

Motor Vehicle Tax Act

Chapter 1 General Provisions

§ 1. Scope of the act

This Act provides for motor vehicle tax which is levied on motor vehicles on the basis of their characteristics.

§ 2. Motor vehicle

(1) For the purposes of this Act, a motor vehicle is one of the following types of vehicles registered in the motor register:

- 1) motorcycle (hereinafter: *motor vehicle of categories L3e, L4e and L5e*);
- 2) four-wheel moped (hereinafter *motor vehicle of category L6e*);
- 3) four-wheeled motor vehicle with an unladen mass of not more than 450 kg in the case of a vehicle intended for the carriage of passengers and 600 kg in the case of a vehicle intended for the carriage of goods and which is not a moped, tractor or mobile machinery (hereinafter *motor vehicle of category L7e*);
- 4) wheeled off-road vehicle (hereinafter *motor vehicle of category MS2*);
- 5) wheeled tractor with a maximum design speed of more than 40 kilometres per hour, with a minimum track width of at least 1-150 mm on the nearest axle to the driver, an unladen mass in running order of more than 600 kg and a ground clearance of not more than 1 000 mm; in the case of tractors with a reversible driving position, the axle closest to the driver shall be that on which the tyres of the largest diameter are fitted, with the exception of a wheeled special purpose tractor (hereinafter: *motor vehicle of category T1b*);
- 6) wheeled tractor whose unladen mass, in running order, does not exceed 600 kg, with the exception of a wheeled special purpose tractor (hereinafter *motor vehicle of category T3*);
- 7) wheeled tractor with a design speed exceeding 40 kilometres per hour, except for special purpose wheeled tractors (hereinafter *motor vehicle of category T5*);
- 8) passenger car (hereinafter *motor vehicle of category M1*);
- 9) truck with a maximum mass of up to 3 500 kilograms (hereinafter *motor vehicle of category N1*).

(2) The categories of vehicles specified in clauses (1) 1) to 3), 6), 8) and 9) of this section also include their subcategories.

§ 3. Taxable item

The object of the motor vehicle tax is:

- 1) a motor vehicle registered in the motor register;
- 2) a motor vehicle temporarily deleted or suspended from the motor register.

§ 4. Receipt of tax

The motor vehicle tax is paid to the state budget.

Chapter 2

Procedure for payment of the motor vehicle tax

§ 5. Taxpayer

The motor vehicle tax shall be paid by:

- 1) the owner of the motor vehicle, or
- 2) by an authorised user (if any) within the meaning of § 2(93) of the Road Traffic Act.

§ 6. Tax liability

(1) The motor vehicle tax is payable by a person who:

- 1) is the owner or authorised user of the vehicle as of 1 January of the period of taxation according to the motor register; or
- 2) has been entered in the Estonian motor register as the owner or authorised user of the motor vehicle during the period of taxation when the motor vehicle was first registered.

(2) If, according to the motor register, the vehicle has an authorised user at the time specified in subsection (1) of this section, the vehicle shall be liable to tax.

§ 7. Taxation period and payment of tax

(1) The period for charging motor vehicle tax is one calendar year.

(2) If a motor vehicle is registered in the motor register for the first time during a period of taxation, the motor vehicle tax shall be calculated pursuant to the procedure provided for in section 8 of this Act.

(3) 50 per cent of the motor vehicle tax shall be paid by 15 June and 50 per cent by 15 December.

§ 8. Calculation of the motor vehicle tax for a motor vehicle registered during a taxation period

(1) The motor vehicle tax for a motor vehicle that is registered in the motor register for the first time during a taxation period until 30 September shall be payable by 15 December.

(2) For a motor vehicle registered for the first time in the motor register after 30 September the motor vehicle tax shall be paid by 15 June of the following year.

(3) The motor vehicle tax shall be calculated in proportion to the number of days remaining until the end of the current taxation period as of the first day following registration.

§ 9. Procedure for payment of the tax

(1) On the basis of the information received from the motor register, the Tax and Customs Board shall, no later than 15 February, issue a tax notice to the taxpayer concerning the amount of the motor vehicle tax payable.

(2) A tax notice concerning a tax liability for a motor vehicle registered for the first time in the traffic register during a period of taxation shall be issued within 15 working days after the making of the entry in the register.

§ 10. Tax refund

In the event of transfer of a motor vehicle or transfer of the right of use of a motor vehicle during a taxation period, the motor vehicle tax paid for the taxation period shall not be refunded and the amount of tax shall not be reduced.

Chapter 3 **Rates of the motor vehicle tax**

§ 11. Tax rates for motor vehicles of categories L, MS2, T1b, T3 and T5

(1) For motor vehicles of categories L3e, L4e, L5e, L6e and L7e, of category MS2 with an unladen mass of up to 1 000 kilograms, of category T3 and of motor vehicles of categories T1b and T5 with an unladen mass not exceeding 1 000 kilograms, with up to 10 years having passed from the date of the first registration of the motor vehicle by the date of the beginning of the taxation period, the motor vehicle tax shall be:

- 1) EUR 30 if the engine capacity of the motor vehicle is 51-125 cm³;
- 2) EUR 45 if the engine capacity of the motor vehicle is 126-500 cm³;
- 3) EUR 60 if the engine capacity of the motor vehicle is 501-1 000 cm³;
- 4) EUR 75 if the engine capacity of the motor vehicle is 1 001-1 500 cm³;
- 5) EUR 90 if the engine capacity of the motor vehicle exceeds 1 500 cm³.

(2) For motor vehicles of categories L3e, L4e, L5e, L6e and L7e, wheeled off-road vehicles of category MS2 with an unladen mass not exceeding 1 000 kilograms, motor vehicles of category T3 and motor vehicles of categories T1b and T5 with an unladen mass not exceeding 1 000 kilograms, with more than 10 but less than 20 years having passed from the date of the first registration of the motor vehicle by the date of the beginning of the taxation period, the motor vehicle tax shall be:

- 1) EUR 30 if the engine capacity of the motor vehicle is 126-500 cm³;
- 2) EUR 45 if the engine capacity of the motor vehicle is 501-1000 cm³;
- 3) EUR 60 if the engine capacity of the motor vehicle is 1 001-1 500 cm³;
- 4) EUR 75 if the engine capacity of the motor vehicle exceeds 1 500 cm³.

§ 12. Tax rates for motor vehicles of category M1

(1) For a motor vehicle of category M1 which is not fully electric within the meaning of § 2(88¹) of the Road Traffic Act and for which data on specific carbon dioxide (hereinafter: CO₂) emissions, calculated in accordance with the World Harmonised Light Vehicles Test Procedure (hereinafter: WLTP), is available in the motor register, the rate of the motor vehicle tax shall be calculated as the sum of the following three components:

- 1) the base component of EUR 50 per motor vehicle;
- 2) the specific CO₂ emissions component where each gram of CO₂ shall be multiplied by EUR 3 in the range of 118 to 150 grams per kilometre, by EUR 3.5 in the range of 151 to 200 grams per kilometre, and by EUR 4 in the range of 201 or more grams per kilometre;
- 3) the mass component where each kilogram of a motor vehicle exceeding the maximum mass of 2 000 kilograms is multiplied by EUR 0.40 up to the amount of EUR 400 or, for a motor

vehicle with external charging capability which bears the notation “OVC-HEV” in the motor register, each kilogram exceeding the maximum mass of 2 200 kilograms is multiplied by EUR 0.40 up to the amount of EUR 400.

(2) For a motor vehicle referred to in subsection (1) of this section, for which information on specific CO₂ emissions is available in the motor register solely on the basis of the New European Drive Cycle (hereinafter *NEDC method*), the rate of the motor vehicle tax shall be calculated as the sum of the following three components:

- 1) the base component specified in subsection (1) of this section;
- 2) the mass component;
- 3) the specific CO₂ emissions component where the specific CO₂ emissions value is first multiplied by a factor of 1.21 and then the share per gram of CO₂ shall be calculated in accordance with the provisions of clause (2) 1) of this section.

(3) For a motor vehicle referred to in subsection (1) of this section for which no information on specific CO₂ emissions is available in the motor register, a WLTP reference value of specific CO₂ emissions in grams per kilometre shall be calculated as the sum of the following three components, subject to subsection (5):

- 1) the engine power in kilowatts, multiplied by 0.29;
- 2) the unladen mass of the motor vehicle in kilograms, multiplied by 0.07;
- 3) the age of the motor vehicle in years by the date of the beginning of the taxation period from the date of first registration, multiplied by 4.92.

(4) The following shall be deducted from the sum obtained by adding up the values specified in clauses (3) 1) to 3) of this section:

- 1) 35 grams of CO₂ per kilometre for a vehicle equipped with a compression-ignition engine;
- 2) 52 grams of CO₂ per kilometre for a motor vehicle equipped with a compression-ignition engine, which has no external charging capability and bears the notation “NOVC-HEV” in the motor register;
- 3) 39 grams of CO₂ per kilometre for a motor vehicle equipped with a petrol engine, bearing the notation “NOVC-HEV” in the motor register.

(5) The maximum WLTP reference value of specific CO₂ emissions referred to in subsection (3) of this section shall be 350 grams of CO₂ per kilometre.

(6) The rate of the motor vehicle tax specified in subsections (3) and (4) of this section shall be calculated as the sum of the following three components:

- 1) the base component specified in subsection (1) of this section;
- 2) the mass component;
- 3) the specific CO₂ emissions component determined from the WLTP reference value.

(7) The rate of the motor vehicle tax for a motor vehicle referred to in subsection (3) of this section, which bears the notation “OVC-HEV” in the motor register, shall be calculated as the sum of the following two components:

- 1) the base component specified in subsection (1) of this section;
- 2) the mass component.

(8) The rate of the motor vehicle tax for a motor vehicle referred to in subsection (1) of this section, which is fully electric, shall be calculated as the sum of the following two components:

- 1) the base component of EUR 50 per motor vehicle;
- 2) the mass component where each kilogram of a motor vehicle exceeding the maximum mass of 2 400 kilograms is multiplied by EUR 0.40 up to the amount of EUR 440.

(9) A motor vehicle of category M1 with a body name “residential” according to the motor register and a length of more than 5 100 millimetres shall be taxed at the rate of the motor vehicle tax for motor vehicles of category N1 without applying the vehicle age multiplier to the rate of the motor vehicle tax.

§ 13. Tax rates for motor vehicles of category N1

(1) For a motor vehicle of category N1 which is not fully electric and for which data on specific CO₂ emissions, calculated in accordance with WLTP, are available in the motor register, the rate of the motor vehicle tax shall be calculated as the sum of the following two components:

- 1) the base component of EUR 50 per motor vehicle;
- 2) the specific CO₂ emissions component where each gram of CO₂ shall be multiplied by EUR 3 in the range of 205 to 250 grams per kilometre, by EUR 3.5 in the range of 251 to 300 grams per kilometre, and by EUR 4 in the range of 301 or more grams per kilometre.

(2) For a motor vehicle referred to in subsection (1) of this section, for which information on specific CO₂ emissions is available in the motor register only on the basis of the NEDC method, the rate of the motor vehicle tax shall be calculated as the sum of the following two components:

- 1) the base component specified in subsection (1) of this section;
- 2) the specific CO₂ emissions component where the specific CO₂ emissions value is first multiplied by a factor of 1.3 and then the share per gram of CO₂ shall be calculated in accordance with the provisions of clause (2) 1) of this section.

(3) For a motor vehicle referred to in subsection (1) of this section for which no information on specific CO₂ emissions is available in the motor register, a WLTP reference value of specific CO₂ emissions in grams per kilometre shall be calculated as the sum of the following three components, subject to paragraphs (4) and (5) of this section:

- 1) the engine power in kilowatts, multiplied by 0.4;
- 2) the unladen mass of the motor vehicle in kilograms, multiplied by 0.07;
- 3) the age of the motor vehicle in years by the date of the beginning of the taxation period from the date of first registration, multiplied by 5.16.

(4) In the case of a petrol-fuelled vehicle, 22.4 grams of CO₂ per kilometre shall be added to the sum obtained by adding up the amounts specified in clauses (3) 1) to 3) of this section.

(5) In the case of a motor vehicle equipped with a compression-ignition engine, which has no external charging capability and bears the notation “NOVC-HEV” in the motor register, or a motor vehicle equipped with a petrol engine, bearing the notation “NOVC-HEV” in the motor register, 19.9 grams of CO₂ per kilometre shall be deducted from the sum obtained by adding up the values specified in clauses (3) 1) to 3) of this section.

(6) The maximum WLTP reference value of specific CO₂ emissions referred to in subsection (3) of this section shall be 350 grams of CO₂ per kilometre.

(7) The rate of the motor vehicle tax for a motor vehicle referred to in subsections (3) to (5) of this section shall be calculated as the sum of the following two components:

- 1) the base component specified in subsection (1) of this section;
- 2) the specific CO₂ emissions component determined from the WLTP reference value.

(8) The rate of the motor vehicle tax for a motor vehicle referred to in subsection (3) of this section, which bears the notation “OVC-HEV” in the motor register, shall be equal to the base component referred to in subsection (1) of this section.

(9) The rate of the motor vehicle tax for a motor vehicle referred to in subsection (1) of this section, which is fully electric, shall be EUR 30 per motor vehicle.

(10) Motor vehicles of category N1 whose specific power exceeds 0.20 kilowatts per kilogram of load capacity according to the motor register shall be taxed at the rate of motor vehicle tax for motor vehicles of category M1, applying also, in the case of natural persons, the vehicle age multiplier.

§ 14. Motor vehicle age multiplier

(1) A multiplier that depends on the age of the motor vehicle shall be applied to the rate of the motor vehicle tax for a motor vehicle of category M1 in the following cases:

- 1) the owner of the motor vehicle is a natural person; or
- 2) the authorised user of the motor vehicle within the meaning of § 2(93) of the Road Traffic Act is a natural person.

(2) The vehicle age multiplier applicable to the rate of the motor vehicle tax for motor vehicles of category M1 shall be:

- 1) 0.92 if at least 5 years have passed from the date of first registration of the motor vehicle by the date of the beginning of the taxation period;
- 2) 0.84 if at least 6 years have passed from the date of first registration of the motor vehicle by the date of the beginning of the taxation period;
- 3) 0.75 if at least 7 years have passed from the date of first registration of the motor vehicle by the date of the beginning of the taxation period;
- 4) 0.67 if at least 8 years have passed from the date of first registration of the motor vehicle by the date of the beginning of the taxation period;
- 5) 0.59 if at least 9 years have passed from the date of first registration of the motor vehicle by the date of the beginning of the taxation period;
- 6) 0.51 if at least 10 years have passed from the date of first registration of the motor vehicle by the date of the beginning of the taxation period;
- 7) 0.43 if at least 11 years have passed from the date of first registration of the motor vehicle by the date of the beginning of the taxation period;
- 8) 0.35 if at least 12 years have passed from the date of first registration of the motor vehicle by the date of the beginning of the taxation period;
- 9) 0.26 if at least 13 years have passed from the date of first registration of the motor vehicle by the date of the beginning of the taxation period;
- 10) 0.18 if at least 14 years have passed from the date of first registration of the motor vehicle by the date of the beginning of the taxation period;
- 11) 0.1 if at least 15 years have passed from the date of first registration of the motor vehicle by the date of the beginning of the taxation period;

12) 0 if at least 20 years have passed from the date of first registration of the motor vehicle by the date of the beginning of the taxation period.

(3) The multiplier of the motor vehicle tax rate shall be applied to the amount of motor vehicle tax less the base component.

§ 15. Exemption from the motor vehicle tax

The following vehicles shall not be taxable with the motor vehicle tax:

- 1) motor vehicles registered as emergency vehicles in the motor register;
- 2) motor vehicles owned by a diplomatic mission, consular post or a special mission of a foreign state, a representation or headquarters of an international organisation recognised by the Ministry of Foreign Affairs, an institution of the European Union or an agency or institution established on the basis of Union law, a diplomatic representative or a consular officer of a foreign state accredited to Estonia (except an honorary consul), a representative of a special mission or an international organisation, as well administrative staff of a diplomatic mission, consular post or special mission;
- 3) motor vehicles which have been specially rebuilt for the transport of persons with disabilities or for use by disabled persons.

Chapter 4 Motor vehicle tax register

§ 16. Motor vehicle tax register

(1) The motor vehicle tax register is a sub-register of the register of taxable persons established on the basis of § 17(1) of the Taxation Act, the procedure for the maintenance of which is provided in the statute of the register of taxable persons.

(2) The purpose of the motor vehicle tax register is to collect and process the information necessary for the calculation of the motor vehicle tax.

(3) The Transport Administration shall submit to the Tax and Customs Board the basic information necessary for calculating the motor vehicle tax rates and exemptions provided for in sections 11-15 of this Act, including:

- 1) general data of the owner or user of the motor vehicle;
- 2) data for the identification of the motor vehicle;
- 3) technical data of the motor vehicle.

Chapter 5 Implementing provisions

Title 1 Ex-post evaluation

§ 17. Ex-post evaluation

The Ministry of Finance will analyse achievement of the objective of the application of the motor vehicle tax and the registration fee provided for in Chapter 12² of the Road Traffic Act, the resulting impact and the effectiveness of the regulation in 2030 at the latest.

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Title 2
Entry into force of the Act

§ 22. Entry into force of the Act

(1) This Act enters into force on 1 January 2025.

(2) § 3(2) of this Act enters into force on 1 January 2027.

Lauri Hussar
President of the Riigikogu

Tallinn, 2023

Initiated by the Government of the Republic

(digitally signed)