



Council of the
European Union

Brussels, 15 February 2021
(OR. en)

5826/21

Interinstitutional File:
2021/0010 (NLE)

FISC 15
ECOFIN 85
ENER 25
TRANS 43

LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: COUNCIL IMPLEMENTING DECISION authorising the Netherlands to apply a reduced rate of taxation to electricity supplied to charging stations for electric vehicles

COUNCIL IMPLEMENTING DECISION (EU) 2021/...

of ...

**authorising the Netherlands to apply a reduced rate of taxation
to electricity supplied to charging stations for electric vehicles**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive [2003/96/EC](#) of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity¹, and in particular Article 19 thereof,

Having regard to the proposal from the European Commission,

¹ [OJ L 283, 31.10.2003, p. 51.](#)

Whereas:

- (1) By means of Council Implementing Decision (EU) 2016/2266¹, the Netherlands was authorised, in accordance with Article 19 of Directive 2003/96/EC, to apply a reduced rate of taxation to electricity supplied to charging stations directly used for charging electric vehicles until 31 December 2020.
- (2) On 30 March 2020 the Netherlands requested authorisation to continue to apply a reduced rate of taxation to electricity supplied to charging stations for electric vehicles for the period from 1 January 2021 to 1 January 2025. At the request of the Commission, the Netherlands provided additional information in support of its application on 20 November 2020.
- (3) The reduced rate of taxation is intended to further promote the use of electric vehicles by reducing the costs for the electricity used to propel such vehicles.
- (4) The use of electric vehicles does not involve the emission of air pollutants originating from the combustion of petrol and diesel or other fossil fuels and therefore contributes to the improvement of air quality in cities. Furthermore, the use of electric vehicles can reduce CO₂ emissions, particularly where the electricity used is produced from renewable energy sources. The application of a reduced rate of taxation on electricity supplied to charging stations for electric vehicles is therefore expected to contribute to the environmental, health and climate policy objectives of the Union.

¹ Council Implementing Decision (EU) 2016/2266 of 6 December 2016 authorising the Netherlands to apply a reduced rate of taxation to electricity supplied to charging stations for electric vehicles (OJ L 342, 16.12.2016, p. 30).

- (5) The Netherlands highlighted that the reduced rate of taxation would apply to the supply of electricity to charging stations for electric vehicles with a direct connection to the electric grid, including public charging stations and some private or corporate charging stations.
- (6) The Netherlands requested that the reduced rate of taxation on electricity apply only to charging stations where the electricity is used to charge an electric vehicle directly and that it not apply to electricity that is provided through the exchange of batteries.
- (7) A reduced rate of taxation on electricity supplied to electric vehicles through charging stations will improve the business case for publicly accessible charging stations in the Netherlands, which will make the use of electric cars more attractive and result in an improvement in air quality.
- (8) Considering the relatively limited number of electric vehicles and the fact that the level of taxation on electricity supplied to electric vehicles through charging stations that are for business use will be above the minimum level of taxation laid down in Article 10 of Directive 2003/96/EC, the reduced taxation rate is unlikely to lead to distortions in competition during the period for which the authorisation is requested and will thus not negatively affect the proper functioning of the internal market.

- (9) The level of taxation on electricity supplied to electric vehicles through charging stations that are not for business use will be above the minimum level of taxation for non-business use laid down in Article 10 of Directive 2003/96/EC.
- (10) Each authorisation granted under Article 19(1) of Directive 2003/96/EC is to be strictly limited in time. In order to ensure that the authorisation period is sufficiently long so as not to discourage the relevant economic operators from making the necessary investments, it is appropriate to grant the authorisation for the period requested. However, the authorisation should cease to apply from the date of application of any general provisions on tax advantages for electricity supplied to electric vehicles adopted by the Council under Article 113 or any other relevant provision of the Treaty on the Functioning of the European Union in the event that such provisions become applicable before 1 January 2025.
- (11) In order to avoid a potential increase in the administrative burden for distributors and redistributors of electricity resulting from changes to the applicable tax rates, the Netherlands should be able to apply the reduced rate of taxation to electricity supplied to electric vehicles without interruption. The authorisation requested should therefore be granted with effect from 1 January 2021, in order to follow seamlessly on from the previous arrangement authorised by Implementing Decision (EU) 2016/2266.
- (12) This Decision is without prejudice to the application of Union rules regarding State aid,

HAS ADOPTED THIS DECISION:

Article 1

For the purposes of this Decision, 'electric vehicle' means an electric vehicle as defined in point (2) of Article 2 of Directive 2014/94/EU of the European Parliament and of the Council¹.

Article 2

The Netherlands is authorised to apply a reduced rate of taxation to electricity supplied to charging stations used directly for charging electric vehicles, excluding charging stations for the exchange of batteries for electric vehicles, provided that the minimum levels of taxation laid down in Article 10 of Directive 2003/96/EC are respected.

Article 3

This Decision shall apply from 1 January 2021 until 1 January 2025.

In the event that the Council, acting on the basis of Article 113 or any other relevant provision of the Treaty on the Functioning of the European Union, provides for general rules on tax advantages for electricity supplied to electric vehicles, this Decision shall cease to apply on the date on which such general rules become applicable.

¹ Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure (OJ L 307, 28.10.2014, p. 1).

Article 4

This Decision is addressed to the Kingdom of the Netherlands.

Done at Brussels,

For the Council

The President
