



EUROPEAN COMMISSION

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His Excellency
Mr Jean-Noël Barrot
Minister for Europe and Foreign Affairs
37, Quai d'Orsay
F - 75351 Paris

France

Subject: Notification 2025/78/FR

Provisions of Articles 8, 8bis and 9 of the draft Finance Law for 2025 relating to motor vehicle taxation

Issue of comments pursuant to Article 5(2) of Directive (EU) 2015/1535 of 9 September 2015

Dear Minister,

In the context of the notification procedure provided for in Directive (EU) 2015/1535 ⁽¹⁾, on 7 February 2025, the French authorities notified the Commission of the draft provisions of Articles 8, 8bis and 9 of the draft finance bill for 2025 relating to motor vehicle taxation ('the notified draft').

According to the notification message, the notified draft provides for an increase in the tax on carbon dioxide emissions and the tax on the mass in running order of passenger vehicles, a change in the way in which the CO₂ and weight penalties are reduced, and the creation of an annual incentive tax on the acquisition of low-emission light-duty vehicles for large private fleets.

Examination of the notified draft has led the Commission to make the following observations under Article 5(2) of Directive (EU) 2015/1535.

COMMENTS

The services of the European Commission understand that with the entry into force of the new scheme, there will be two categories of imported cars on the French used car

¹() Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and rules on Information Society services, OJ L 241 dated 17.9.2015, p. 1.

market, namely those that have already registered under the old taxation scheme and those that will be registered under the new taxation scheme.

For example, a car of model year 2020 imported from another Member State and registered in France before 2025 will necessarily have been registered under the old system, whereas a similar car of the same model year could be imported into France in 2026 and would then have to be registered under the new system.

In this respect, the services of the European Commission draw the attention of the French authorities to the well-established case-law of the Court of Justice ⁽²⁾, according to which there is an infringement of Article 110 TFEU where the amount of the registration tax on a second-hand vehicle from another Member State exceeds the residual amount of that tax incorporated in the value of similar second-hand vehicles already registered in the national territory, as this would risk favouring the sale of domestic second-hand vehicles and thus discourage the importation of similar second-hand vehicles.

However, the Member States' powers to make new tax arrangements or to change the basis of assessment of existing taxes are not unlimited. The prohibition laid down in Article 110 TFEU applies whenever a fiscal charge is liable to discourage imports of goods originating in other Member States in favour of domestic goods. Thus, Member States may not introduce new taxes or make amendments to existing taxes which have the purpose or effect of discouraging the sale of imported products in favour of the sale of similar products available on the national market and introduced on that market before the entry into force of those taxes or changes.

Thus, in the above example, if in 2026 the residual amount of tax still incorporated in the value of the car registered under the old tax system were to be less than the tax that will be levied on a similar comparable car that will be registered for the first time in France in the same year but under the new tax system, then it will be more advantageous to acquire such a car already on the French market rather than to import one from another Member State.

Such a discriminatory effect can only be avoided if it is possible under the new taxation system to opt for the lowest residual amount of registration tax still incorporated in the value of similar used vehicles already registered on national territory.

Consequently, the French authorities are invited to ensure that the application of the new legislation will in no case lead to an infringement of the provisions of Article 110 TFEU, as interpreted by the Court of Justice.

The Commission invites the French authorities to take the above-mentioned comments into account.

The Commission furthermore recalls that once the definitive text has been adopted, it must be communicated to the Commission in accordance with Article 5(3) of Directive (EU) 2015/1535.

²() Judgment of the Court of Justice of 19 December 2013, [X](#), C-437/12, EU:C:2013:857.

Yours sincerely,

For the Commission

Kerstin Jorna
Director-General

