

Act amending the Motor Vehicle Tax Act and the Road Traffic Act

§ 1. Amendment to the Motor Vehicle Tax Act

The following amendments are made to the Motor Vehicle Tax Act:

1) Section 4¹ is added to the Act, worded as follows:

“§ 4¹. Motor vehicle tax notice

A motor vehicle tax notice (hereinafter referred to as a tax notice) is an administrative act to which the provisions of the Tax Administration Act concerning tax decisions apply, unless otherwise provided for in this Act.

2) Subsection 3 is added to Section 6 worded as follows:

‘(3) The tax liability shall be calculated on the basis of the data in the motor register as at 1 January or the date of the first registration of the vehicle in the Estonian motor register.’;

3) Section 9(2) is amended and worded as follows:

‘(2) The tax notice shall be issued within 15 working days of the date of entry in the register in the following circumstances:

- 1) the motor vehicle is registered in the motor register for the first time during the taxation period;
- 2) in the case specified in § 7(3¹) of this Act;
- 3) in the case specified in clause 15² (1) 3) of this Act.’;

4) Subsection 10 is added to Section 12 worded as follows:

‘(10) A motor vehicle of category M1 with more than seven seats shall be taxed at the rate applicable to motor vehicles of category N1.’;

5) Chapter 3 of the Act is supplemented with Sections 15¹ and 15² worded as follows:

‘§ 15¹. Reduction of motor vehicle tax liability for a child

(1) The motor vehicle tax liability of a parent or natural person guardian who has the right of custody of children (hereinafter *parent*) shall be reduced if he or she is the owner of at least one motor vehicle of categories M1 or N1 registered in the motor register subject to the motor vehicle tax or the authorised user pursuant to § 5(2) of this Act.

(2) For each child, the parent's tax liability shall be reduced by up to EUR 100 during the taxable period, but not more than the total tax liability of the parent for motor vehicles in categories M1 and N1.

(3) If the child has several parents, the amount reducing the tax liability shall be divided equally between the parents. If the tax liability of the parent is less than the amount of the reduction of his/her tax liability, the remaining amount of the reduction of the tax liability shall be shared between other parents.

(4) The information on the basis of which the tax liability determined in accordance with subsections (2) and (3) of this section was based shall be included in the tax notice.

(5) The tax liability shall be reduced for a person who had custody within the meaning of this Act on the day preceding the day on which the child reached the age of majority.

(6) A child, for the purposes of this Act, is a person up to and including the age of 18.

(7) Custody within the meaning of this Act is sole custody or joint custody of a child that has not been suspended, restricted, transferred or revoked.

§ 15². Calculation of the reduction of motor vehicle tax liability for a child

(1) The reduction of the motor vehicle tax liability shall be calculated as follows:

(1) as of 1 January;

(2) the date of the first registration of the motor vehicle in the motor register of Estonia;

3) as of the creation of an entry on the right of custody of a child in the population register during the taxation period.

(2) The Tax and Customs Board shall keep records of the amount and balance of the tax liability reduction.

(3) During the taxation period, the amount and balance of the reduction of tax liability shall be taken into account each time upon calculation of the motor vehicle tax.

(4) The balance arising from the recalculation of the motor vehicle tax liability during the taxation period shall be taken into account in the cases specified in subsections 2 and 3 of section 15².

(5) In the event of a change in the right of custody of a child during a taxation period, the reduction of the tax liability shall not be recalculated and the balance shall not be increased.

(6) Any overpaid amount of the motor vehicle tax as a result of the reduction of the tax liability shall be refunded to the taxable person's advance account.”

6) Subsection 4 is added to Section 16 worded as follows:

‘(4) The Tax and Customs Board shall obtain the data required for calculating the reduction of the motor vehicle tax liability for a child from the population register, including general data and data on the child, parent and right of custody.’;

7) The introductory sentence part of subsection 17 (2) is supplemented with ‘and 2026.’ after the text ‘2025.’;

8) § 17¹ shall be added to the act and worded as follows:

“§ 17¹. Special arrangements for the reduction of motor vehicle tax liability in respect of a child

The Tax and Customs Board shall verify the right of persons receiving a motor vehicle tax notice in 2025 to reduction in the tax liability for the child and shall revoke the tax notice and, if necessary, issue a new tax notice to the entitled person.’.

§ 2. Amendment of the Road Traffic Act

The Road Traffic Act is amended as follows:

1) **Section 190²²** shall be supplemented with subsection 10 worded as follows:

“(10) Registration fee for a motor vehicle of category M1 with more than seven seats shall be calculated on the basis of the registration fee rate for a category N1 motor vehicle.”;

2) Subsection 1¹ is added to section 190²⁷, worded as follows

“(1¹) If a person has paid more than the prescribed registration fee, the excess amount shall be refunded upon the person's request.”