



CAR AND TAXES

Advisory Handbook 2025

ESJ

Tax-efficient driving has become increasingly challenging in recent years, as vehicle tax regulations have tightened. It is still possible, but the benefits are now accessible to a smaller group. This advisory handguide provides an overview of the tax outlook for vehicles.

If you drive an environmentally friendly vehicle, you may have benefited from numerous tax advantages. Over recent years, these advantages have been gradually reduced. Although now more limited, several tax benefits are still available in 2025.

PRIVATE USE OF COMPANY CAR

For most new company cars that are also used privately, a standard additional taxable amount (bijtelling) of 22% of the catalogue value (including VAT and BPM) has applied since 2017. Only cars with zero CO2 emissions qualify for a reduced additional taxable amount. This reduction applies in the month of registration and for the following 60 full months. After that period, the additional taxable amount is recalculated annually based on the applicable rates at that time.

Emission-free cars that were registered in 2020 are still subject to an 8% additional tax rate for part of 2025. Later in 2025, the additional tax rate for these cars will need to be adjusted according to the 2025 regulations (see below).

2020

- Electric vehicles registered in 2020 benefit from a lower additional taxable amount of 8% on the catalogue value up to €45,000 and 22% on any amount above that.
- This rate also applies to hydrogen vehicles and covers the full catalogue value.

2021

- Electric vehicles registered in 2021 qualify for a lower additional taxable amount of 12% on the first €40,000 of the catalogue value and 22% on any amount above that.
- Hydrogen and solar-powered vehicles are subject to an additional taxable amount of 12% on the full catalogue value.

2022

- Electric vehicles registered in 2022 benefit from an additional taxable amount of 16% on the first €35,000 of the catalogue value and 22% on any amount above that.
- Hydrogen and solar-powered vehicles are subject to an additional taxable amount of 16% on the full catalogue value.

2023

- Electric vehicles registered in 2023 are subject to an additional taxable amount of 16% on the first €30,000 of the catalogue value and 22% on any amount above that.
- Hydrogen and solar-powered vehicles are subject to the same 16% on the full catalogue value.

2024

- Electric vehicles registered in 2024 are subject to an additional taxable amount of 16% on the first €30,000 of the catalogue value and 22% on any amount above that.
- This also applies to hydrogen and solar-powered vehicles.

2025

The following additional taxable amounts (bijtelling) and CO2 limits apply to new vehicles in 2025:

Vehicle Type	Additional Taxable Amount	CO2 Emissions
Electric	17% up to €30,000/22% on the remainder	0
Hydrogen	17%	0
Solar-powered	17%	0
Other (combustion)	22%	> 0

The tightening of CO2 limits does not mean that you will face a new additional taxable amount every year. A fixed additional taxable amount applies to all vehicles for a period of 60 months. After this period, the additional taxable amount is determined based on the rates applicable at that time.

Important!

Vehicles first registered on or before 31 December 2016 will not have an additional taxable amount of 22% after 60 months, but 25%. The only exception is for vehicles with zero CO2 emissions. Zero-emission vehicles receive a 5% discount on the standard additional taxable amount up to a catalogue value of €30,000 in 2025.

For example, an electric vehicle from 2016 will have an additional taxable amount of 20% (25% - 5%) up to a value of €30,000, and 25% above that. An electric vehicle first registered in 2017 will have an additional taxable amount of 17% (22% - 5%) up to €30,000 and 22% for the remainder. Vehicles that have completed the 60-month period will be subject to the latest annual adjustments.

Tip!

For business owners subject to income tax, the additional taxable amount cannot exceed the total car expenses claimed against profits in a year.

FROM 2026 ONWARDS

From 2026, a single additional taxable amount of 22% will apply to all vehicles, and there will no longer be an advantage for zero-emission vehicles.

LESS THAN 500 KILOMETRES?

The additional taxable amount can be avoided entirely if you can prove that your private use of the vehicle does not exceed 500 kilometres per year. Commuting is considered business use, even if you return home for lunch.

Important!

If your vehicle is over 15 years old, the standard additional taxable amount is not 22% of the catalogue value, but 35% of the vehicle's market value.

ENVIRONMENTAL INVESTMENT ALLOWANCE (MIA)

In 2025, there is no entitlement to the Small-Scale Investment Allowance (KIA) for passenger cars and delivery vans. For hydrogen-powered passenger cars and delivery vans, the MIA is 45% of a maximum of 90% of the investment amount. The maximum for passenger cars is €75,000, and for delivery vans, it is €125,000.

Note!

If a subsidy has already been received under the Hydrogen in Mobility Subsidy Scheme (SWIM), it is likely that the environmental investment allowance cannot be used.

For passenger cars equipped with solar panels, the MIA is 36% on up to 90% of the investment amount, with a maximum of €100,000.

Summary of MIA Rates:

Vehicle Type	MIA Percentage	Maximum Investment Amount
Hydrogen passenger cars	45%	€75,000
Solar-powered cars	36%	€100,000
Hydrogen delivery vans	45%	€125,000

NOTIFICATION TO RVO

To qualify for the Environmental Investment Allowance (MIA), the investment must be reported to the Netherlands Enterprise Agency (RVO) within three months of committing to the investment. The date of use or invoicing is not relevant for this notification. However, the date of use or payment may be important for determining when the deduction can be applied in the income tax or corporate tax return.

MOTOR VEHICLE TAX

The amount of motor vehicle tax (MRB) depends on several factors, including the vehicle's CO2 emissions. For passenger cars with zero CO2 emissions, a 75% discount on the standard MRB rate applies in 2025. For plug-in hybrids with a maximum CO2 emission of 50 grams per kilometre, a 25% discount applies.

Entrepreneurs pay MRB for a commercial van. The condition is that the van must be used for business purposes more than 10% of the time. You must be able to demonstrate this if requested, but a mileage record is not required. In addition, electric commercial vans receive a 75% discount on the rate for business-used vans.

VEHICLE REGISTRATION TAX

When your vehicle is registered, vehicle registration tax (BPM) is charged. For passenger cars, the amount of BPM is based on CO2 emissions. As of 2025, there is no longer a BPM exemption for passenger cars with CO2 emissions of 0 g/km. However, an exemption still applies to commercial vehicles with CO2 emissions of 0 g/km. For passenger cars that do not qualify for an exemption, the BPM amount increases as CO2 emissions increase.

Note!

The BPM exemption for business owners has been abolished as of 2025. The exemption still applies to commercial vehicles purchased before 2025, provided the applicable conditions are met. This includes the requirement that the commercial vehicle is used for business purposes at least 10% of the time.

IN SUMMARY

Purchasing an energy-efficient vehicle can still offer several tax benefits in 2025. This Advisory Handbook has provided you with a general overview of these tax benefits. For advice specific to your situation, please contact us.

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Disclaimer

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