EUROPEAN COMMISSION
Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
Single Market Enforcement
Notification of Regulatory Barriers

Notification Number : 2011/0525/NL (Netherlands)

Amendment to certain tax Acts and certain other Acts (2012 Tax Plan) Amendment to the Passenger Cars and Motorcycles (Taxation) Act [Wet op de belasting van personenauto's en motorrijwielen] of 1992, the Road Tax Act [Wet op de motorrijtuigenbelasting] of 1994, and certain other Acts (Passenger Cars Circular (Implementation) Act)

Date received : 17/10/2011
End of Standstill : Not applicable (closed)
Fiscal Measures : Yes

Message

Message 002

Communication from the Commission - SG(2011) D/52406
Directive 98/34/EC
Translation of the message 001
Notification: 2011/0525/NL

No abre el plazo - Nezahajuje odklady - Fristerne indledes ikke - Kein Fristbeginn - Viivituste perioodi ei avata - Καμμία έναρξη προθεσμίας - Does not open the delays - N'ouvre pas de délais - Non fa decorrere la mora - Neietekmē atlikšanu - Atidėjimai nepradedami - Nem nyitja meg a késéseket - Ma' jiftaħx il-perijodi ta' dawmien - Geen termijnbegin - Nie otwiera opóźnień - Nao inicia o prazo - Neotvorí oneskorenia - Ne uvaja zamud - Määräaika ei ala tästä - Inleder ingen frist - Не се предвижда период на прекъсване - Nu deschide perioadele de stagnare - Nu deschide perioadele de stagnare.

(MSG: 201102406.EN)
1. MSG 002 IND 2011 0525 NL EN 17-10-2011 NL NOTIF

2. NL

3A. Ministerie van Financiën
Belastingdienst/Douane centrale dienst voor in- en uitvoer

3B. Ministerie van Financiën
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4. 2011/0525/NL - S00E

5. Amendment to certain tax Acts and certain other Acts (2012 Tax Plan)
Amendment to the Passenger Cars and Motorcycles (Taxation) Act [Wet op de belasting van personenauto's en motorrijwielen] of 1992, the Road Tax Act [Wet op de motorrijtuigenbelasting] of 1994, and certain other Acts (Passenger Cars Circular (Implementation) Act)

6. Cars and motor fuels

7. -

8. 1. The proposed Passenger Cars Circular (Implementation) Act tightens the CO2 limits for the years up to 2015. The CO_2 bracket boundaries for the Motor Vehicle Registration Tax (BPM) will be adjusted downwards on 1 January of each year (for 2012 on 1 July). This will cause the CO2 emission limits (for purposes of the BPM) for both gasoline and diesel to gradually converge, reaching equal levels in 2015.

2. The fixed diesel surcharge in the BPM will be replaced with a CO2-dependent diesel surcharge with effect from 1 July 2012. The surcharge will be due with effect from the aforementioned date, and will be adjusted annually until 2015.

3. The road tax exemption for highly energy-efficient cars will be repealed with effect from 1 January 2014 for both new and existing passenger cars, so that from 2014 onwards the amount of Road Tax will depend on vehicle weight alone. Until 1 January 2014, the current CO2 exemption limits (gasoline 110 gr/km, diesel 95 gr/km) will continue to apply.

4. Passenger cars with a CO2 emission not exceeding 50 gr/km will be exempt from Road Tax up to 2016.

5. Trucks with a Euro III emission norm will be subject to a 20 % surcharge of the Road Tax from 1 January 2013.

6. As regards the calculation of the (wage and income) tax penalty in respect of the possible use of company cars for private purposes, the relevant CO2 emission limits - where the tax penalty is reduced by 11 % or 5 % for cars remaining below the limits – will be adjusted downwards on 1 January of each year (for 2012 on 1 July). This proposed Act lays down the CO2 limits for the years up to 2015. The threshold for the 11% reduction of the tax penalty will remain the same as the threshold for exemption from the registration tax (BPM). The CO2 emission limits for both gasoline and diesel will gradually converge, reaching equal levels in 2015.

7. The exemption from the tax penalty will be extended from 1 January 2012 to cover cars with a CO2 emission not exceeding 50 gr/km. This exemption will apply only to cars that were assigned a registration number for the first time before 1 January 2016. For cars with a CO2 emission of 0 gr/km that were assigned a registration number for the first time before 1 January 2012, the tax penalty exemption will be extended by 2 years to 1 January 2017.

8. As regards the tax penalty, cars falling within the new regime will in future keep their reduced tax penalty percentage for a period of 60 months. At the end of each period of 60 months, the possible application of a reduced tax penalty percentage for another period will be decided according to the CO2-limits then in force. The new regime will enter into effect from 1 July 2012, with the exception of cars as referred to under 6, which will be subject to the new regime from 1 January 2012.

9. The Excise Act [Wet op de accijns] currently contains a possibility of a partial refund of the excise for E85. The draft proposes a generic scheme for all sustainably manufactured biofuels or mixtures of sustainably manufactured biofuels and fossil fuels whose energy content is less than that of equivalent motor fuels containing an amount of biofuel exceeding the 10% energy content proportion as specified in the Renewable Energy Directive.

10. It is proposed to exempt natural-gas fuelled cars able to run on green gas from the CO2 limits and tariffs for diesel cars to which they are currently subject. As a compensation, the Road Tax for these cars will incorporate a so-called LPG surcharge, specifically the lowest surcharge level as applicable to cars with a so-called LPG-3 installation. An industry agreement will be signed to obtain guarantees from the industry that Dutch filling stations will offer almost exclusively green gas instead of natural gas.

(Articles I to XII and XV to XXIV of the Passenger Cars Circular (Implementation) Act)
(Article XX of the 2012 Tax Plan)

9. Ad1. It was found in practice that the number of cars qualifying for reduced registration tax is significantly higher than was foreseen at the introduction of the scheme. To continue encouraging consumers and producers to purchase and produce energy-efficient cars, the CO2 emission limits will be tightened each year until at least 2015. This will also create certainty with respect to the levels of the CO2 emission limits over a longer period.

Ad2. Determining the diesel surcharge based on CO2 emissions takes account of the fact that the average advantage produced by the difference in excise between a gasoline car and a diesel car increases with the car's fuel consumption. Because the registration tax will also be different for diesel cars and gasoline cars until 2015, due to the difference in bracket boundaries, it is necessary to adjust the amount of the diesel surcharge per gram of emissions annually until 2015 in order to sufficiently compensate for the difference in excise between diesel cars and gasoline cars. From 2015 onwards then, the only difference between diesel cars and gasoline cars as regards the registration tax will be in the diesel surcharge.

Ad3. The Government deems it undesirable that owners of (highly) energy-efficient cars should not share in the burden of road costs. To prevent a sudden disappearance of the relative advantage now enjoyed by car owners exempt from the Road Tax, the exemption will be repealed from 1 January 2014 for all cars, with an exception for cars with emissions not exceeding 50 grams. (see also 4)

Ad4. Temporary relief for the category of vehicles with emissions not exceeding 50 gr/km is needed to achieve sufficiently high volumes for product prices to be lowered, providing the necessary conditions for a potential breakthrough of the product. This exemption will come into effect at the time when the current exemption is repealed, and will run for 2 years until the end of 2015.

Ad5. The Road Tax provides for tariff increases for trucks in older Euro Classes. As time passes, the oldest vehicles disappear from fleets, and new vehicles are added. This reduces the effectiveness of the measure. To counteract this effect, the differentiation will be sharpened by introducing a new surcharge class, Euro III. The date of entry into force has been made simultaneous with the date when the Eurovignette ceases to apply in the Netherlands, and Euro class III becomes mandatory for trucks.

Ad6. In practice, the number of cars qualifying for reduced registration tax was found to be substantially higher than foreseen at the introduction of the scheme. In order to provide incentives for car owners and producers to continue purchasing and producing more energy-efficient cars, the CO2 emission limits will be lowered annually until at least 2015. This will also create certainty with respect to the levels of the CO2 emission limits over a longer period.

Ad7. Temporary relief for the category of vehicles with emissions not exceeding 50 gr/km is needed to achieve sufficiently high volumes for product prices to be lowered, providing the necessary conditions for a potential breakthrough of the product. This will be a temporary measure, as it is considered that after four years those conditions will have been provided to a sufficient extent. To ensure that cars purchased prior to the aforementioned period and already exempt from the tax penalty will continue to benefit from the exemption for at least the same period, the exemption for these cars will be prolonged to 1 January 2017.

Ad8. The fact that a given tax penalty level will be maintained for 60 months on one hand prevents cars from being disadvantaged by the annual tightening of the CO2 emission limits, but on the other hand ensures that there will still be a future incentive to choose an (even) more energy-efficient car.

Ad9. Current Dutch legislation only provides for refunds for the product E85 (gasoline with 70 to 85% bio-ethanol). The generic scheme here proposed is broader in scope, thereby encouraging the use of biofuels or mixtures of biofuels and fossil fuels whose energy content is less than that of the equivalent motor fuel. To qualify for the refund, the biofuel must meet certain sustainability criteria, as referred to in Article 17 of the Renewable Energy Directive. The refund scheme is restricted to motor fuels.

Ad10. This measure constitutes a temporary shift in the tax burden, reducing the tax burden on the purchase of natural-

gas fuelled cars but increasing the monthly road tax for the use of public roads. The objective is to encourage vehicle sales. The shift in the tax burden will make it more attractive to purchase these cars as opposed to similar cars running on other motor fuels.

10. Numbers or titles of the base texts: Article 3.20 of the Income Tax Act [Wet inkomstenbelasting] of 2001
Article 13bis of the Wage Tax Act [Wet op de loonbelasting] of 1964
Article 25a of the Road Tax Act of 1994
Article 71h of the Excise Act

11. No

12. -

13. No

14. Yes

15. -

16. TBT aspect

No- The draft has no significant impact on international trade.

SPS aspect

No, the draft is not a sanitary or phytosanitary measure

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