

Road Tax as an Economic Tool of the Support for the Development of Multimodal Transport in Selected EU States

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Abstract Multimodal transport is an opportunity for a more ecological approach to the environment in EU states. Member states are interested in supporting its development and therefore in shifting the performance percentage from the road transport to other types of transport. States use various different tools to support the multimodal transport, partial or total exemption from road tax on motor vehicles used in multimodal transport is one of them. The goal of our contribution is to compare the conditions of the road tax reduction in the Czech Republic, Slovakia, Austria, Germany, Poland and Croatia.

1 Introduction

High attention is paid to multimodal transport in developed countries and it has a strong support there. Ecologization of transport belongs to crucial and supported programmes within the European Union as well. The importance of multimodal transport has only grown in recent years. Multimodal transport allows us to regulate the disproportionate growth of transport and the negative impact of the excessive road traffic on the environment [1, 2]. The distribution of transport work has so far been developing to the disadvantage of environment friendly types of transport [3, 4]. Fig. 1 shows the development of multimodal transport in 2011 – 2015. We can say that the total number of consignments transported by UIRR member operators increased by 0.75%. The output (in tonne-kilometres) grew by 5.23% v [5].

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UIRR CT Growth Index - Consignments and Tonne-Kilometres

[REFERENCE YEAR: 1990 = 100]



Fig. 1. Development of continental multimodal transport in the EU. Source: [5]

Multimodal transport has not been fully appreciated in the Czech Republic yet and is still considered complementary to road, rail and water transport. On the other hand, it has more than a 40-year tradition in the territory of the Czech Republic [6, 7]. The volume of multimodal transport has been increasing since 1993, in 2013 it formed approximately 2.49 % of the whole volume in tons by all types of transport. Rail and water transports are the most environment friendly types of transport [8,9,10]. The government tries to reduce such kinds transport that have the least favourable impact on the environment. Competitiveness of multimodal transport requires improvement of technologies to reduce the critical transport distance [11]. Multimodal transport, as a system with all the aspects, like terminals, fleets, technologies, public logistic centres, has to become one of the priorities of the transport policy [12, 13].

Governments apply multiple different tools to support multimodal transport. The programme “Support to modernization of the construction of multimodal transport terminals” is one of the most important ones in the CR at present. This programme is included in the Operation Programme Transport for 2014 – 2020. Among other tools governments also support the use of multimodal transport by means of the road tax. Our article focuses on an analysis of the reduction of this tax in selected EU states.

2 Comparative analysis of road tax in selected EU countries

The goal of our article is to compare the conditions of road tax reduction in the Czech Republic, Slovakia, Austria, Germany, Poland and Croatia. Comparison of the support for multimodal transport from the road tax point of view is elaborated in the article on the base of the legislations of these selected states.

Directive of 17 March 1999 on the charging of heavy goods vehicles for the use of certain infrastructures (amended particularly by Directive 2011/76/EU).

Directive 1999/62/EC of the European Parliament and of the Council dealing with the charging was established for prevention of the disruption of the competition among forwarders in member states, for the unification of the charges for utility vehicles exceeding a certain total weight and for determination of their minimum rates and finally as a support for using vehicles that are considerate to both roads and the environment. On the base of the

Directive the EU states are obliged to set the rates in such manners so that the tax rate for each vehicle category and subcategory (as defined in Annex I to the Directive) is not lower than a minimum rate set in the above-mentioned Annex. The article also presents the regulations that reduce the tax for vehicles used in multimodal transport in the selected countries [14, 15].

2.1 Tax legislation in the selected states

Czech Republic - according to Act No. 16/1993 Col. on road tax as amended (2013) multimodal transport is understood as transport of goods in a single transport unit. A container, a changeable trailer body and a rolling container, or a truck, a trailer with or without a tractor, where rail or inland water transport is used, can be such a transport unit. The railway or water section has however to exceed the distance of 100 km in a straight line and the first or the last section has to be on road:

- Between the loading or unloading point and the nearest railway station suitable for reloading or a multimodal transport terminal.

- Between the loading or unloading point and an inland port unless the distance exceeds 150 km in a straight line (Act No. 16/1883 Col. on road tax as amended, 2013). A road tax reduction of up to 100 % can be applied to a motor vehicle that is solely used in the start or end section of multimodal transport in the Czech Republic. To a motor vehicle that makes in multimodal transport during a tax period:

- from 31 to 60 journeys the reduction reaches 25 % of the tax,
- from 61 to 90 journeys the reduction reaches 50 % of the tax,
- from 91 to 120 journeys the reduction reaches 75 % of the tax,
- more than 120 journeys the reduction reaches 90 % of the tax.

If the distance travelled on rail within the territory of the Czech Republic exceeds 250 km the journey is considered double for the taxation purposes. To gain the tax reduction a taxpayer has to prove the realized journeys by transport documents with the data confirmed in the multimodal transport terminals, the station of loading or unloading or the inland port suitable for reloading [16].

Slovakia – the road tax is governed by Act No. 361/2014 Z. z. on road tax and modification and amendment of certain acts in Slovakia. According to this Act a 50 % tax reduction can be applied to a vehicle that was used at least 60 times in the start or the end section of multimodal transport in a tax period in the conditions of the Slovak Republic. Like in the CR, if a distance of more than 250 km is made on rail within the territory of Slovakia, such modal transport is counted twice for the purpose of the tax rate [17].

Austria - The road tax is based on the road tax act of 1992 in Austria (BGBl. No. 449/1992, as amended on 28/09/2017). The conditions and the extent of the advantages for forwarders that use motor vehicles in multimodal transport are defined in sec. 2. Full tax exemption can be achieved for vehicles within unaccompanied multimodal transport (road/railway) that **solely** perform collection and distribution and meet the following technical conditions:

- The total weight of the vehicle exceeds 3.5 tons.
- The motor vehicle or trailer only performs collection and distribution within multimodal transport in a calendar month.
- Only containers longer than 20 feet, equipped for rail transport can be used as the transport units.

To a vehicle (with a trailer or a semi-trailer) heavier than 3.5 tons used within multimodal transport a 15 % tax reduction will be applied per each railway journey, the reduction will however not exceed the amount paid as the tax for the particular calendar year [18].

Germany – the road tax in Germany is governed by the road tax act amended by a decree of 26 September 2002 and the latest amendment of 24 March 2007. Sec. 4 of the road tax act on the tax refund defines 4 categories of tax reduction in multimodal transport. A written application for the tax refund has to be filed and the vehicle (loaded or unloaded) has to be transported more than 124 times by rail. A part of the road tax is returned if the above number of journeys is not achieved, namely as follows:

- from 32 to 62 journeys 25 % of the annual tax will be returned,
- from 63 to 93 journeys 50 % of the annual tax will be returned,
- from 94 to 123 journeys 75 % of the annual tax will be returned.

If the distance done by rail transport exceeds 400 km, the journey is counted as double. If it exceeds 800 km, it is counted three times as much.

To be able to use the tax reduction a forwarder has to produce all the necessary confirmations of the rail transport for each vehicle separately to prove the meeting of the conditions [19].

Poland – the road tax in Poland is governed by Act (Art. 8 – 12b) on local tax and charges of 12 January 1991 together with the Collection of laws of 2014, pos. 849 as amended. Four categories related to the number of journeys were determined for the road tax reduction in Poland. A written application for the tax refund has to be filed. Forwarders that use means of transport in multimodal transport are entitled to the refund of the whole amount or a part of the road tax paid. The amount of the returned tax is:

- from 20 to 49 journeys 25 % of the tax rate will be returned for the tax period,
- from 50 to 69 journeys 50 % of the tax rate will be returned for the tax period,
- from 70 to 99 journeys 75 % of the tax rate will be returned for the tax period,
- 100 or more journeys 100 % of the tax rate will be returned for the tax period.

To be able to use the tax reduction a forwarder has to produce all the necessary confirmations of the rail transport for each vehicle separately to prove the meeting of the conditions [20].

Croatia – the road tax is governed by the Act on financing local and regional governments, by the Act on public roads NN 84/11, 22/13, 54/13, 148/13, 92/14, which is complemented by Article 7 of the Annual public road charge tariff, NN 124/2009 (Republic of Croatia, 2009). Owners of road vehicles registered in Croatia are entitled to a tax exemption if their vehicle has made at least 80 journeys to or from a railway terminal for multimodal transport within 12 months since the latest technical check-up. Vehicles used solely for collection and distribution within multimodal transport are fully exempt from road tax if they are taxed individually [21, 22, 23].

2.2 The results of the comparison of tax reduction applicable to multimodal transport

From the viewpoint of the tax support for accompanied multimodal transport the forwarders are best motivated in Austria (Fig. 2), where the total proportion of the performance within multimodal transport belongs to the highest. Where a road vehicle is used for multimodal transport a 15 % discount from the monthly road tax is provided per each railway journey, the reduction however does not exceed the amount paid as road tax per the particular calendar year. Full tax exemption can be achieved for motor vehicles within unaccompanied multimodal transport (road/railway) that solely perform collection and distribution in this country during a particular month.

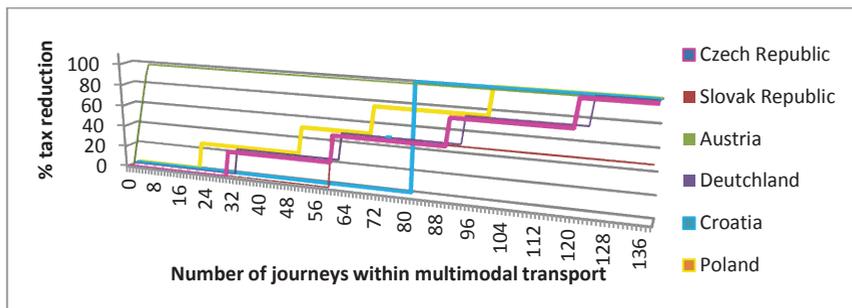


Fig. 2. Tax advantage on the road tax for the use of a vehicle within multimodal transport in selected EU countries. Source: authors

A favourable tax advantage also exists in Croatia. Full exemption from this tax is already applicable from 80 journeys to or from a railway terminal within multimodal transport during 12 months. Although Croatia is the youngest of the examined countries to join the European Union it has introduced necessary steps to the support of multimodal transport. Introduction of new legislation that meets the conditions of the European Union was among the important tasks for Croatia.

Poland, Germany and the Czech Republic are further states that were analysed. These states are mentioned together as the tax advantage is similar there. There are always four categories within 25 % and 100 % set in these countries. Each category depends on the extent of the use of a vehicle within multimodal transport. The tax system in Poland can be classified as the first. The full exemption applies to 100 journeys and the lowest category, 25 %, reduction applies to 20 – 49 journeys.

The tax system applied in Germany already enables full exemption from road tax on 124 journeys. 20 – 49 journeys are the lowest limit with 25 % tax reduction. The Czech Republic closes the “4-category” group. The full exemption is only applied if a motor vehicle is only used for transport in the start and end sections of a multimodal transport journey. Unless the above-mentioned condition is met, the highest tax reduction, namely 90 %, applies to 120 journeys and the lowest reduction of 25 % applies to 31 – 60 journeys.

Slovakia has the lowest support in terms of the tax advantage. There is only a single road tax reduction, namely 50 %, for a vehicle that was used at least sixty times in multimodal transport during a taxation period.

We must however not forget that unlike in all the other countries, where the taxation period is one year, there is only a one-month taxation period in Austria. Austria is also the only state where full tax exemption is applied to unaccompanied transport. Full tax exemption also exists in the Czech Republic if a vehicle is solely used for multimodal transport. A tax subject has to file certified documents from multimodal transport terminals to be entitled to the tax reduction. Full exemption from the road tax can be applied in the Czech Republic, Austria and Croatia when vehicles are used solely in multimodal transport during a taxation period. All the countries enable achievement of 100 % tax reduction if particular conditions are met, except for Slovakia, where the maximum reduction limit is only a half (50 %).

3 Conclusion

The European Union pressurize the member countries to reduce externalities and to use alternative methods of transport. This idea leads to the possibilities to reduce the road tax when environment friendly vehicles are used, laid down by the legislations of the individual countries. Forwarders using their vehicles for multimodal transport are also given

advantages. This legislation differs in the individual states and the conditions are often differentiated for sole use of vehicles in multimodal transport or scaled according to the extent of application. Motivation for forwarders only represent a part of the possibilities that a government can utilize for the development of multimodal transport itself. Nevertheless, a suitably designed complex of all the tools is a strong factor of the motivation for forwarders in selection of the transport method, which is why a suitable adjustment of all the elements that influence their decision making is so important.

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