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VEHICLE TAX AS AN INSTRUMENT OF PRICE COMPETITIVENESS FOR CARRIERS IN THE EU

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Summary: There are many factors to make the price of road freight transport. A transport company that has been defined as the main business aktivity like a mediation of the transport of goods and services, has a difficult position to succeed in the market, where many companies have the same focus. It is the transport price that is important for the customer, for which the shipment is carried out. Being a transport company, the cheapest for the customer, that means getting it to carry out the transport. In this article the authors look at one of the tools more specifically, which acts on the price of making the price in road freight transport, namely the tax on motor vehicles, through which some carriers can be more competitive as other carriers on the EU transport market.

Key words: vehicle tax, carriers, costs

INTRODUCTION

Motor vehicle tax is revenue for state budgets of EU countries. Each member country has laws enshrined in their own treatment, who is personified by this tax. In most cases, vehicles that are used for business activities are taxed, whether they are trucks or personal vehicles. Some countries such as Austria and Germany are taxing all registered vehicles in its territory, regardless of whether the vehicle is owned by the entrepreneur or not. Tax revenues from motor vehicles should be reworked to improve transport performance. Infrastructure should be financed through this tax. Selected means should be make the reconstruction, maintenance or development of the transport network. From the point of view of EU law, the tax on motor vehicles is governed by the EU Directive 1999/62/ES(1). This Directive lays down the minimum recommended price for heavy goods vehicles, which should be respected by EU Member States. The purpose of this article is to analyze which states did not apply this directive to their national laws in terms of the minimum rate. For this reason, when the rules are not respected and non-uniform taxation of carriers by countries in the EU, there is a different position for carriers in the EU single market. The aim of the paper is also to analyze the possibilities of SR to increase the competitiveness of Slovak carriers in the common EU market thus, to support the operation of new green vehicles and did not reduce the tax collection to the state budget.

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1. VEHICLE TAX IN THE SLOVAK REPUBLIC

This chapter deals with the analysis of taxation of trucks in Slovakia. The tax area of motor vehicles is regulated by Act no. 361/2014 collection law on the taxation of motor vehicles. The subject of the tax is the motor vehicle and the trailer category L, M, N, A, O (L - motor vehicles with less than four wheels and quadricycles, M - motor vehicles having at least four wheels and used for the transport of persons, N - motor vehicles that have at least four wheels and are used to transport costs, A – motorcycles, O – trailers), which is registered in the Slovak Republic and used for business or other self-employed activity in the tax period.

1.1 Under the Motor Vehicle Tax Act, a taxpayer is an individual or legal person who:

- He/she is the keeper of the vehicle in the document - eg. the owner of the vehicle, the lessee of the vehicle on the basis of financial leasing,
- He/she has a record of his organization as a vehicle holder - eg. a foreign person who has an organizational unit in the Slovak Republic,
- He/she uses a vehicle in which the holder of a vehicle is registered as a person who does not use the vehicle for business - eg. a tradesman who has borrowed the vehicle from an unincorporated under a hire purchase agreement,
- He / she is an employer and pays the employee a travel allowance for the use of a vehicle not used for business purposes - eg. if the employee goes on a business trip with his vehicle (2).

1.2 The tax liability for motor vehicles is set on the first day of the month, in which two conditions were met:

1. The vehicle is registered in the Slovak Republic and is subject to tax on motor vehicles,
2. The taxpayer uses it for business or other self-employment (3).

There are also exceptions when vehicles used for business are exempt from tax on motor vehicles - eg. vehicle used for test driving, vehicle designed to perform special activities and another examples.

The tax liability on motor vehicles is extinguished on the last day of the month in which it occurred:

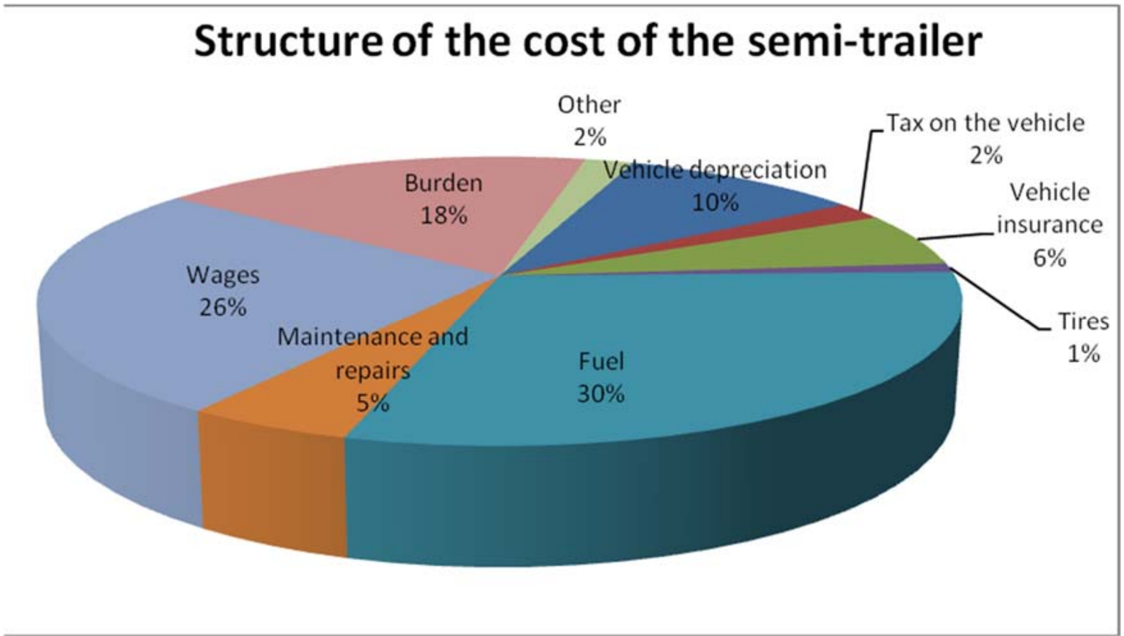
- Withdrawal or temporary disposal of the vehicle from the rekord,
- End or interrupt business,
- Loss of the taxpayer without liquidation.,
- Change of vehicle holder,
- Termination of use of a vehicle by a taxpayer using a vehicle in whose document the holder of a vehicle is registered as a deceased person (individual person), a person who has been dissolved or abolished (a legal person),
- Ending the use of a vehicle by a taxpayer using a vehicle in whose document the holder of a vehicle is registered by a person who does not use the vehicle for business,

- Ending the use of a vehicle by an employer who pays a travel allowance to a staff member for the use of a vehicle not used for business purposes (4).

Tax from taxpayer motor vehicles is determined as the sum of individual taxes on motor vehicles for each vehicle, which was used for business or other self-employment activity in the given tax period. In the fact on the tax base for passenger cars, it is based on engine power – kW, electric vehicles and other passenger cars according to cylinder capacity in cm^3. For commercial vehicles and buses, the tax base is calculated by the number of axles and the total allowable weight. The annual tax rate is then adjusted as a function of time elapsed since the first vehicle registration - of the year of production indicated in the vehicle registration certificate (5).

2. PRACTICAL PART OF RESEARCH TO COMPARE TAX RATES BETWEEN EU COUNTRIES

Pricing in road freight transport affects the amount of costs. It also includes cost for a transport company in the form of a tax on motor vehicles. This research will be devoted by this mentioned cost. The practical part will deal with the tax on motor vehicles in trucks with a total weight of 40 tonnes. In cost items it has the largest share of vehicle costs, costs - fuel, wage costs or infrastructure charges. Approximately 2% of the costs are taxed on motor vehicles, which are among the fixed costs. Figure 1 shows the cost distribution of a semi-trailer with a total weight of 40 tonnes (6).



Sources: authors according to ACEA

Fig. 1 - Structure of the cost of the semi – trailer

Typical loads for a semi-trailer with two axles, the maximum permissible weight on the axles being 18,600 kg and with a three-axle semi-trailer and a maximum permissible weight of

24 000 kg are the costs of Figure 1. Tax on motor vehicles includes direct taxes falls in SR and regulates the taxation of passenger cars, trucks, and buses that are used for business purposes. Of course, it is possible to reduce and increase this rate depending on the use of the ecological engine for the semi-trailer. As already mentioned in this article, not every country adheres to the rules set by the EU. In the Slovak Republic, the tax on motor vehicles is one of the highest taxes throughout the European Union. Given the high tax on the same vehicle, namely a 40 tonne Euro 6 semitrailer, is tax in the Slovak Republic about 2000 euros, where in neighboring countries like Poland, Austria it is worth 900 euros, which is a 100% annual tax difference for one such vehicle. In Directive 1999/62 / EC, the European Union has a fixed minimum tax on motor vehicle tax specifically for trucks valued at 515 €, which many countries do not implement in their domestic laws. The Directive sets minimum tax rates for motor vehicles and semitraillers (7). The tax rates introduced by individual Member States should not be different such as those covered by this Directive. This is due to the disadvantage of Slovak carriers on the transport market. Where there is incomplete competition and favoring those transport companies that have lower fixed-cost costs - vehicle tax. The inequality of the tax on motor vehicles gives a competitive advantage for carriers from those countries where they are lower tax than others. This is also the cost of shipping. The lower the cost of a transport company tax on motor vehicles, this may be cheaper on the transport market, compared to competing transport companies from countries, which are subject to tax on motor vehicles at a higher rate. There are 5 countries under the threshold of the amount of tax determined by the EU Directive (RO, LIT, LUX, SPA, LAT). Around the tax level of 515 €, which are set by the EU Directive are 4 states (EST, FRA, DEN, POR). Other states that were included in the observed research have a tax on motor vehicles from 621 € to € 2233 €. We can see this taxes in Table 1, where the level of tax is at the level of 515 euros. Table 1 shows the values for the semi-trailer sets in the specific countries used in this research.

Tab. 1 - Baseline tax rate for the semi-trailer

State	Annual tax rate (€/year)
Slovakia	2233.00
Czech Republic	2060.05
Greece	1540.00
Germany	1287.24
Hungary	1233.34
Bulgaria	1029.24
Iatly	1010.37
Austria	980.40
Poland	760.28
Belgium	621.18
Portugal	524.00
Denmark	516.00
France	516.00
Estonia	515.20
Directive 1999/62 / EC	515.00
Romania	477.27
Lithuania	388.09
Luxemburg	375.00
Spain	362.00
Latvia	341.49

Source: Authorized according to ACEA

In the other tables, we could compare the prices of the different categories of vehicle charging by observing the research in this article by motor vehicle tax. Table 2 shows the tax rate for trailer with the EURO VI ecological standard at the first record.

Tab. 2 - Tax rate for trailers with EURO 6 at the first record

State	Annual tax rate (€/year)
Slovakia	1674.75
Greece	1540.00
Hungary	1233.34
Latvia	1089.96
Czech Republic	1071.23
Italy	1010.37
Austria	980.40
Germany	980.40
Bulgaria	929.74
Poland	847.48
Belgium	760.28
Portugal	621.18
Denmark	524.00
France	516.00
Estonia	515.20

Directive 1999/62 / EC	515.00
Romania	477.27
Lithuania	388.09
Luxemburg	375.00
Spain	362.00

Source: Authorized according to ACEA

In Table 3, the tax is determined separately for the trailer and the tax for the semi-trailer is determined separately, which can be seen as shown in Table 4.

Tab. 3 - Basic annual tax on trailer

State	Tax(€/year)
Slovakia	1089,00
Czech Republic	1062,90
Germany	914,00
Greec	600,00
Poland	437,75
Austria	433,20
Italy	415,71
Bulgaria	363,53
Hungary	281,93
Luxemburg	255,00
Spain	213,00
Litva	144,81

Source: Authorized according to ACEA

Tab. 4 - Basic annual tax on the semi-trailer

State	Tax (€/year)
Slovakia	1144.00
Czech republic	997.15
Hungary	951.41
Greece	940.00
Bulgaria	665.71
Italy	594.66
Austria	547.20
Geramany	373.24
Poland	322.53
Lithuania	243.28
Spain	149.00
Luxemburg	120.00

Source: Authorized according to ACEA

3. EVALUATION OF TAX RESEARCH ON MOTOR VEHICLES ON SAMPLES OF EU COUNTRIES

In the previous tables, we could compare prices by observing the research in this article different categories of vehicle charging by motor vehicle tax. In Table 2, we could see separately the tax rate for tractors with the EURO VI standard at the first evidence. This tax rate is for the latest types of travers, which take the environmental impact into account most. Changing the price or exceeding the threshold set by the EU Directive compared to the classic semi-trailer, it is possible to compare in some countries. Not all countries are taxed on motor vehicles equally. For example, countries such as Slovakia, the Czech Republic, Germany, Poland, Austria, Italy, Bulgaria, Hungary, Luxembourg, Spain and Lithuania can be mentioned, where the tax is determined separately for the trailer in Table 3, and the tax on the semi-trailer is determined separately, which can be seen as shown in Table 4. The state of the Slovak Republic is in the first place in all types of application of the tax on motor vehicles, which affects its carriers with the highest tax. On the opposite side of the charge, the state of Lithuania is also included. Differences in one vehicle, respectively with the most frequently used 40 ton semitrailer used in business are large in the member states. This difference can also be over 1500 €, when you compare the state with the lowest and highest rate. When taking into account the fact, that the transport companies also have a fleet of vehicles with a number of 100 vehicles for business purposes, this difference rate is multiplied by the number of vehicles. This differential motor vehicle tax can make a competitive advantage for carriers from those countries, where it is set to a low level of tax. When a shipping company is registered in the country where it is paying the low tax has such an advantage in the transport market, it can offer a better price for the customer. Transfers across Europe are only daily very much in big volume. Competitive advantage and be successful, when making transactions between the carrier and the customer, it is also based on details, little things. Although motor tax is created in the structure of the total cost of the classic semi-trailer with a total weight of 40 tonnes, only 2% contains of costs, it can also make a difference in the offered price for the customer. Pricing for a given shipping company, motor vehicle tax is a fixed charge paid once a year, in some types of cases, both quarterly and monthly, it depends on the state, where the vehicle is registered and on the total amount paid for the vehicles. The given shipping company must first calculate the price of the annual tax rate on motor vehicle tax and project it into the cost of transport for the customer. Methods of charging tools for semi-trailers in the EU countries are mentioned in summary Table 5. This table contains charging tools , which some states prefer to the semi-trailers. Pricing tools , which the countries are pushing for are exhaust emissions, the weight of the semi-trailer, the weight of the trailer, the weight of the semi-trailer, , number of axles, suspension of axles, noise, type of fuel used. Also, diversification in states also occurs when tariffs or national or regional regulations are established (8).

Tab. 5 - Methods of charging tools for semitrailers in EU countries

Charging tool	BEL	BUL	CZ	DEN	IRL	EST	FIN	FRA	GRE	NL	HUN	LIT	LAT	LUX	AT	RO	SK	SLO	GER	POL	POR	GB	ESP	SWE	ITA
Weight of the semitrailer	X			X	X	X		X		X			X			X					X				
The weight of the trailer		X	X				X		X		X	X		X	X		X	X	X	X		X	X	X	X
Number of axles	X	X	X	X		X		X		X		X	X	X		X	X			X	X	X		X	X
Suspension of axles	X	X		X		X		X		X		X	X	X							X				
Exhaust emissions							X												X			X		X	X
Noise																									
Fuel																								X	
Regional / National rates	R	R	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	R	N	N	R	N	R

Source: Authorized

CONCLUSION

Pricing for a shipping company are contained by a fixed and variable type of cost. One of the more fixed costs is the tax on motor vehicles, which was mentioned in this article. Consideration was given to the fact of this kind of cost for transport companies, that it is not the same within the EU grouping. Some countries set tax on motor vehicles at a low level and others at higher level of tax. This is a competitive advantage in the open transport market in Europe for some shipping companies that can set a lower price for shipping as a result of a lower tax rate than its competitors, who have this tax at a higher level. Different tax in EU Member States unifies EU Directive 1999/62 / EC, which should be implemented by each member state in its national law. In this article, we could be convinced, that fact is, but different. Research on the sample of countries proved, that not every country has set a level conditions field for transport companies, as regards the tax on motor vehicles. A limit of 515 € per year for a semi-trailer, which is the minimum limit for charging the Directive by EU do not respect many countries, which ultimately favors carriers in these countries, compared to other transport companies, which are doing business in countries other than those that do not. If the EU Commission's transport sector wants to create a same level conditions field on the transport market for each transport company in business, EU elementary rules must be respected. The tax on motor vehicles does not belong to them, because it is different for the states of Europe.

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