

Electric cars become even more attractive as company cars



Yesterday, the Bundestag passed the law on further tax incentives for electric mobility. Reinhard Zirpel, President of the Association of International Motor Vehicle Manufacturers (VDIK), commented: "This will make electric cars even more attractive as company cars. This is an important signal to potential e-car buyers. Anyone who buys an electric vehicle as a company car in the next ten years will pay significantly less tax than a car with a conventional drive."

With the passed law, the already existing reduced taxation of private use will be extended to electric company cars, which will be purchased until December 31, 2030. In addition, the tax base for the taxation of private use for purely electric vehicles with a maximum gross list price of 40,000 euros will be halved again to 25 percent.

For plug-in hybrids, the reduction applies if CO₂ emissions are either a maximum of 50 grams per kilometre or if they have a purely electric minimum range. This range must be at least 60 kilometres for vehicles purchased between 2022 and 2024. From 2025 it will increase to at least 80 kilometres.

The Bundestag has also introduced special depreciation for all purely electric commercial vehicles in categories N1, N2 and N3. The existing tax exemptions for free charging at the workplace were also extended until the end of 2030. The regulations will come into force on 01 January 2020.