Table 3.6: Direct fiscal losses and its determinants, 18 EU member states, 2008

Groups	Country	Imputation rate	Marginal tax rate	Company car sales as percentage of GDP, 2008	Loss, share of GDP (%)	Loss, in billion €
0-15 percent	Greece	0%	52%	0,6%	0,3%	0.8
	Portugal	9%	54%	1,5%	0,5%	0.8
	Czech Republic	12%	52%	0,7%	0,3%	0.4
	Germany	12%	56%	2,1%	0,9%	22.9
	Slovakia	12%	43%	0,7%	0,1%	0.2
	Weighted average/Total	**11%**	**56%**	**1,9%**	**0,8%**	**25.1**
15-24 percent	Sweden	9%+extras	65%	1,1%	0,3%	1.1
	Finland	17%	58%	1,1%	0,2%	0.3
	Austria	18%	57%	1,6%	0,6%	1.6
	Luxembourg	18%	54%	2,1%	0,6%	0.2
	Slovenia	18%	48%	2,1%	0,6%	0.2
	Spain	20%	45%	1,1%	0,4%	4.0
	Weighted average / Total	**16%***	**52%**	**1,2%**	**0,4%**	**7.5**
Above 24 percent	Denmark	25%	61%	1,1%	0,2%	0.6
	Netherlands	25%	52%	1,3%	0,2%	1.5
	United Kingdom	25%	47%	1,4%	0,4%	5.9
	Italy	30%	64%	1,1%	0,5%	8.2
	Weighted average / Total	**27%**	**55%**	**1,3%**	**0,3%**	**16.3**
n.a.	Belgium	n.a.	68%	2,0%	1,2%	4.1
	Hungary	n.a.	65%	1,1%	0,8%	0.8
	Poland	n.a.	45%	0,7%	0,0%	0.0
	Weighted average / Total	**n.a.**	**58%**	**1,3%**	**0,6%**	**5.0**
	Total weighted average / Total	**18%***	**55%**	**1,4%**	**0,5%**	**53.9**

*Note: In the weighted average for each group, the share of total GDP within the group is used as a weight. In the total weighted average, the share of total GDP (of the 18 countries) is used as a weight. France is not included. The loss as share of GDP for Poland is set to zero. * Sweden is not included in the calculated weighted average. The marginal tax rate for each country is an average weighted by the value of company cars in the 6 segments.*
Source: Copenhagen Economics

Examples of tax systems promoting large cars

We find that only 7 out of the 18 surveyed tax systems actually promote large segments more than small segments. These are the systems where the tax base is not proportionately dependent on car value, and therefore give rise to higher subsidies to larger cars: i.e. Austria, Belgium, Denmark, Finland, Greece, Poland and Sweden. Austria provides a case-in-point of a system promoting large cars since there is a ceiling on the maximum increase in the tax base.

However, we note that in systems where the relative subsidy may be approximately constant or slightly declining in larger segments, the absolute amount of subsidy increases, which may also promote larger cars.

Examples of systems promoting high private use

We find that the level of subsidy rises significantly when private use increases, especially in the case of cheaper cars. For example, it is common to observe the level of subsidy for a car in the mini segment to increase by about 10 percentage points when use is high.