



## ● Road charging and vehicle taxation - the EU perspective

### The revision of the “Eurovignette” Directive

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 “Taxing mobility – a new way ahead”  
 a seminar by the Belgian Institute of Public  
 Finances

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## Main vehicle related taxes and charges

- Taxes on vehicle acquisition
  - » Value added tax
  - » Registration tax / Registration fee
- Taxes on vehicle ownership
  - » Annual circulation tax
- Taxes and charges on the use of the vehicle
  - » Excise duty on fuels
  - » Tolls on roads/bridges/tunnels
  - » Time based user charges (vignettes)



## EU legal framework for vehicle taxation (1)

- Registration tax
  - » Not harmonised at EU level
  - » Commission proposal for a Directive on passenger car related taxes adopted in 2005 but has not become law
    - Abolition of car registration taxes over a transitional period
    - Refund of a portion of the registration tax if the car is transferred to another Member State
    - Introduction of a CO2 element in the tax base
  
- Annual vehicle tax
  - » Directive 1999/62 specifies the minimum rates of annual vehicle tax for heavy goods vehicles
  - » Large differences between national tax rates (up to 800% difference for vehicles used in international transport and more for smaller vehicles)
  - » No similar EU legislation for other vehicles



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## EU legal framework for vehicle taxation (2)

- Excise duty on fuels
  - » The Energy Taxation Directive was adopted in 2003 - harmonisation to a certain degree at EU level including minimum rates
  - » Commission proposal to overhaul existing rules adopted in April 2011
    - Minimum tax rate would be split into two parts: one for CO2 element and one for energy content
    - Promotion of energy efficiency and more environmental friendly products
    - Creation of a level playing field for industry across the EU



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## EU legal framework for road charging

- Charging schemes applied to cars must respect general [Treaty principles](#) (non-discrimination and proportionality)
- Electronic tolls will have to comply with Directive 2004/52/EC ensuring [interoperability](#) as from 2012 (trucks) / 2014 (passenger cars)
- Charging schemes applied to [heavy goods vehicles](#) must be in line with Directive 1999/62/EC (the so-called 'Eurovignette' Directive)
- [No obligation](#) to levy tolls or user charges

## Objectives of road charging

- Revenue generation for the recovery of infrastructure costs from transport users (the User Pays principle)
- Demand management to optimise the use of infrastructure
- Internalisation of external costs (the Polluter Pays principle)
- Ensure fair competition among transport modes

## Why the EU needs to be involved in road charging policy?

- To prevent any discrimination on grounds of nationality
- To protect the internal market by ensuring fair competition and avoiding obstacles to the free movement of persons and goods
- To promote sustainable transport (less pollution, less congestion, less CO2 emission, less accidents)

## Evolution of the “Eurovignette” Directive

Infrastructure  
financing



Traffic  
management

### Current Directive:

- Tolls can recover infrastructure costs (**‘user pays principle’**) but not pollution costs

### Proposed New Directive:

- Implementation of the **‘polluter pays principle’** through additional air and noise pollution charges
- Reduce congestion through **more differentiated tolls**

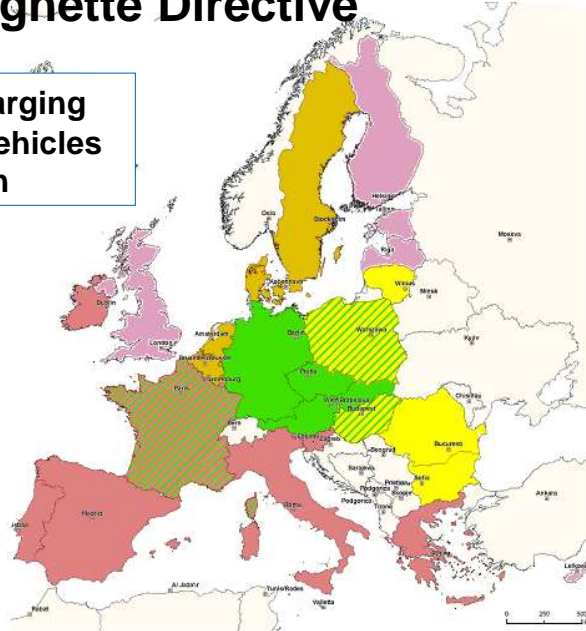
### What is (and will remain) outside the scope?

- Passenger cars, urban areas (and still no mandatory tolling)

## The Eurovignette Directive

### Current road charging of heavy goods vehicles in the Union

-  Integrated electronic network-wide toll collection
-  Eurovignettes
-  National vignettes
-  Toll collection with physical barriers on the main motorways
-  Neither vignettes nor tolls
-  Integrated electronic network-wide toll collection under preparation



## Expected benefits from internalisation in road freight transport

- Fleet renewal
- Increased loading factor and less empty returns
- Re-optimised routing and scheduling
- Less harmful emissions and noise
- Less congestion and increased reliability of delivery times
- Additional funds for investments in transport



## Estimated impact of internalisation on selected product prices on Rotterdam to Köln corridor\*



\* For a EURO IV truck, based on the original Commission proposal

## The 2011 White Paper on Transport

- The White Paper defines **a European strategy and an action plan for transport** policy that will be implemented over the next decade
- The aim is to **achieve transport sustainability**, which requires actions to
  - » reduce environmental impact
  - » reduce dependency on fossil fuels
  - » alleviate congestion
  - » promote competitiveness, enhance quality of services and jobs
- The White Paper is available for download at:  
[http://ec.europa.eu/transport/strategies/2011\\_white\\_paper\\_en.htm](http://ec.europa.eu/transport/strategies/2011_white_paper_en.htm)

# Thank you for your attention!

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