

FOCUS ON ...

ACCOUNTING



February 2023

End of the TVS replaced by the annual CO2 tax and the annual air pollutant emissions tax

Companies owning passenger cars must pay the tax on company vehicles (TVS). In 2023, the TVS is replaced by 2 new taxes:

- The annual CO2 tax,
- The annual air pollutant emissions tax.

The tax on company vehicles (TVS)

What was it?

The tax on company vehicles (TVS) is payable by companies having their registered office or an establishment in France for the passenger vehicles they use, own or lease in France, whether these vehicles are registered in France or in another State.

What does it become?

As of January 1, 2022, passenger vehicles used in France for the purpose of economic activities will be subject to 2 annual taxes:

- A tax on carbon dioxide emissions,
- A tax on air pollutant emissions.

Who is liable for the CO2 tax and the tax on the age of vehicles?

These taxes are payable by companies that:

- Hold "vehicles used for economic purposes",
- Or by disposing of them within the context of rented or made available (long term rental, i.e. for a period of more than one calendar month or 30 consecutive days),
- Or pay for the acquisition or use of these vehicles.

Which vehicles are affected?

The passenger vehicles subject to these taxes are still those :

- Of category M1, with the exception of special purpose vehicles that are not wheelchair accessible,
- N1 categories of the "Pick-up truck" with at least 5 seats,
- N1 multipurpose vehicles intended for the transportation of passengers and their baggage or goods.

Which vehicles are exempt?

The following vehicles are exempt from these 2 taxes:

- Electric and hybrid vehicles (with carbon dioxide emissions of less than 60 g/km),
- Cars combining electricity and E85,
- Cars running on LPG and CNG,
- Vehicles that can accommodate a person in a wheelchair.

Common criterion for the calculation of the 2 taxes

Before applying the scale of one of the two taxes, it is necessary to determine the coefficient of use of the vehicle for economic purposes.

The amount of the tax is constituted by the product of this coefficient and the amount resulting from the scale which concerns it. **The coefficient of assignment of the vehicle for economic purposes is calculated as follows:**

1. When the vehicle is owned by the registrant: Number of days in the year that the vehicle was used in an economic activity / number of days in the calendar year,

2. When the vehicle is not owned by the company but the company pays the expenses based on the distance traveled: by applying the percentage shown in the table below to the rate calculated in 1:

Annual distance travelled (in km)	Percentage
From 0 to 15 000	0
From 15 001 to 25 000	25
From 25 001 to 35 000	50
From 35 001 to 45 000	75
Higher than 45 000	100

3. Optional only until January 1, 2025:

by a flat rate calculation on a quarterly basis. In this case, the rate calculated in 1 is replaced by the product of the 25% percentage and by 3-month periods the vehicle is used.

The annual CO2 tax

What is it?

This tax is based on the CO2 emission level of passenger vehicles used for the taxpayer's economic needs.

How is this tax calculated?

The calculation of this tax is based on the following elements:

- On the coefficient of use of the vehicle for economic purposes (see above),
- On the duration of use counted in number of days over a calendar year and according to the registration system on which the vehicle depends,
- For vehicles registered after March 1, 2020, the WLTP certification system will apply and will measure (scale 1):
 - Fuel consumption,
 - Electrical autonomy,
 - CO2 emissions and other pollutants.

- For vehicles used since January 2006, but first put into service after June 1, 2004, the NEDC standard applies and is used to determine the CO2 emission rate (scale 2).
- For vehicles that do not fall under these 2 schemes, the fiscal power applies (scale 3).

The corresponding scales are presented in the appendix at the end of this sheet.

Specific exemptions from the CO2 tax applicable to hybrid vehicles

Hybrid vehicles can benefit from a specific exemption, which is not applicable to the vehicle age tax.

To be considered hybrid, vehicle energy sources must combine:

- Either, on the one hand, electricity or hydrogen and, on the other hand, natural gas, liquefied petroleum gas, gasoline or superethanol E85,
- Either, on the one hand, natural gas or liquefied petroleum gas and, on the other hand, gasoline or superethanol E85.

This exemption is permanent or optional depending on the thresholds set for each of the 3 scales below:

- **Scale 1: 60 g/km for a permanent exemption**, 120 g/km and a maximum vehicle age of 3 years for a temporary exemption,
- **Scale 2: 50 g/km for a permanent exemption**, 100 g/km and a maximum seniority of 3 years for a temporary exemption,
- **Scale 3: 3 HP for a permanent exemption**, 6 HP and a maximum seniority of 3 years for a temporary exemption.

The annual air pollutant emissions tax

What is it?

This tax is based on the level of pollution emitted by the engine and the year the vehicle was put into circulation.

How is this tax calculated?

The calculation of this tax is based on the following elements:

- On the coefficient of use of the vehicle for economic purposes (see above),
- On the following scale, which is based on the age and fuel type of the vehicle concerned.

Year of first registration of the vehicle	Diesel and similar	Other
Until December 31, 2000	600 €	70 €
From 2001 to 2005	400 €	45 €
From 2006 to 2010	300 €	45 €
From 2011 to 2014	100 €	45 €
As of 2015	40 €	20 €

The tax authorities consider that the following vehicles consume diesel fuel:

- Vehicle using a combined diesel and non-diesel fuel source and emitting more than 120 g/km of CO2, in the case of vehicles registered using the WLTP method,
- Vehicles using an energy source that combines diesel with another product and that emit more than 100 g/km of CO2, if they have been the subject of European type approval and registered for the first time as of June 1, 2004 and which were not used by the taxpayer before January 1, 2006,
- Vehicles whose administrative power exceeds 6 HP if they do not fall under the 2 previous categories.

How to declare and pay these 2 taxes?

The formalities for the declaration and payment of the CO2 tax depend on the company's VAT status:

- Taxpayers subject to the normal real taxation system or those not liable for VAT must declare the tax on appendix n°3310 - A of the return to be filed during the month of January following the tax period. Companies not liable for VAT have until January 25 to make this declaration,
- Taxpayers subject to the simplified VAT taxation system must use form n°3517 (CA12) which must be filed for the fiscal year in which the tax became payable.

The tax authorities provide a calculation assistance sheet (form n° 2858-FC-SD) on [impots.gouv.fr](https://www.impots.gouv.fr).

Schedule 1 for WLTP approved vehicles (from March 1, 2020)

Carbon dioxide emissions (in g/km)	Rate per vehicle (in €)	Carbon dioxide emissions (in g/km)	Rate per vehicle (in €)	Carbon dioxide emissions (in g/km)	Rate per vehicle (in €)	Carbon dioxide emissions (in g/km)	Rate per vehicle (in €)
< 21	0	83	125	146	482	209	3992
21	17	84	126	147	500	210	4032
22	18	85	128	148	518	211	4072
23	18	86	129	149	551	212	4113
24	19	87	131	150	600	213	4175
25	20	88	132	151	664	214	4216
26	21	89	134	152	730	215	4257
27	22	90	135	153	796	216	4298
28	22	91	137	154	847	217	4340
29	23	92	138	155	899	218	4404
30	24	93	140	156	952	219	4446
31	25	94	141	157	1005	220	4488
32	26	95	143	158	1059	221	4531
33	26	96	144	159	1113	222	4573
34	27	97	146	160	1168	223	4638
35	28	98	147	161	1224	224	4682
36	29	99	149	162	1280	225	4725
37	30	100	150	163	1337	226	4769
38	30	101	162	164	1394	227	4812
39	31	102	163	165	1452	228	4880

Scale 1 for WLTP approved vehicles (from March 1, 2020)

Carbon dioxide emissions (in g/km)	Rate per vehicle (in €)	Carbon dioxide emissions (in g/km)	Rate per vehicle (in €)	Carbon dioxide emissions (in g/km)	Rate per vehicle (in €)	Carbon dioxide emissions (in g/km)	Rate per vehicle (in €)
40	32	103	165	166	1511	229	4 924
41	33	104	166	167	1570	230	4 968
42	34	105	168	168	1630	231	5 036
43	34	106	170	169	1690	232	5 081
44	35	107	171	170	1751	233	5 150
45	36	108	173	171	1813	234	5 218
46	37	109	174	172	1875	235	5 288
47	38	110	176	173	1938	236	5 334
48	38	111	178	174	2001	237	5 404
49	39	112	179	175	2065	238	5 474
50	40	113	181	176	2130	239	5 521
51	41	114	182	177	2195	240	5 592
52	42	115	184	178	2261	241	5 664
53	42	116	186	179	2327	242	5 735
54	43	117	187	180	2394	243	5 783
55	44	118	189	181	2480	244	5 856
56	45	119	190	182	2548	245	5 929
57	46	120	192	183	2617	246	6 002
58	46	121	194	184	2686	247	6 052
59	47	122	195	185	2757	248	6 126
60	48	123	197	186	2827	249	6 200
61	49	124	198	187	2899	250	6 250
62	50	125	200	188	2970	251	6 325
63	50	126	202	189	3043	252	6 401
64	51	127	203	190	3116	253	6 477
65	52	128	218	191	3190	254	6 528
66	53	129	232	192	3264	255	6 605
67	54	130	247	193	3300	256	6 682
68	54	131	249	194	3337	257	6 733
69	55	132	264	195	3374	258	6 811
70	56	133	266	196	3410	259	6 889
71	57	134	295	197	3448	260	6 968
72	58	135	311	198	3485	261	7 047
73	58	136	326	199	3522	262	7 126
74	59	137	343	200	3580	263	7 206
75	60	138	359	201	3618	264	7 286
76	61	139	375	202	3676	265	7 367
77	62	140	392	203	3735	266	7 448
78	117	141	409	204	3774	267	7 529
79	119	142	426	205	3813	268	7 638
80	120	143	443	206	3852	269	7 747
81	122	144	461	207	3892	>269	29 € × number of grams per km
82	123	145	479	208	3952		

Scale 2 for vehicles registered after June 1, 2004 but not used for economic purposes before January 1, 2006

Carbon dioxide emissions (g/km)	Annual unit rate (€/g/km)
Less than 21	0,00
From 21 to 60	1,00
From 61 to 100	2,00
From 101 to 120	4,50
From 121 to 140	6,50
From 141 to 160	13,00
From 161 to 200	19,50
From 201 to 250	23,50
Higher than 250	29,00

Scale 3 for other vehicles

Administrative power	Applicable rate
≤ 3 CV	750
From 4 to 6 CV	1400
From 7 to 10 CV	3000
From 11 to 15 CV	3600
> 15 CV	4500

Annexes

Extract from the 3310-A declaration

117	Taxe annuelle sur les émissions de dioxyde de carbone des véhicules de tourisme due au titre de 2022 (CIBS, a du 1 ^{er} de l'art. L421-94) (ex-taxe sur les émissions de CO2, CGI, art. 1010). Une fiche d'aide au calcul (formulaire n°2857-FC-SD) et sa notice sont disponibles sur impots.gouv.fr	4323
	Nombre de véhicules relevant du nouveau dispositif d'immatriculation (depuis le 1 ^{er} mars 2020)	
	Nombre de véhicules ne relevant pas du nouveau dispositif d'immatriculation: (réception européenne, dont la première mise en circulation est intervenue à compter du 1 ^{er} juin 2004 et non utilisés par le redevable avant le 1 ^{er} janvier 2006)	
	Nombre d'autres véhicules soumis à la taxe	
	Nombre de véhicules exonérés dont la source d'énergie est l'électricité, l'hydrogène ou une combinaison des deux	
	Nombre des autres véhicules exonérés	
118	Taxe annuelle sur l'ancienneté des véhicules de tourisme due au titre de 2022 (CIBS, b du 1 ^{er} de l'art. L421-94) (ex-taxe sur les émissions de polluants atmosphériques, CGI, art. 1010). Une fiche d'aide au calcul (formulaire n°2858-FC-SD) et sa notice sont disponibles sur impots.gouv.fr	4313
	Nombre de véhicules exonérés	

**The tax authorities provide a calculation assistance sheet (form n° 2858-FC-SD)
(the link to the site is on page 3 of this form)**



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