

Norway seeks 'Tesla tax' on electric cars

October 12 2017



Abolishing Norway's tax exemptions for electric cars would slap thousands on the purchase price of a Tesla

Norway, a world leader of zero-emission vehicles, on Thursday proposed a "Tesla tax" aimed at cutting a tax advantage granted to large electric cars in a heavily criticised move.

Electric cars, which have hitherto been exempted from heavy taxes imposed on other vehicles, accounted for 20 percent of new registrations in the Nordic country since the beginning of this year, an unprecedented

market share in the world.

In a 2018 finance bill presented to the parliament on Thursday, the right-wing minority government suggested removing a one-off tax exemption for new electric cars weighing more than two tonnes.

The proposal was immediately dubbed the "Tesla tax" because it primarily affects the high-end models made by the American manufacturer. Buying a new Tesla X would cost about 70,000 kroner (7,500 euros, \$8,800) more.

Justifying the proposed tax measures, Finance Minister Siv Jensen argued that these heavy sedans exhaust the roads as much as gasoline and diesel cars, and that the owners should therefore contribute.

The proposal has sparked a heated debate.

"It's a tax bomb," Norwegian Electric Vehicle Association Secretary General Christina Bu told AFP.

"This was unexpected by both the drivers and by the car industry and it sends a bad signal to the Norwegians and the world" for which the nation is often a model in this matter, Bu added.

She underlined that Norway has set an ambitious target of ending the sales of new cars with combustion engines as early as 2025.

The largest oil producer in western Europe, Norway has introduced many incentives to purchase electric cars.

In addition to generous tax exemptions, which critics say allow the richest to buy Tesla vehicles at a good price, Norway's electric car drivers benefit from free city tolls, free parking and the possibility of

travelling in the bus corridors.

The government needs the support of other parties in the parliament to get its budget approved.

Its traditional centre-right allies have already spoken out against the "Tesla tax", noting a 2015 agreement has granted tax advantages for [electric cars](#) until 2020.

© 2017 AFP

Citation: Norway seeks 'Tesla tax' on electric cars (2017, October 12) retrieved 31 March 2023 from <https://phys.org/news/2017-10-norway-tesla-tax-electric-cars.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.