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DG Competition

State aid for R&D&I, IPCEI and Environment
State aid: General Scrutiny and Enforcement

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Office of Competition and Consumer Protection

Plac Powstańców Warszawy 1
00-950 Warszawa
Poland

Subject: SA.49981 (2018 /PN) - Polish Electro-mobility and Alternative Fuels Act

Dear Madam, dear Sir,

I refer to the submission of the Polish authorities of 16 April 2018, as well as subsequent exchanges, regarding four proposed measures, which Poland intends to implement under the Act on Electro-mobility and Alternative Fuels to support the development of low emission mobility in Poland.

In this regard, this letter concerns two of these measures pre-notified to the Commission on 16 April 2018 under EU State Aid rules, i.e.:

- **measure 1**: an exemption from an excise duty for electric/hydrogen fuelled and smaller hybrid vehicles;
- **measure 2** : an increase by up to PLN 225,000 (approx. EUR 52,500) in the amount of the purchase value of an electric vehicle that can be written off by entrepreneurs resulting in a difference amounting to PLN 75,000 (approx. EUR 17,500) in comparison to the limit applicable to all other categories of passenger cars.

In essence, the Commission services understand that, pursuant to the information submitted to it by the Polish authorities, the following applies to the two measures mentioned above:

In the case of the first measure, the Polish authorities are introducing an exemption from excise duties for two categories of cars: (1) zero emission vehicles (electric/hydrogen); and (2) until 1 January 2021 for hybrid low emission vehicles with a combustion engine capacity of 2,000 cm³ or less. This excise duty exemption will apply to all buyers (private users and undertakings), who decide to buy a zero or low emission car. The

Commission services note that the pre-notified measure seems to follow an acceptable environmental objective/logic. In particular, the transitional arrangement for hybrid cars has been introduced to take into account the possible future evolution of low emission technologies, as a result of which in a few years it is likely that hybrid cars may no longer reflect the best environmental standards.

As regards the second measure, the Commission services understand that the Polish authorities intend to introduce, for passenger electric cars, a higher write-off/depreciation amount resulting in a difference amounting to PLN 75,000 (approx. EUR 17,500) in comparison to the depreciation limit applicable to all other categories of passenger cars. Any buyer, entitled to write off vehicle purchase costs is eligible for support under the measure and thus the measure does not favour any specific undertaking.

Based on the information provided by the Polish authorities, the Commission services consider that as the two measures covered by this letter are open to all actual and potential buyers who are subject to the relevant tax rules in Poland, the measures can be regarded, therefore, as general in nature and falling outside the scope of Article 107(1) TFEU.

This position is not a definitive position of the European Commission itself, but guidance provided by the Commission services, based on the information which the Polish authorities have provided.

Yours sincerely,



Demos Spatharis
Head of Unit