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By PwC Deutschland | 23 January 2014

Decree on private use of electric-powered company cars

The finance ministry has published a decree with sample calculations of the taxable benefit from the private use of a company car powered by electricity.

https://blogs.pwc.de/en/german-tax-and-legal-news/article/229456/

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The monthly taxable benefit to an employee of his private use of a company car can be taken at 1% of the list price when new. However, electrically powered vehicles are generally sold complete with batteries. The Income Tax Act provides that the list price of such vehicles be reduced by the amount attributable to the batteries. For vehicles first registered in 2013 and earlier this is to be taken at €500/KWH of battery capacity with a maximum limit if €10,000. For vehicles registered in 2014 and later years these figures are to be reduced by €50/€500 for each year. The same reduction is to be made to the depreciation base of the car for those calculating their taxable benefit at its actual cost. The finance ministry has published the discussion draft of a decree illustrating the principle with sample calculations. Industrial and professional associations have been given until February 14 to comment.

Keywords

company car, electric car, private use