directive 83/182/EEC of 28 March 1983 on tax exemptions within the Community for certain means of transport temporarily imported into one Member State from another must be interpreted as meaning that, where a person has both personal and occupational ties in two Member States, his normal residence, determined in the context of an overall assessment by reference to all the relevant facts, is that where the permanent center of interests of that person is located; in the event that such an overall assessment does not result in its determination, primacy must be given to personal ties.

- *Case C-451/99 Cura Anlagen*: In case of medium or long term leasing, the amount of the payment of a consumption tax in the Member State of use must be proportionate to the duration of the contract.

- *Case C-464/02 Commission v Denmark*: Employees resident in one Member State and employed in another can use a company vehicle registered in that other Member State in the Member States of residence, if the vehicle is not intended to be essentially used on a permanent basis in the Member State of residence.

- *Case C-151/04 Nadin*: Such latitude for company cars also applies if the user is not an employee but a self-employed.

- *Case C-54/05 Commission v Finland*: The requirement to apply for a transfer license within a time period of 7 days was considered too restrictive, since there was no guarantee that the license would be issued within a reasonable time frame.

- *Case C-242/05 van de Coevering*: In the line of the principles developed in Cura Anlagen, car taxes on leased cars must take into account the duration of the use in the Member State where the tax is levied.

- *Case C-402/09 Tatu*: Article 110 TFEU must be interpreted as precluding a Member State from introducing a pollution tax levied on motor vehicles on their first registration in that Member State if that tax is arranged in such a way that it discourages the placing in circulation in that Member State of second-hand vehicles purchased in other Member States without discouraging the purchase of second-hand vehicles of the same age and condition on the domestic market.

- *Case C-578/10 van Putten*: Article 63 TFEU must be interpreted as meaning that it precludes legislation of a Member State which requires residents who have borrowed a vehicle registered in another Member State from a resident of that State to pay, on first use of that vehicle on the national road network, the full amount of a tax normally due on registration of a vehicle in the first Member State, without taking account of the duration of the use of that vehicle on that road network and without that person being able to invoke a right to exemption or reimbursement where that vehicle is neither intended to be used essentially in the first Member State on a permanent basis nor, in fact, used in that way.

- *Case C-302/12 - X*: Article 49 TFEU must be interpreted as not precluding legislation of a Member State under which a motor vehicle, which is registered and is already the subject of taxation as a result of its registration in another Member State, is the subject of a tax when it is first used on the national road network, where that vehicle is intended, essentially, to be actually used on a long-term basis in both those Member States or is, in fact, used in that manner, as long as that tax is not discriminatory.

The Commission monitors compliance with the jurisprudence of the Court of Justice of the European Union and it has begun procedures to ensure their proper application where it is necessary. Some of these procedures are still on-going.

3. OVERVIEW OF DIFFERENT VEHICLE TAX TYPES

The following analysis will focus on registration tax, circulation tax and insurance tax as well as other taxes that, regardless of the name, have a similar effect. Those vehicle taxes will be analysed from two perspectives: i) average amount; and ii) relative weight in total taxation revenues (annexes 1, 2, 3, 4).

An indicative average amount of vehicle taxes was calculated by the Commission services for the purposes of this non-paper, in order to enable a comparison of magnitude among Member States.

3.1. Registration tax

The term *'registration tax'* according to the Commission Communication (COM(2012) 756 final) and used as reference for the purposes of this non-paper, includes all kinds of taxes currently linked to the registration of a vehicle, regardless of their name (tax, excise duty, environmental bonus-malus scheme, etc.) but does not cover fees[11] related to the administrative cost for registration of a vehicle or the cost of technical inspections.

Registration tax is progressively moving from being based on the price of the vehicle to being based on engine size or power, CO2 emissions, fuel consumption or a combination of those elements. Some Member States charge registration taxes only on some categories of vehicles (passenger cars for example). The tax base and level of taxation differ considerably between Member States[12]. National registration taxes are typically levied once in the lifetime of a car, except in BE, where they are levied each time the (private) ownership of a car changes.

According to the statistics available, the highest registration tax per vehicle can be found in DK and FI, followed by IE, NL, MT, PT and AT. The rest of the Member States have a low registration tax. BG, CZ, DE, LT, LU, SE, and the UK do not charge any registration tax. A detailed analysis on the registration taxes of the 28 Member States can be found in annexes 1 and 3.

The share of registration taxes in Member States' budgets also varies. The average share of the registration tax in the overall Member States taxation revenue is calculated for the purposes of this

[11] For Cyprus, however, the reply to the questionnaire covers the registration fee (150 Euros for any type of vehicle) and not the consumption tax on vehicles

[12] More information on the tax base and the level of taxation is available in the database 'Taxes in Europe'. http://ec.europa.eu/taxation_customs/taxation/gen_info/info_docs/tax_inventory/index_en.htm.

exercise to be around 0.4%. The highest percentage can be found in MT where it reached 2% in 2011. In FI and DK it was between 1% and 2% of their total tax revenue. In the remaining Member States the share of the registration tax is between 1% and 0% (for Member States where it does not exist) (see annex 1).

3.2 Circulation or ownership tax

The term '*circulation tax*' used in Commission Communication (COM(2012) 756 final) and used as reference for the purposes of the non-paper, includes all kinds of taxes linked to the circulation of a car in the territory of a Member State, regardless of the name of the tax, excluding tolls, vignettes and excise duties on fuels.

According to the replies of the Member States to the questionnaire, a large majority of them apply an annual circulation or ownership tax. They are levied by the Member State in which a vehicle is registered and are differentiated according to engine size or engine power, the fuel used and/or the environmental performance of the car. The Member States with the highest circulation taxes are DK, IE and NL followed by SE, AT, BE, FI and UK. SK and CZ charge it only on vehicles used for commercial purposes or by corporate tax payers. FR and HU have a special tax on company cars. EE and LT impose it only on heavy duty vehicles. PL does not charge such a tax. A detailed analysis of the circulation taxes of the 28 Member States can be found in annexes 1 and 3.

The average percentage of circulation tax in the total taxation revenue is calculated for the purposes of this exercise to be around 0.9%. The highest percentage can be found in IE (2.3%) and MT (2.09%). In six Member States the percentage was between 1% and 2 % (EL: 1.65%, NL: 1.55%, CY: 1.44%, AT: 1.29%, DK: 1.16%, LV 1.18 % and UK 1.07%). In the remaining ones, the vehicle circulation tax is below 1% of their total taxation income (see annex 1).

3.3 Insurance tax

The data available[13] shows that only a few Member States charge an insurance tax (such as AT, BE, DK, FR, DE, ES, IT, NL and SE). The percentage of the insurance tax on the total taxation ranges from 0.64% of total taxation in Italy to 0.20% in DK, ES or SE (see annex 1)

3.4 Exemptions from paying the registration and circulation taxes

In addition to the temporary importation exemption provided for in the Council Directive 83/182/EEC, according to the responses received, the majority of Member States grant an exemption from the payment of registration or circulation tax in cases such as historical vehicles, vehicles belonging to disabled people, vehicles owned by public institutions, public transport or diplomatic vehicles. Also some Member States grant them for example,[14] in the case of permanent transfer of residence such as LT (citizens moving from another EU Member State do not have to register the vehicle), IE, MT, PT, PL, SI, or MT (citizens coming to work for at least 1 year).

[13] ACEA Tax Guide 2013

[14] This is not an exhaustive list

3.5 Refunds

There is no harmonisation on this area and therefore refunds are granted subject to conditions set up in Member States´ legislation. According to the replies received, most Member States provide for refunds in cases of vehicles being taken out of the road, stolen or scrapped or when the taxes have been paid incorrectly. A few of them specifically mentioned in their replies that they provide them in the case of transfer or export (such as IE, DK, UK, PL, NL, AT, FI, MT, HU, HR, PT, RO and SI) or for temporary lease from abroad (such as NL).

4. CURRENT PROBLEMS OF TAX AVOIDANCE IN THE AREA OF VEHICLE TAXATION

Differences in vehicle taxation, in some cases very significant (see annex 3) currently exist among Member States, providing a potential incentive for re-registration behaviour of citizens and companies aimed at paying lower tax rates in other Member States.

Nevertheless, according to the information provided in the questionnaires, the majority of Member States are not experiencing significant failures by citizens or companies to comply with the obligation to register vehicles used on their territory. Most of them do not identify this as a major problem.

However, some Member States such as BE, DK, EL, NL, AT and FI consider that tax avoidance in the area of vehicle taxation is an existing problem that could increase with the adoption of the proposal. LV, EE and ES refer to the lack of compliance with registration obligations in particular cases. MT, IE, IT , PT and DE fear that tax avoidance problems could appear in the future as a result of the adoption of the proposal because as vehicles would be allowed to be registered in a different Member States than the one where they are used, this could give an incentive to register vehicles in Member States of lower taxation.

According to those Member States, the reasons for not registering those vehicles in their countries could be the existence of lower taxation, lower insurance premiums or longer periods between technical inspections in neighbouring Member States.

Only two Member States have provided concrete quantitative estimations of this problem. Those provided suggest that its magnitude in terms of number of vehicles remains limited. FI estimates that around 4% of foreign registered passenger cars circulating there are not paying due taxes (around 4000 vehicles). This represents 0.16% of the total number of passenger cars circulating in the country and 0.08% of all vehicles, which leads to revenue losses estimated by FI to be around 14 million euro in registration taxes. AT estimations amount to around 0.5% of all vehicles (around 30.000 vehicles).

The enforcement measures currently in place to tackle this situation consist mainly of roadside police or customs authorities controls combined with cross-checking of various databases as well as automated road traffic controls. This is accompanied by high penalties in some Member States.

5. LINK BETWEEN REGISTRATION AND TAXATION

At present as a general rule, in most Member States, vehicle taxes are charged on vehicles registered in the country. Member States stress that the registration is not only important for tax purposes but also for issues related to traffic rules enforcement (fines), environmental issues, road safety control or technical inspections.

Nevertheless, according to the answers provided by some Member States, the legislation of several of them provides in some situations for the possibility to tax vehicles that are not registered but are circulating in their territory:

1. In NL in the case of vehicles registered abroad, which are made available to a natural person or entity resident there, the tax is payable upon start of the use of the vehicle in the country.

2. In FI there is an anti-abuse provision, which allows taxing vehicles that are being used in Finland even if they have not been registered.

3. ES has a special provision that allows the use of rented cars registered abroad without taxes being paid.

4. HU has a system to request the payment of a registration fee proportional to the use of the vehicle in the case of vehicle leased or rented abroad combined with a system to register that information and exchange it between customs and police.

5. A similar system exists in HR where taxes can be collected on vehicles registered in another Member State in possession of a HR resident that has rented, leased or borrowed the car for use in the country for more than 15 days. The relevant data are entered into a register of the HR Custom Authority.

6. Companies established in FR[15] pay a tax on company passengers cars used there, independently of where they are registered.

7. In AT, registration tax is linked to the purchase or the transfer of the vehicle and not directly to its registration. Also, vehicles registered abroad and used on public roads in AT can be subject to a daily tax for the use of the public roads (agreements for an exemption to this requirement have been signed with neighbouring countries). AT law also allows to tax vehicles which are used illegally without registration.

8. In DK, in special cases, if a vehicle is mainly used outside DK by a Danish resident, the registration tax is collected as an on-going tax.

9. In PL the registration tax (excise duties on passenger cars) can be charged to vehicles imported and used for more than 6 months (period allowed by the Directive 83/182/EEC as temporary importation).

10. Foreign registered vehicles kept in DE are in principle subject to circulation tax, levied pro-rata daily. There are, however, exemptions, as a result of international agreements or internal market rules.

11. In EL, circulation tax can be charged monthly in the case of private passenger cars registered abroad and used in there under a customs suspension regime for temporary importation in some cases. A circulation tax is also charged on foreign lorries in some cases

[15] Taxe sur les véhicules de société:
http://www.impots.gouv.fr/portal/dgi/public/professionnels.impot?espId=2&pageId=prof_tvs&impot=TVS&sfid=50

Several Member States, which are using such measures, and taxing vehicles registered in another Member State do not raise particular problems. However, some Member States such as FI, NL or DE point out some existing complications with the application of this system:

- Failure to pay the tax is just detected during traffic controls and the process is labour intensive and administratively complex. It is difficult to make a connection between vehicle and tax – payers;
- Collecting taxes take longer because as the vehicle is not registered, technical details on which the tax are calculated are not available;
- Collecting data on a systematic manner for those vehicles would require a parallel database of vehicles used but not registered.

Member States have also underlined that these measures are meant for a limited number of cases and would not be efficient if the number of vehicles that would be taxed without being registered would increase significantly.

As a context, a reference can be made to a recent Court of Justice ruling[16] which allows Member States to tax vehicles registered and already the subject of taxation in another Member State, where the vehicle is intended, to be actually used on a long-term basis in both those Member States in an equal manner. However, both Member States could not request the registration of the vehicle, although both Member States remain free to tax without requiring re-registration.

6. VEHICLE REGISTRATION

6.1 Criteria to request registration

As a general rule, most Member States request residents[17] to register vehicles used in their Member State within a short period of time. According to their responses, most of the Member States request the registration of the vehicle if the owner (IT, RO, EE, FR, SE, BG, PT, DK, SI, PL, EL, NL, FI, CY, LV) or the holder of the vehicle (IE, MT, EE, SE LU, SK, LV, HR, DE, HU, BE, CZ, AT, FI, PT, PL DK) has his normal residence in its territory and drives the vehicle there. EE, LV, CY and DE could also request registration if the vehicle is used in the country independently from the residence. The residence of the holder of the registration certificate (not necessarily the owner) is taken into account in: UK, ES and LT. Some Member States apply several criteria.

In most Member States, the residence or the existence of an address in the country is a prerequisite to register a vehicle. In some of them, non-residents can register a vehicle if they have an address in the country although it is not their official residence (for example in UK, ES, SE, EE, LV, BG, PT, BE,

[16] C- 302/12

[17] As already indicated, according to Directive 83/182/EEC 'normal residence' means the place where a person usually lives, that is for at least 185 days in each calendar year, because of personal and occupational ties, or, in the case of a person with no occupational ties because of personal ties which show close links between that person and the place where he is living.

LT, EL, CY, HR and AT). In LT non-residents can temporarily register a vehicle for 30 days, renewable. In BE, they can also have a temporary registration. In DK non-residents cannot register the vehicle unless the other Member States where the person has the residence accepts[18].

6.2 Time for re-registration

Although the period for re-registration of a vehicle is not harmonised, several Court of Justice rulings[19] have set up principles in this respect. In particular, in order to request payments of registration taxes from residents, the duration of the use and the intention to essentially and permanently use the vehicle in that Member States should be taken into account.

According to their replies most Member States request the re-registration of a vehicle when the owner or holder of the vehicle has his normal residence[20] in its territory. The time allowed for residents to re-register a vehicle, according to them, ranges from an immediate obligation to a period of 5-14-20 days (UK, SW, LT, EE, LV, DK, BG, EL, HR, MT, DE, CY, FI) to 30-60 days (HU ,IE, ES, PT, PL, AT). FR grants 1 month, RO 3 months, NL 4 months, BE, LU and SI 6 months and Italy 1 year. SK has no deadline fixed in the law. In most cases, this period is calculated from the arrival or start of use of the vehicle. For the NL, BE, LU, FR and SI the reference point is the moment of registration in the population register or of changing the place of residence.

6.3 Individual citizens

In case of non-residents that transfer a vehicle temporarily to another Member State, they are subject to the provisions of *Council Directive 83/182/EEC of 28 March 1983 on tax exemptions within the Community for certain means of transport temporarily imported into one Member State from another*, which allow them to use the vehicle for 6 months and longer in some Member States. According to Member States responses to the questionnaire, in most cases in order to re-register a vehicle in another Member States, a citizen is requested to have a permanent residence or at least an address there.

As a general rule, based on the replies received, residents in a Member States have an obligation to register in a short period of time the vehicles they use in the Member States where they reside, with some specific exceptions granted in some cases.

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[18] CoJ has ruled in Cura Anlagen that the requirement of a residence or place of business could be against EU law

19 For example in cases: C-578/10, C-579/10, C/54/05

20 According to Directive 83/182/EEC 'normal residence' means the place where a person usually lives, that is for at least 185 days in each calendar year, because of personal and occupational ties, or, in the case of a person with no occupational ties because of personal ties which show close links between that person and the place where he is living.

6.4 Company fleets

According to Member States, in most of them, legislation provides that in order for a company to register a vehicle it has to be established in that Member State and as a result, the possibility for a company to register a vehicle in another Member States where it is not established is limited.

It should also be taken into account that the factors that lead a company to establish itself in a Member State are of different nature (fiscal, operational, economic...) and would not be, in most cases, related only to vehicle taxation.

6.5 Leasing[21]

As a background, it should be taken into account that the Court of Justice[22]of the EU has ruled that Member States may require registration if a vehicle is used permanently in a Member State and that in any case the amount of taxes has to be proportionate to the duration of the use.

The Court has also found that the time period prescribed for completing the necessary formalities should not be so short as to constitute an unjustifiable obstacle to the freedom to provide services. Therefore, the starting point is that Member States should have in place the necessary legal and administrative measures to comply with those rulings and to allow foreign registered vehicles to circulate when they are not intended to be used there permanently.

As a general rule, based on the replies received by the Member States, several of them do not allow residents to use leased vehicles registered abroad without re-registering them (for example: PT, DK, LU, EE, IT, MT, FI[23], EL , CY, LT,LV, SE or allow it for a limited period of time (e.g.: IE,[24] AT: 30 days). This couples with the fact that in most Member States only residents can register a vehicle. Therefore, in order for a leasing company to register a vehicle in most Member States, it would have to be established there. This disincentives cross-border leasing and therefore might lead to a restriction to the provision of this service.[25]

According to their replies some Member States have more flexible conditions allowing the vehicle to be used with no time limit (UK,FR,SK, BG, HR, SI, HU, IT) or for a period of time RO (3 months), BE (6 months), DE (1 year in some situations). CZ and NL allow their use if they are in international traffic. HU does not require the vehicles to be registered but the payment of the registration tax is due proportionally to the time of use of the vehicle. NL legislation also provides for the possibility to levy taxes on those vehicles.

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[21] For this report " leasing" refers to: a) long-term agreements whereby the lessor conveys to the lessee, in return for a series of payments, the right to use a vehicle for an agreed period of time, while retaining the ownership b) long- term automotive rental contracts, whereby companies outsource their vehicle fleet needs to a leasing company

[22]For example in cases: C-451/99, C232/01, C-242/05.

[23]Iinfringement procedure IN/14/2092 is on-going

[24] Infringement procedure IN/10/2144 is on-going

[25] According to estimations from Leaseeurope, cross-border leasing represents only between 0-0.5% of all leasing transactions

6.6 Car rental[26]

As regards rented vehicles, the Court of Justice[27] has ruled that in situations where the precise duration of the use of the vehicle in a given Member State is known and that use concerns a limited period of time, provision should be made to ensure that only a proportionate amount of tax is levied. Member States should already have in place the necessary legal and administrative measures to comply with those rulings.

According to their responses, several Member States do not allow residents to use rented vehicles registered abroad or just allow it in order to remove it from the country or to bring it back to the Member States of origin[28] (such as: IE[29], EE, LT, MT, FI[30], PT, LT, DK, LU, EL). On the other hand some Member States replied that they do not have restrictions, such as BG, UK, ES, FR, SK, CY and SI. In HR the tax has to be paid after 15 days. The conditions in some Member States according to what they answered to the questionnaire, are more flexible allowing the vehicles to be used by residents for a limited period of time, such as AT (1 month), LV (3 months after declaring the use in the vehicle register), RO (3 months), BE (6 months), SE (1 year) and DE (1 year), CZ (6 months) and NL (indefinitely) allow their use if they are in international traffic. In most cases the temporary use of those rented vehicles, based on the results of the questionnaire, is not taxed. HU does not require the vehicles to be registered but requests the payment of the registration tax proportionally to the use of the vehicle. NL legislation also provides for the possibility to levy taxes on those vehicles. HR requests the payment of the tax (but not the registration of the vehicle) if it is used for more than 15 days by a resident.

As developed in the 2012 Commission Communication[31], in some cases, Member States' legislation requesting the vehicle to be re-registered even if it is rented for a short period implicitly restricts the freedom to provide car rental service across borders, one-way rentals or cross-border movement of fleets by car rental companies.

6.7 Company cars used by employees

According to the Court of Justice rulings[32], the legislation in Member States would restrict the freedom of movement of workers and breach EU law if vehicles are allowed only subject to a tax to be paid, where the vehicle is not intended to be essentially used on permanent basis in the Member States of residence nor is actually so used.

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[26] For this report " rental" refers to: agreement to acquire the right to use a vehicle for a short period in return for payment

[27] For example, in case: C-242/05

[28] Article 9 of Directive 83/182/EEC on temporary importation allows Member States to permit private vehicles, which are in a Member State as a result of the end of a car rental, to be re-hired to a resident of that Member State with a view to their re-exportation. There is however no obligation for Member States to do so according to Directive 83/182/EEC, but this possibility remains available to them at their choice.

[29] Infringement procedure IN/10/2144 is on-going

[30] Infringement procedures IN/14/2092 is on-going

[31] COM(2012) 756 final - Page 7

[32] For example, in cases: C-464/02, C-232/03, C-151/04, C-151/04

Member States have progressively adapted their legislation to this requirement. They allow for more flexibility on the use by residents of foreign registered company vehicles put at the disposal of the employees by their company, often with the condition not to be permanently used on their territory and/or to have an authorisation from customs or to be primarily used for business purposes.

Based on their responses, some do not request re-registration if the vehicle is used primarily for business in other Member States such as FI (after getting permission from customs), IE, DK, PT, ES and HR. No time limit for their use in: IT, SK; BG; BE (for the duration of the contract), FR (subject to tax on company vehicles), HR (license of 1 year renewable used only for business activities), HU (taxes them) and NL (allows the use of such vehicles with no time limit if they are in international transport but subject to taxes). MT allows them if they are not used for more than 30 consecutive days, UK allows their use for 7 months in 12 months, RO and LV (3 months), CZ (6 months) and AT and DE (1 year in some cases), SI (1 year). Their use is restricted in LT, LU, CY and EE. At the moment of the questionnaire was returned, EL was in the process of amending its legislation to allow for their use if it is not permanent. The Commission was informed that the legislation was amended and is in force. FR charges the tax on company cars that they use in the country independently of where they are registered.

6.8 Vehicles of self-employed workers

According to the Court of Justice [33], the Member States´ legislation restricts freedom of movement of workers and breaches EU law if those vehicles are allowed only subject to a tax to be paid, where the vehicle is not intended to be used on permanent basis in the Member State of residence nor is actually so used.

As in the previous case, this is a situation in which Member States have adapted their legislation to align it to Court of Justice case law and to allow for more flexibility. According to their replies to the questionnaire, Member States allow residents to use vehicles registered in the name of a company established in another Member State (often with the condition not to be used permanently on their territory). SK, BG, FR (subject to tax on company vehicles), PT, BE, DK, IE, PL, HR (license of 1 year renewable), HU (taxes them) and FI (permission from customs required) place no time restrictions. CZ allows their use for 6 months. UK and LU (in some cases) allow their use for 7 months in 12 months, RO and LV (3 months), ES (1 or 2 months), AT (1 month) and DE, SI and IT (1 year). MT allows them if they are not used for more than 30 consecutive days. Their use is restricted in IT, LT, NL, CY and EE. EL has recently amended its legislation to allow for their use.

7. COSTS OF OWNERSHIP OF A VEHICLE

Owning a car entails many costs that are not only related to taxation. Other costs relate for instance to insurance, depreciation, technical inspections or fuel expenses.

[33] For example, in cases: C-152/04, C-291-04

The *EU Motor Insurance Directive 2009/103/EC* obliges motor vehicles in the EU to be covered by compulsory third party insurance. One element that seems to influence car owners when deciding where to register their vehicle is the cost of such insurance. Available data show that there is a spread between the level of the premiums in Member States mainly due to differences in risk assessments and compensation schemes. In 2011, Member States with the highest average third party liability insurance where: LU, IT, BE and CY. The lowers premiums were in LV, PL, RO and EE (data in annex) [34].

Vehicles may be insured by an insurer established in the Member State of registration or in any other Member State. However, in practice the possibility of choice is limited, as very few companies provide cross-border insurance. This limits to a great extent the possibility of registering a vehicle in a Member States and using it in another one while respecting the conditions of the insurance policy.

Another element to be taken into account is the fact that the regular technical inspections take place, as a general rule, in the Member State where the vehicle is registered. So if the vehicle is based somewhere else and has to be brought back for inspection, this would also entail a cost. This shows that the decision on where to register or re-register a car would be based on several factors and it does not only depend on vehicle taxation. This should be taken into account when trying to assess the possible effects that the proposal would have on (re-) registrations patterns.

8. ADDITIONAL CONSIDERATIONS REGARDING POSSIBLE IMPACTS OF THE PROPOSAL (ART.3) ON MEMBER STATES FISCAL SITUATION

Member States have put forward the concern that vehicles might be registered in other Member States in order to profit from lower vehicle taxation. The incentive not to re-register a vehicle in a Member State due to its high taxation would be significant mainly in Member States with high taxation in comparison to other Member States. The calculated indicative average taxation (annex 3) shows that this would concern to the biggest extend FI and DK, as well as NL, IE and AT. To a lesser extent, a certain incentive could be expected in EL and PT. HU, although it is not among the high taxation Member States is very close to several Member States with lower taxation. However, in this particular case this incentive seems to be neutralised by the fact that it has a special system in place to tax vehicles not registered there.

The question to be analysed is whether, in the above identified Member States, the Commission proposal would create more incentives than the existing ones for citizens and companies not to comply with the obligation to pay vehicle taxes, whether this would have a negative fiscal impact on those Member States and what measures they would have to put in place to avoid it being more costly than at present.

8.1 Vehicles owned and used by individual citizens

Few Member States raised significant concerns in their responses regarding these situations[35]. In addition, according to their responses, almost all Member States request a residence or an address in

[35] In the vast majority of cases the holder of the vehicle is the holder of the registration certificate.

the country to be able to register a vehicle there. Therefore, a change of registration by individual citizens would often require changing their individual address with implications for other areas of life (social security, income tax, etc).

8.2 Vehicles of self-employed workers owned by their company

Member States have pointed out the risk of their citizens setting up companies in neighbouring Member States in order to register vehicles there.

Member States such as FI, DK, IE, MT, PT, EL (has recently amended its legislation to allow for their use) responded that already today they do not request the registration by their residents, nor the payment of taxes, if the vehicles are not meant to be used permanently on their territory. Some responded that they could tax vehicles even if registered abroad (HU, FR, NL, AT). Therefore, the proposal would not imply (not even in most of the Member States with high taxation) a significant change in relation to the status quo nor have significant effect on their fiscal income. Mechanisms seem to be in place to monitor and enforce these measures.

The difference seems to lie mainly in the fact that currently the holders of those vehicles report themselves to the Member States and receive a prior authorisation from the authorities.

8.3 Cars owned by a company and used by an employee

As in the previous case, Member States, such as: IE, PT, DK, NL, EL, AT, FI, MT, EL (it has recently amended its legislation to allow for their use) responded that they do neither request registration nor the payment of taxes where the vehicle is not to be permanently used on their territory or to be predominantly used for business purposes. As pointed out by other Member States their law allows taxing those vehicles even when registered abroad (HU, NL).

This seems to indicate that in those cases the proposal would not imply (not even in most of the Member States with high taxation) a significant change in relation to the current situation, because taxes are not requested in most cases for those vehicles.

8.4 Car rental

Rented cars are generally used for a short period of time. Re-registration of these vehicles is currently not done as vehicles are not re-registered just to be rented for a short period. Member States are not collecting any vehicle taxes in those cases.

Legislation of Member States should comply with relevant Court of Justice rulings[36] not to request the registration if vehicles are not intended to be used permanently. In addition, more flexible provisions for car rental and allowing for the movement of fleets in peak seasons could even have positive effects for Member States, who could benefit from increased tax collection on additional car rentals during some seasons. This would relate to additional circulation taxes or excise duties from fuels. Commission has no evidence that the more flexible mechanisms existing in some Member States have

[36] For example: Case C-242/05

caused problems or loss of fiscal revenues and has suggested that the other Member State should apply similar arrangements[37].

8.5 Leasing

In the case of leasing, where the holder of the registration certificate is the lessee (holder of the vehicle) the proposal would not imply any significant change in comparison with the existing situation because in this case the vehicle would be registered in the name of the holder of the vehicle. This is the situation for example in certain Member States such as AT, PT, IE or NL (in some cases).

There would also not seem to be a significant change compared to the current situation in those Member States which have mechanisms to tax those vehicles even when they are registered in another Member States (HU, NL). Neither would there be a significant change in relation to those leased cars that are company cars provided to employees that would be subject to more flexible conditions nor in those cases where company cars registered abroad are subject to a tax.

In case where such a vehicle is registered in the name of the lessor (usually the owner) abroad and used by the lessee in a different Member States, a decrease in tax income could occur in the Member States where the lessee uses the vehicle, if the obligation to re-register would disappear and the obligation to pay the tax would no longer exist. To avoid this, in those cases, Member State would have to introduce mainly administrative and IT changes that would allow them to request the tax.

8.6 Vehicles registered by companies and used by people not having a contractual relationship with them

Member States have pointed out the risk of companies registering vehicles on branches abroad to reduce taxation or companies registering cars for citizens as a business in order to help them to pay less tax.

If an obligation to pay taxes exists as an anti-abuse provision, as it does now in many Member States, the incentive to use any of the above mentioned mechanisms would be reduced.

9. ADMINISTRATIVE, ENFORCEMENT AND DISSUASIVE MEASURES IN MEMBER STATES

If the obligation to pay taxes would remain independently of registration, it would limit the incentive to re-register the vehicle somewhere else in those cases where the main objective for doing so is just to avoid paying high taxes.

Most of the Member States with high taxation (such as FI, DK, NL, AT, HU) responded to the questionnaire that they have legal, administrative and dissuasive measures in place to tackle those situations either by taxing those vehicles that circulate illegally or by having the possibility to tax them pro rata when registered in another Member State.

[37] Commission Communication *Strengthening the single market by removing cross-border obstacles for passenger car*s" (p.11)

Many Member States indicate that the current enforcement methods used (cross-checking data from different databases, dissuasive penalties and police enforcement) to detect cars that do not comply with the obligation to register would be used to detect cars that do not comply with the obligation to pay tax if both were separated. However, some Member States (such as DK, FI, MT, PT) have indicated that existing systems could lose efficiency if the number of vehicles with foreign plates would increase significantly. In that case, more resources would need to be devoted to increased physical checks: as automated controls would only help to identify vehicles with national plates, foreign registered vehicles need to be checked in connection with traffic controls of when they are reported.

Member States who tax vehicles registered abroad in some cases such as FR or HU do not stress that this has been a particularly complex or expensive process. However, other Member States fear that this would imply a major challenge for them. Nevertheless, no specific estimation on the cost and the magnitude of those changes could be provided by most of them. DK estimates that making administrative changes to their systems to avoid tax losses would require a one-off investment of 13 million euro. Costs of administrative and IT changes could in the long-term be compensated by the benefits expected from the proposal for Member States administration and calculated in the IA[38].

10. Other concerns not related to taxation

From the information received in the questionnaires, in addition to the fiscal elements, Member States put forward some additional elements:

- The registration data, which are necessary for other purposes, would not be available. This is expected to be addressed through the provisions on data exchange of the proposal (art.7 and annex).

- Difficulties in relation to the enforcement of road traffic rules on vehicles registered in another Member State. This can to a significant extend be mitigated by the cooperation among Member States in the framework of *Directive on Cross-Border Exchange of Information related to road safety*.

11. Conclusion

On the basis of the information collected by the Commission services, the possible impact on fiscal revenues of Member States of the Commission proposal for a Regulation of the Council and EP simplifying the transfer of motor vehicles registered in another Member State within the single market can be summarised as follows:

A. A majority of Member States, based on their replies to the questionnaire, does not expect any significant change to the re-registration behaviour of citizens and companies, neither a related

[38] p.156

impact on taxation income. Therefore, no legal or administrative changes would be required from them to avoid a negative fiscal effect.

B. The risk of distortions in Member States' current registration and vehicle taxation systems is to a certain extent minimised, especially for individuals, by the fact that the roadworthiness test inspections have to be carried out in the Member State of registration.

In the particular case of car rental, Member States do not collect significant fiscal income from re-registration of short term rented vehicles.

Finally, the obligations deriving from EU legislation and Court of Justice rulings need to be recalled, according to which Member States should not request registration of the vehicle in several cases (for instance: vehicles nor essentially used on their territory, some cases of company cars and self-employed vehicles etc).

C. In several Member States, there is a significant vehicle tax difference in relation to other Member States, which could already at present create an incentive to avoid registration (mainly FI and DK and to a lesser extent IE, NL, EL, AT and PT). Nevertheless, the level of non-compliance in some of those Member States remains relatively low indicating the effectiveness of the anti-abuse and control mechanisms that most of those Member States have in place. Nevertheless, those Member States fear that the incentive to avoid registration might increase as a result of our proposal and that the mechanisms they have in place would not be enough.

Vehicle taxation divergence among Member States could create, already at present, incentives to avoid high taxation in some Member States.

Although as a general rule registration and taxation go together, some Member States according to the information collected through the questionnaire are progressively introducing the possibility to separately tax vehicles registered abroad in some cases:

1. Rented or leased cars registered abroad and company cars;

2. To tax the use of the vehicle in their roads but not ask for the vehicles to be registered because the vehicle is used in more than one Member State[39].

[39] For example: Case 302/12

Annex 1: Statistics vehicle taxation in Member States

Sources: ESTAT, ACEA, EC Tax guide 2013, TAXUD database, MS data

bn euros	AT	BE	BG	CY	CZ	DK	DE	EE	ES
Date	*2011*	*2012*	*2011*	*2011*	*2011*	*2011*	*2011*	*2011*	*2011*
Sales&Registration tax/duties	0.49	0.41	0.018	0.016	0.012	1.83	0	0.008	0.48
Annual ownership/ Circulation tax	1.64	1.51	0.086	0.09	0.19	1.32	8.42		2.81
Insurance taxes	0.31	0.93				0.23	3.66		0.68

Total taxation income (2011)	**126.4**	**163.1**	**10.5**	**6.3**	**54**	**114.6**	**1002.6**	**5.2**	**334**

Percentage on total taxation									
Sales&Registration tax/duties	0.38%	0.25%	0.17%	0.25%	0%	1.60%	0.00%	0.15%	0.14%
Annual ownership tax	1.29%	0.93%	0.82%	1.44%	0.35%	1.16%	0.84%	0.00%	0.84%
Insurance taxes	0.25%	0.57%				0.20%	0.36%		0.20%

bn euros	FI	FR	EL	HR	HU	IE	IT	LT	LU	LV
	2011	*2011*	*2012*	2012	*2011*	*2012*	*2011*		*2011*	*2011*
Sales&Registration tax/duties	1.07	2.08	0.15	0.09	0.15	0.39	1.19	0	0	0.007
Annual ownership/ Circulation tax	0.76	1.10	1.12	0.03	0.35	1.08	6.65	0	0.06	0.07
Insurance taxes	0.30	4.28					4.28			

Total taxation income (2011)	**82.2**	**876.3**	**67.5**	**15**	**37**	**46**	**671.5**	**8**	**15.9**	**5.6**
Percentage on total taxation										
Sales&Registration tax/duties	1.30%	0.24%	0.23%	0.59%	0.41%	0.84%	0.18%		0%	0.13%
Annual ownership tax	0.92%	0.13%	1.65%	0.22%	0.95%	2.34%	0.99%	0.00%	0.40%	1.18%
Insurance taxes	0.36%	0.49%					0.64%			

bn euros	MT	NL	PL	PT	RO	SE	SK	SI	UK
	2011	*2011*	*2011*	*2012*	*2011*	*2011*	*2011*	*2012*	*2011*
Sales&Registration tax/duties	0.04	2.10	0.20	0.42		0	0.01	0.04	0
Annual ownership/ Circulation tax	0.05	3.60	0	0.36	0.22	1.41	0.13	0.11	6.77
Insurance taxes		1.00				0.35			0.00

Total taxation income (2011)	**2.2**	**231**	**119**	**56.8**	**37**	**171.8**	**19.7**	**13.5**	**631.5**
Percentage on total taxation									
Sales&Registration tax/duties	2.00%	0.91%	0.17%	0.74%	0.00%	0.00%	0.05%	0.28%	0.00%
Annual ownership tax	2.09%	1.56%	0%	0.64%	0.60%	0.82%	0.66%	0.79%	1.07%
Insurance taxes		0.43%				0.20%			

Annex 2: Statistics vehicle registration in Member States

Source: Estat, ACEA, MS data

2011	AT	BE	BG	CY	CZ	DK	DE	EE	ES
Re-registrations from MS	29,665	160,575	198,192	8,934	194,806	40,223	170,348	33,228	77,358
Re-registration from 3rd contries	1,394	4,978	17,045	15,991	2,338	845	51,104	4,652	7,736
New vehicles registrations	457,876	670,981	26,649	36,264	222,391	198,470	3,858,885	24,378	931,404
New registration+re-registrations	488,935	836,533	241,886	61,189	419,534	239,537	4,080,337	62,258	1,016,498
Total registered vehicles	5,863,000	6,571,000	3,401,405	650,000	6,376,000	2,663,338	55,699,000	732,457	27,661,000

	FI	FR	EL	HR	HU	IE	IT	LT	LU
Re-registrations from MS	30,000	93,598	379,778	46,000	49,761	53,495	96,109	241,145	15,917
Re-registration from 3rd contries	3,000	5,335	608		378	3,959	4,998	40,995	39
Total motor vehicles new registrations	115,000	2,815,303	104,682	58069	125,845	102,443	2,385,118	17,929	55,015
New vehicles+re-registered imports	148,000	2,914,236	485,068	104,069	175,984	159,897	2,486,225	300,068	70,971
Total registered vehicles	4,843,672	37,774,000	6,319,000	2,040,000	3,598,242	2,198,000	41,400,000	1,901,490	409,600

	LV	MT	NL	PL	PT	RO	SE	SK	SI	UK	EU
Re-registrations from MS	40,261	847	87,885	761,713	10,270	146,320	22,927	75,848	19,053	8,428	**3,092,681**
Re-registration from 3rd contries	2,754	2,685	7,734	26,431	277	644	8,047	2,610	285.7929	20,986	**215,467**
Total motor vehicles new registrations	61,120	18,427	869,987	1,362,560	244,253	106,142	359,066	93,296	70,430	2,350,107	**17,742,090**
New vehicles+re-registered imports	104,135	21,959	965,606	2,150,704	254,800	253,106	390,040	171,754	89,769	2,379,521	**21,050,238**
Total registered vehicles	786,508	295,000	10,395,000	27,752,389	6,111,181	5,486,799	4,875,000	2,442,231	1,194,071	34,408,340	**303,847,723**

Annex 3: Indicative average taxation

Source: ESTAT, MS

MS	AT	BE	BG	CY	CZ	DK	DE
Vehicles subject to registration tax (nº)	383,477	753,722	241,886	64,425	419,981	239,537	0
Total registration tax (bn €)	0.485	0.41	0.02	0.010	0.01	1.83	0
Average registration tax (€)	**1,265**	**541**	**80**	**150**	**30**	**7,640**	**0**
	pass. vehicles, motos	pass. vehicles, motos	RT: only reg. fees	Includes only registration fee and not consumption tax on vehicles	RT: only reg fees		
Vehicles subject circulation tax (nº)	5,863,000	6,571,000	3,401,405	650,000	3,000,000	2,663,338	55,699,000
Total circulation tax (bn €)	1.64	1.51	0.09	0.09	0.21	1.32	8.42
Average circulation tax (€)	**279**	**230**	**25**	**138**	**70**	**497**	**151**
					only on corporate vehicles or used for commercial purposes		
Insurance tax (bn €)	0.31	0.934				0.23	3.656
Averange insurance tax (€)	**53**	**142**				**86**	**66**
RT+ 4 years CT and IT (€)	2592	2030	181	704	310	9975	**867**
Average MTPL (€)	**288**	**344**	**79**	**327**	**132**	**295**	225
RT+ 4 years CT and IT+4 years MTPL (€)	3,744	3,406	497	2,012	838	11,155	1,767

MS	EE	ES	FI	FR	EL	HR	HU
Vehicles subject to registration tax (nº)	51,000	875,707	159,291	2,237,405	451,439	104,069	149,587
Total registration tax (bn €)	0.01	0.48	1.07	2.08	0.21	0.09	0.15
Average registration tax (€)	**150**	**546**	**6,717**	**928**	**459**	**846**	**1,023**
	RT: Car, buses, trailers	Tr: only passenger cars	RT. Cars, vans, buses M2, motos	does not include MALUS on passenger cars emission more 200 g/km	RT. Include luxury tax		Rt: pass. cars, motos/ in addition there is company tax car
Vehicles subject circulation tax (nº)	84,337	27,661,000	3,481,000	37,774,000	6,319,000	1,630,000	3,598,242
Total circulation tax (bn €)	0	2.81	0.76	2.670	1.116	0.033	0.352
Average circulation tax (€)	**0**	**101**	**218**	**160**	**177**	**20**	**98**
	it exists heavy goods vehicle tax		CT: only passenger cars,vans, lorries (M, N)	on vehicles emissions more 190g/km / additional tax on company vehicles		only passenger cars and motos	
Insurance tax (bn €)		0.676	0.3	4.276			
Averange insurance tax (€)		**24**	**86**	**113**			
RT+ 4 years CT and IT (€)	**150**	**1050**	**7935**	**2021**	**1,165**	**927**	**1,414**
Average MTPL (€)	83	204	152	181	235	193	99
RT+ 4 years CT and IT+4 years MTPL (€)	482	1,866	8,543	2,745	2,105	1,699	1,810

MS	IE	IT	LT	LU	LV	MT	NL
Vehicles subject to registration tax (nº)	159,897	2,486,225	300,068	70,971	83,837	21,959	924,029
Total registration tax (bn €)	0.387	1.19	0	0	0.007	0.044	2.1
Average registration tax (€)	**2,420**	**479**	**15**	**0**	**83**	**2,004**	**2,273**
			reg.fees		only on passenger cars and motos (in addition natural ressources tax: 30 euros for all veh.)		only passenger cars+motos
Vehicles subject circulation tax (nº)	2,198,000	41,400,000	173,000	409,600	786,508	295,000	10,395,000
Total circulation tax (bn €)	1.075	6.650	0.038	0.063	0.066	0.046	**3.600**
Average circulation tax (€)	**489**	**161**	**220**	**154**	**84**	**156**	**346**
			only for buses, goods vehicles and trailers		additional special tax on company carss		
Insurance tax (bn €)		4.28					1
Averange insurance tax (€)		103					96
RT+ 4 years CT and IT (€)	4377	1535	894	615	419	2627	4043
Average MTPL (€)		**430**	**75**	**252**	**48**	**97**	228
RT+ 4 years CT and IT+4 years MTPL (€)	4377	3255	1194	1623	611	3015	4955

MS	PL	PT	RO	SE	SK	SI	UK
Vehicles subject to registration tax (nº)	800,000	240,000	253,106	390,040	257,932	79,034	2,379,521
Total registration tax (bn €)	0.3	0.42	0.09	0	0.01	0.038	0
Average registration tax (€)	**375**	**1,750**	**356**	**0**	**39**	**481**	**0**
	RT: refers to excise duty for pass.cars. There is tax for veh. more than 3.5 t/av.3000 euros		RT, Refers to environmental tax linked to registration		33€ below 80kw/increases inrelation to engine power	only passenger vehicles and motos	
Vehicles subject circulation tax (nº)	0	6,111,181	5,486,799	4,875,000	603,778	1,194,071	34,408,340
Total circulation tax (bn €)	**0**	0.362	0.223	1.414	0.130	0.106	6.767
Average circulation tax (€)	**0**	**59**	**41**	**290**	**215**	**89**	**197**
					Only M, N, O vehiles used for bussines		
Insurance tax (bn €)				0.35			
Averange insurance tax (€)				71			
RT+ 4 years CT and IT (€)	375	1,987	518	1,445	900	836	787
Average MTPL (€)	**75**	**172**	**85**	**182**	**121**	**237**	
RT+ 4 years CT and IT+4 years MTPL (€)	675	2,675	858	2,173	1,384	1,784	787

RT: Registration tax; CT: Circulation tax; IT: insurance tax; MTPL: motor 3rd party liability insurance

Annex 4: Average Motor Third Party liability insurance (MTPL)

Source: Insurance Europe, own calculations

Austria	Belgium	Bulgaria	Cyprus	Czech Re	Germany	Denmark	Estonia	Spain	Finland	France	Greece	Croatia	Hungary
288	344	79	327	132	225	295	83	204	152	181	235	193	99

Italy	Luxembo	Latvia	Malta	Netherlar	Poland	Portugal	Romania	Sweden	Slovenia	Slovakia
430	525	48	97	228	75	172	85	182	237	121