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EUROPEAN CYCLISTS´ FEDERATION

COMMUTING: WHO PAYS THE BILL?

Overview of fiscal regimes for commuting in Europe and recommendations for establishing a level playing-field

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ABOUT THE EUROPEAN CYCLISTS' FEDERATION

ECF is the umbrella federation of bicycle users' organizations in Europe and beyond. Our aim is to have more people cycling more often and we target to double cycling by 2020 in Europe. To reach this goal we work with our members and partners on putting cycling on the agenda at global, European, national and regional level.

DEFINITIONS

Company car	A car that is registered under the name of a company and provided to an employee or the owner of the company for business and/or private use.
(Employee) Benefit	A part of the employee's remuneration outside of his/her regular salary or wage. For tax purposes, the value of the benefit has to be determined in monetary terms.
Personal Income Tax	Tax due on the income of national persons, including the regular salary/wage as well as additional benefits. In many tax systems, deductions on the taxable income are possible for costs linked to gaining the income.
Corporate Tax/Company Income Tax	Tax that is imposed on the income of companies, in many countries defined as net income (gross income minus costs).
Value Added Tax (VAT)	Tax levied on the purchase price of a good or service.
Input Tax	VAT paid by companies on their purchases that are used for the production of other goods or services. Normally, companies can recover this input tax, so that they only pay VAT on the value added of the products they sell.

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FOREWORD

Dear Reader,

The mission of the European Cyclists' Federation is to make more people cycle more often.

In order for this goal to be achieved, we think it is important to consider cycling as a system of mobility in its own right. This system comprises not only "hardware" like cycling infrastructure and good bicycles, but also "software" – measures that shape a favourable climate for cycling.

This report aims to present a subset of these measures – fiscal incentives for commuting by bike. We need to create a level playing field for all types of transport by implementing good fiscal incentives for cycling, compatible with incentives for public transport in order to support sustainable intermodality.

ECF calls upon decision-makers to see tax incentives for cycling as an enabler for both fiscal and environmental sustainability – at the European level when making recommendations for fiscal reform in the framework of the European Semester and at national level when revising fiscal regimes for commuting. There is high evidence for the numerous advantages of cycling for society, the environment and the economy. Some of these advantages – more precisely those regarding job creation, urban air quality, and the development of new technologies in Europe – are presented in three other ECF reports published this year, which we would also invite you to take note of.[0]

Dr. Bernhard Ensink,
ECF Secretary General

[0] You can find digital versions of all our reports at www.ecf.com

EXECUTIVE SUMMARY

Commuting stands for an important share of traffic in Europe. Numerous studies have shown that commuting by active modes of transport like cycling or walking has major benefits – a small impact on the environment, less use of public space than for motorised transport, and various positive health effects. Nevertheless, favourable tax treatment for active modes of transport like cycling exists only in a few countries, most notably Belgium or the United Kingdom. Other countries, like France, are currently exploring possibilities to introduce instruments like a cycling mileage allowance for commuting. Accompanying studies show that these instruments would be cost-efficient for public budgets – for example, the proposed cycling allowance in France would have a cost of € 0.075 billion for public budgets, whereas tax subsidies for company cars lead to direct government revenue losses of € 54 billion in the EU according to a paper published by the European Commission.

While some studies have compared different company car tax regimes in Europe, so far no comparison has been made on how tax systems treat other modes of transport for commuting, such as cycling or public transport. Using input from its Member Organisations and its National Cycling Officer network, ECF has therefore conducted a study comparing different fiscal regimes for commuting by cycling, public transport and car in 11 European countries chosen according to the availability of data. This was done with a view to identify best practices for incentivising sustainable ways of commuting, like the cycling mileage allowance for home-work travel that exists in Belgium or tax exemptions for the provision of bikes by companies to their employees that exist in the United Kingdom and in the Netherlands.

This study gives general as well as country-specific policy advice to decision-makers at the European and the national level on how to create a level playing field for all modes of transport throughout Europe, including those – like cycling – which have a positive impact on the environment and public health. In order for this levelling to be achieved, incentives for active and environmentally friendly modes of transport like cycling should be introduced – or extended where they already exist. It should be possible to combine these incentives with those for the use of public transport in order to support intermodality. At the same time, environmentally harmful tax subsidies for e.g. company cars need to be replaced by mode-neutral solutions like mobility budgets in all EU Member States.

KEYWORDS:
Cycling, transport, commuting, fiscal incentives, tax systems, urban mobility.

KEY RECOMMENDATIONS FOR ACTION AT EU LEVEL

Within the framework of the European Semester, the European Commission should continue its efforts to make recommendations for sustainable and environmental tax reforms in Member States. In these recommendations, more attention should be paid to fiscal regimes for commuting. In order to reach the goals of discontinuing environmentally harmful subsidies and incentivising sustainable transport choices, reforms in this area should be based on the following principles:

Fiscal incentives for mode-neutral reimbursement of transport costs by the employer, e.g. through mobility budgets, should be created. They should be designed in such a way that they offer strong and attractive alternatives for the use of (company) cars.

Fiscal incentives to use active modes of transport (cycling, walking) for commuting should be introduced, or, where they already exist, be continued and extended.

It should be possible to combine tax breaks for commuting by bike or by foot with those for public transport in order to support sustainable intermodality on long(er) distances.

Hidden tax subsidies for company cars should be abolished. The taxation of company cars should reflect the real value of using the car, both for the employer and the employee.

Ideally, income tax reductions for commuting should be abolished. Where this is not feasible, they should at least be mode-neutral or prioritise cycling, walking and public transport over individual motorised transport.

KEY FINDINGS AND RECOMMENDATIONS PER COUNTRY

AUSTRIA
Taxation of company cars should be based on the list price instead of the purchase price. The fiscal incentives for cycling could be developed further. The income tax deduction for commuting should preferably be abolished altogether or at least be made mode-neutral.

BELGIUM
Taxation of company cars needs to be increased drastically. The fiscal incentives for cycling are exemplary, but could be promoted more.

DENMARK
Company car taxation is relatively strict. There should be more fiscal incentives for cycling to work, and the income tax deduction for commuting should preferably be abolished altogether or at least be made mode-neutral.

FRANCE
Tax-free reimbursements for commuting need to stop incentivising car use. The cycling reimbursement pilot project should be generalised in a law proposal.

GERMANY
Taxation of company cars needs to be increased drastically. There should be more fiscal incentives for cycling, but also for public transport.

ITALY
Company car taxation for employers is exemplary; however, it should be increased for employees. Fiscal incentives for cycling should be introduced.

SPAIN
The rules for company car taxation should be clarified and taxation increased. Fiscal incentives for cycling should be introduced. The possibility for deducting costs when moving houses for a new job is exemplary.

SWEDEN
Taxation of company cars needs to be increased, but taxation of fuel provided by the employer is exemplary. The income tax deduction for commuting should preferably be abolished altogether or at least be made mode-neutral.

SWITZERLAND
Company car taxation needs to be increased drastically, and fiscal incentives for cycling should be introduced.

THE NETHERLANDS
The highly successful bike-to-work scheme should not be abolished in the framework of the new work-cost regulation. The fiscal regulation of mobility budgets should be developed further.

UNITED KINGDOM
The introduction of a company car taxation system with a relatively high valuation of a company car's taxable benefit has led to a notable decrease in the share of company cars. There is a successful Bike to Work fiscal scheme which should be maintained. There should be more fiscal incentives for public transport.

INTRODUCTION

Commuting stands for an important share of traffic in Europe. As of today, most commuting is done by car. This entails problems such as congestion or high CO_2 emissions, but also a negative impact on public health due to air pollution and low levels of physical activity. On the other hand, commuting by active modes of transport such as walking or cycling has major benefits – less use of public space, a much smaller impact on the environment, and, obviously, a positive effect on health linked to the lower risk of obesity or cardiovascular diseases. A Dutch study[1] shows that taking the bike to go to work is associated with less sickness absence, with an average of more than one day less sickness absence for employees cycling to work compared to those who don't. This is further backed up by studies which all point in this direction, the most recent of which is a longitudinal study[2] carried out in the UK which links active mobility to well-being.

Nevertheless, fiscal systems in Europe today still favour commuting by car. In most countries, the provision of a company car to employees for private use is taxed at very advantageous rates, which gives an incentive for artificially high car use and puts other, more sustainable and healthy modes of transport at a disadvantage. As a result, company cars have a very high share in new car registrations in Europe; this share reaches about 50% in the EU as a whole and more than 60% in Germany. Favourable tax treatment for active modes of transport exists only in a few countries like Belgium or the Netherlands. Other countries, like France, are currently exploring possibilities to introduce instruments like a cycling mileage allowance for home-work travel. However, these initiatives often meet fierce resistance because only the immediate budgetary costs are considered, while the important benefits in terms of improvement of public health are not taken into account.

While some studies have compared different company car tax regimes in Europe, so far no comparison has been made on how tax systems treat other modes of transport for commuting, such as cycling or public transport. At the same time, in its White Paper on the Single European Transport Area, the European Commission has set the objective to "revise company car taxation to eliminate distortions and favour the deployment of clean vehicles." In the accompanying Impact Assessment, it states that "there are inconsistent taxation rules between transport modes and fuels, between and within Member States".[3] Setting these taxation rules is a competence of Member States.However, in the framework of the European Semester, the European Commission can make concrete country-specific recommendations in this field and in that way influence national fiscal legislation. For this, a comparison of fiscal rules for different transport modes between EU countries is needed.

[1] Hendriksen et. al., 2010: The association between commuter cycling and sickness absence
[2] Martin, Goryakin & Suhrcke (2014) Does active commuting improve psychological wellbeing? Longitudinal evidence from eighteen waves of the British Household Panel Survey. Preventive Medecine. Available online at : http://www.sciencedirect.com/science/article/pii/S0091743514003144
[3] White Paper: Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system COM (2011) 144 final. European Commission, Brussels http://ec.europa.eu/transport/themes/strategies/2011_white_paper_en.htm

SUMMARY OF RESULTS AND RECOMMENDATIONS

MODE-NEUTRAL SOLUTIONS

In all the countries studied, different modes of transport for commuting are treated differently from a fiscal perspective. However, in some countries, there are also mode-neutral fiscal instruments, for example the transport reimbursement by employers in the Netherlands or the income tax deduction in Germany. Further developing these instruments could allow companies to introduce fiscally interesting "mobility budgets" to their employees be beneficial for active modes of transport, since they are generally cheaper than car use, for instance. The employee, given the choice to use all of his mobility budget for a company car or to use other modes of transport and save the budget for other purposes, has an incentive to reconsider on his commuting behaviour and choose cheaper – and by extension – more sustainable modes of transport.

CYCLING

When it comes to fiscal incentives for cycling one's commute, there are large disparities between the countries studied. While some have very advantageous systems to further bike use with kilometric reimbursements, others do not provide any specific fiscal rules on cycling. In other countries, there are some fiscal advantages if companies provide bikes to their employees, with varying amounts of tax savings.
The example of Belgium shows that the budgetary impact of fiscal incentives for cycling is very limited compared to the fiscal subsidy for company cars: While € 70 million are given every year by companies to cyclists in Belgium for their work/home cycling trips, € 4 billion are given every year by companies to workers in the form of company cars. Therefore, introducing fiscal benefits for commuting by bike would have an overall positive effect on the state budget if harmful subsidies for (company) car use are reduced at the same time.

PUBLIC TRANSPORT

Regarding public transport, there are a number of countries, like France, Belgium or Austria to cite only a few, that allow tax-free reimbursement of public transport tickets for employees. Introducing this possibility in other countries would have a beneficial effect on the use of public transport as an environmentally friendly mode for commuting also for longer distances for which walking and cycling are not practicable on their own. In order to support sustainable intermodality, it should always be possible to combine the tax breaks for public transport with those for cycling, e.g. for employees who use their bike to get to a train station for their daily commute.

COMPANY CAR TAXATION

There is an urgent need to reform company car taxation in Europe. A comprehensive study on the issue has been published in 2009 by Copenhagen Economics for the European Commission.[4] The study came to the conclusion that company cars are largely under-taxed in Europe, with direct revenue losses of € 54 billion and losses from distortions of consumer choices of € 12 to € 37 billion. What is more, pollution and CO_2 emissions are boosted by incentives to use employer-provided fuel and buy larger cars.

Another study on company car taxation[5] set the annual value of the benefit an employee derives from the provision of a company car to around 50% of the car's list price. As of today, the highest actual tax rates in the countries studied (Denmark, United Kingdom and the Netherlands) reach only half of this value, meaning that there still is a large subsidy for company cars even in these countries. In other countries, the taxed benefit value is substantially lower. We therefore recommend increasing the value of the taxable benefit of the provision of a company car for private purposes to 50% of the car's list price. This would both dismantle a harmful subsidy putting a strain on state budgets and remove environmentally harmful incentives for unnecessary car use.

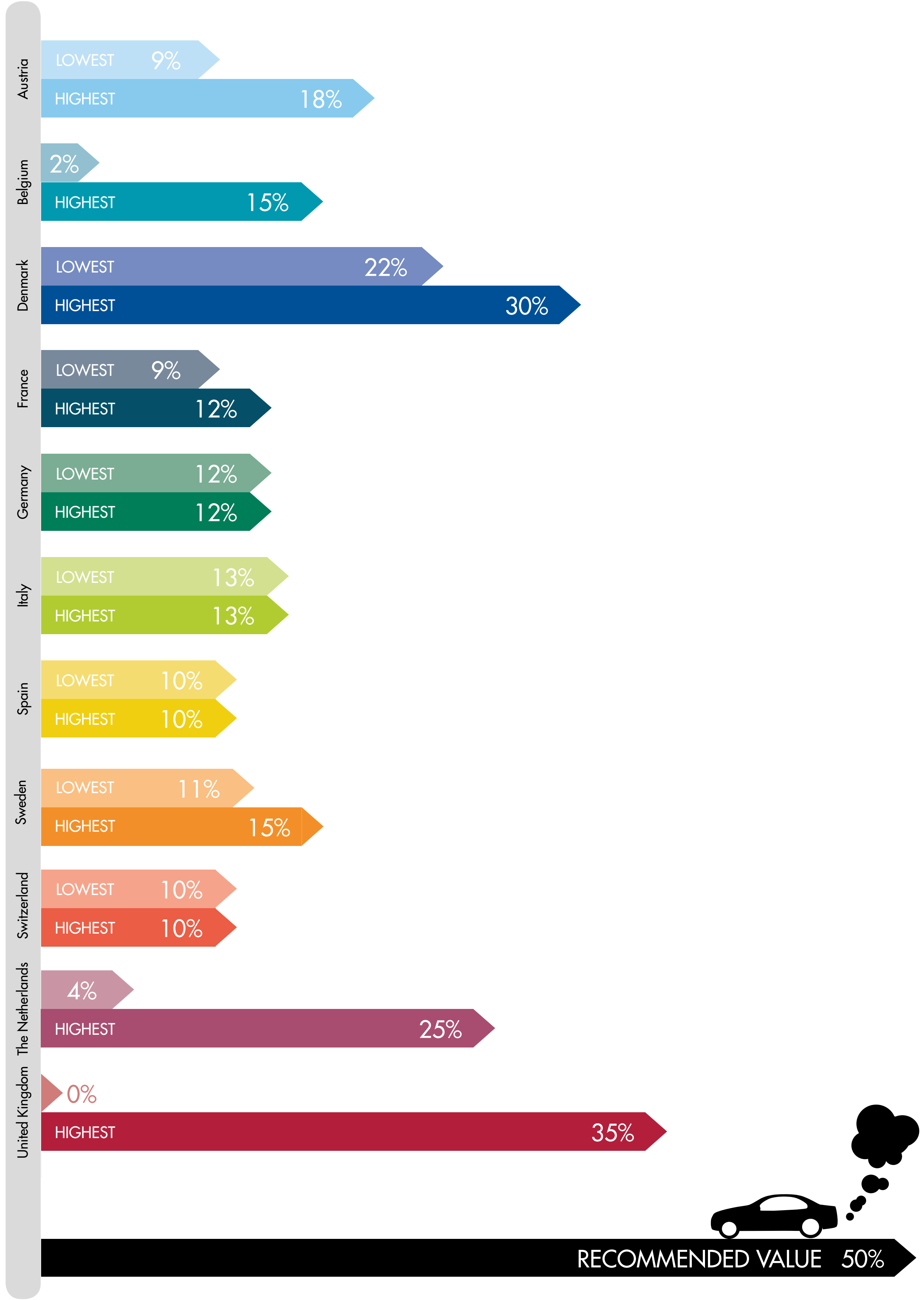
However, the employee side is not the only one that should be taken into account. The example of Italy shows that allowing companies only the deduction of a (small) share of the costs for cars that are also available for private use from their taxable profits gives a strong incentive to not purchase cars that are superfluous for business operations.

In a number of countries, company car taxation has been linked to CO_2 emissions. Cars with low direct emissions, and in particular electric cars, receive a preferential tax treatment. While we welcome the idea to account for environmental costs in the tax system, it should be noted that direct emissions alone do not stand for all of these costs. Electric cars also have substantial adverse effects on the environment, both for the extraction of raw materials used in their batteries and for the production of the electricity they run on, depending which energy source is used.[6] Furthermore, problems such as congestion will not be solved by simply replacing fuel-driven by electric cars. For all of these reasons, taxation of electric company cars should also reflect their real value for the employee.

[4] http://ec.europa.eu/taxation_customs/resources/documents/taxation/gen_info/economic_analysis/tax_papers/taxation_paper_22_en.pdf
[5] Puigarnau and van Ommeren (2009), Welfare Effects of Distortionary Company Car Taxation, Tinbergen Institute Discussion Paper, TI 2007-060/3, www.tinbergen.nl
[6] http://www.emobil-umwelt.de/index.php/projektergebnisse/gesamtbilanzen/batterieelektrische-pkw

Company car taxation: taxable value

(% of car price; estimates for countries with other methods of calculation)



INCOME TAX REDUCTION FOR COMMUTING

In the following table, the different fiscal rules concerning home-work travel are summarised and categorised according to their contribution to a more sustainable transport system. The relevant benchmarks are explained in the first row.

★★★★★ EXEMPLARY
★★★★
★★★
★★
★ HARMFUL

The rules on income tax reduction for commuting differ widely between the countries studied. In some countries, like the United Kingdom, there is no possibility to deduct commuting expenses from the taxable income. In our view, this is the best approach, since it does not give incentives to live far away from work. Giving an incentive to the formerly unemployed for moving closer to their new workplace, as is practiced in Spain, could be a further step to avoid long commuting distances and the traffic they cause. If an income tax reduction for commuting is in place, it should at least be mode-neutral, as is the case in Germany. If the reduction is the same for every mode of transport, there is an incentive to choose cost efficient modes (like walking and cycling) over expensive modes like the car.

	Company car: taxable benefit for employees (per year)	Company car: taxes for employer	Public transport reimbursement	Fiscal incentives for cycling to work	Mode-neutral solutions	Income Tax Reduction for Commuting
Benchmark	According to economic studies, the taxable benefit should be around 50% of the car's list price per year in order to reflect the real value for the employee.	Taxation should incentivise companies to only provide company cars to their employees if this is necessary for business.	If employers provide tickets or reimbursements for public transport, this should be treated favourably in the tax system.	Cycling to work should be promoted by fiscal incentives, either through the provision of a company bike, a reimbursement or, ideally, both.	Mode-neutral reimbursements or "mobility budgets" should be promoted in the fiscal system as an alternative to company cars.	Ideally, there should be no income tax reduction for home-work travel. If there is one, it should favourise public transport and/or cycling and walking over car travel, or at least be mode-neutral.
Austria	★★ 18% (9% if private use < 6000 km/year) of purchase price, upper limit € 8640/year	★★★ Deduction of costs up to € 40,000; VAT not deductible	★★★ Tickets for home-work travel provided by the employer are free of tax	★★★★ Company bike is not taken into account as taxable advantage for the employee	★★ Reimbursement for home-work travel up to price of corresponding public transport ticket is free of social security contributions, but not free of tax	★★ Automatic commuting deduction € 291/year; if no company car or public transport ticket provided by employer, additional deduction possible depending on home-work distance and mode of transport (higher for cars)
Belgium	★★ 2.39%-15.43% of car's list price depending on CO_2 emissions, but not less than € 1,250 per year	★★★ 50%-120% of costs deductible, depending on CO_2 emissions; VAT deductible only for business use	★★★★★ Obligatory and tax-free reimbursement of at least 75% of the costs for public transport	★★★★★ Voluntary cycling allowance of € 0.22/km; Provision of bike and installations for cycling: no taxable advantage for employee, 120% of costs and entire VAT deductible for employer	★★ Currently none, but pilot project conducted in 2011-2013, and law proposal under discussion	★★★★ € 0.22/km for cycling (can be combined with tax free cycling allowance); € 0.15/km for other transport modes (cannot be combined with tax free reimbursements by employer)
Denmark	★★★ 25% of original car value for values of up to ca. € 40,100, 20% for values above, but at least ca. € 5,200; environmental supplement of ca. € 1,000	★★★★ Costs deductible only for proven business use; VAT not deductible, except for leasing cars (25% of VAT)	★★★ Tax-free reimbursement for public transport tickets used mainly for home-work travel	★★ Tax free provision of company bikes if used exclusively for business and home-work travel (but hard to prove); Costs deductible for employer, VAT only for pure business use	★★ Employer-provided home-work transport is free of tax (but not reimbursements)	★★ Deduction only for home-work distances of more than 12 km; ca. € 0.282/km until 120 km of daily journey, € 0.141/km for higher distances
France	★ 9% (no fuel provided) or 12% (fuel is provided) of purchase price; tax-free reimbursement of costs per km for private car use	★★★★ Deduction of costs limited to € 18,300 (€ 9,900 for highly polluting cars); Company vehicle tax depending on CO_2 emissions; no VAT deduction	★★★★ Obligatory and tax-free reimbursement of at least 50% of the costs for public transport	★ No incentives apart from reimbursements for subscriptions to public bike share systems	★ None	★ Reduction differs between modes of transports and corresponds to amounts that could be paid by the employer (none for cycling, very generous for car use)
Germany	★ 12 % of list price	★★ Full deduction of costs and VAT, except for value of employee benefit	★★ Tax-free if all benefits do not exceed 44 €/month; otherwise full tax	★★★ Provision of company bikes with only 12% of the list price counted as taxable benefit	★★★ Reimbursement of € 0.30/km of simple distance possible at reduced flat-rate tax of 15%	★★★ € 0.30/km of simple distance regardless of mode and transport and total distance
Italy	★★ Based on average costs for using specific car model for 4,500 km	★★★★ 20% (cars used by directors) or 70% (cars used by employees) of costs deductible, 40% of VAT deductible	★★ Only public transport directly provided by the employer is free of tax	★ None	★★ Maximum of € 258.33 per year can be provided free of tax as fringe benefits	★★★★★ None
Spain	★ 20% of purchase price if 100% private use; no specific rule for determining private use without log keeping, but often 10% of purchase price set by tax administration	★★ Costs deductible (advantage of private use as staff costs); 50% of VAT deductible (or more if higher business use)	★★★ Public transport tickets bought directly by the company free of tax for up to € 1,500/year, but not free of social security contributions	★ None	★ None	★★★★★ None; income tax deduction for formerly unemployed who had to move their residence to take up a new job
Sweden	★★ Calculation based on list price of car, inflation and government bond interest rates. If price is > € 36,350, benefit is higher. Provision of fuel is additional taxable benefit, based on 120% of its value.	★★★ Costs deductible; VAT not deductible except for leasing cars (50% of VAT)	★ None	★★★ Provision of a company bike is a taxable benefit, but can be fiscally advantageous	★ None	★★ Deduction only for costs over ca. € 1,095/year; Deductible amounts: Public transport: actual costs; car: ca. € 0.20 per km travelled (only if public transport no feasible option), bike: ca. € 27.36/year
Switzerland	★ 9.6% of purchase price, but at least ca. € 1,500 per year	★★ Costs and VAT deductible only for business use	★★★ Public transport tickets for mixed business + private use can be provided free of tax	★★★ No specific legislation; private use of company bike not considered as taxable employee benefit by tax administration	★★ Up to ca. €500/year can be provided free of tax in form of vouchers for transport and touristic services	★★★ Deductible amounts: Public transport: actual costs; car: ca. € 0.58-0.41 per km travelled, decreasing with the distance (only if public transport no feasible option), bike: ca. € 600/year
The Netherlands	★★★ 4%-25% of list price, depending on CO_2 emissions	★★ Costs and VAT deductible only for business use	★★★ Full costs for public transport reimbursable free of tax	★★★★ Currently: tax-free provision of a bike for up to € 749 every 3 years; from 2015: bikes included in general fringe benefit regulation	★★★★ Tax free travel cost compensation of € 0.19/km; general tax free benefit of 1.5% of salary costs	★★★★ Only costs for public transport deductible
United Kingdom	★★★ 0%-35%, depending on CO_2 emissions; additional benefit for provision of fuel	★★★ Capital allowance depending on CO_2 emissions; no VAT deduction if there is private use	★★ Interest-free employer loans free of tax up to £ 10,000/year; tax-free subsidies for local bus lines	★★★★ "Bike to work" scheme: Tax exemption for bikes loaned to employees for home-work travel	★ None	★★★★★ None

AUSTRIA

RECOMMENDATIONS

Compared to other countries included in this study, the value of the taxable benefit for the private use of a company car is relatively high in Austria. However, since the car's actual price is taken as a basis, discounts for the company on the car price might lead to a lower benefit value, so the list price would be a better basis for calculating the benefit.

The possibilities for companies to offer public transport tickets and/or bikes to employees free of taxes are good incentives to promote sustainable modes of transport. Concerning the income tax reduction for home-work travel, it might be worthwhile to consider reducing the rates for car travel to those for public transport in order to not give the wrong incentives.

ANALYSIS OF FISCAL SCHEMES FOR DIFFERENT TRANSPORT SOLUTIONS PROVIDED BY EMPLOYERS

Company Car Taxation

For Employees
The provision of a company car for private use is considered to be a taxable benefit for employees in Austria. The value of the benefit is set at 1.5% per month of the actual price paid for the car (18% per year), with an upper limit of 720€ per month. If the private use (including home-work travel) does not exceed 6000 km per year, the value of the benefit is halved. Fuel provided by the employer is included in the benefit.[7] Employees benefitting from the provision of a company car cannot claim income tax deduction for home-work travel.[8]

For Employers
Companies can deduct the costs for cars from their taxable profits, but only up to a limit of € 40,000 per car. The useful life is legally fixed at 8 years, which means that the maximal yearly deduction for depreciation cannot exceed € 5,000.[9] There is no possibility for companies to reclaim VAT as input tax, neither for the purchase nor for the leasing of passenger cars. Also fuel and maintenance costs do not qualify for input tax deduction.[10]

Evolution of Company Car Registrations
The share of cars registered by companies is very high in Austria, even compared to other European countries. In 2012, this share reached 54.7% and in 2013 60.2%.[11]

Public Transport Reimbursement

In Austria, employers can provide their employees with tickets for public transport between home and workplace. This employee benefit ("job ticket") is free of taxes and social security contributions under certain conditions: The ticket has to be paid directly by the company and it should not be introduced as a replacement for the ordinary salary. Companies can deduct the costs for job tickets from their taxable profits. If a free job ticket is provided, the employee cannot claim input tax deduction for the distance covered by the ticket.[12]

Cycling

The provision of a company bike that can be used for private purposes is not considered to be a taxable benefit for the employee in Austria, while the company can deduct the costs from its taxable profits. Furthermore, employers can pay a reimbursement of € 0.38 per km for business trips made by bicycle.[13]

Mode-neutral solutions ("Mobility budget")

Companies in Austria can pay their employees a reimbursement for home-work travel regardless of the mode of transport used. This reimbursement is free of social security contributions up to the value of a public transport ticket for the distance travelled, but not free of taxes.[14]

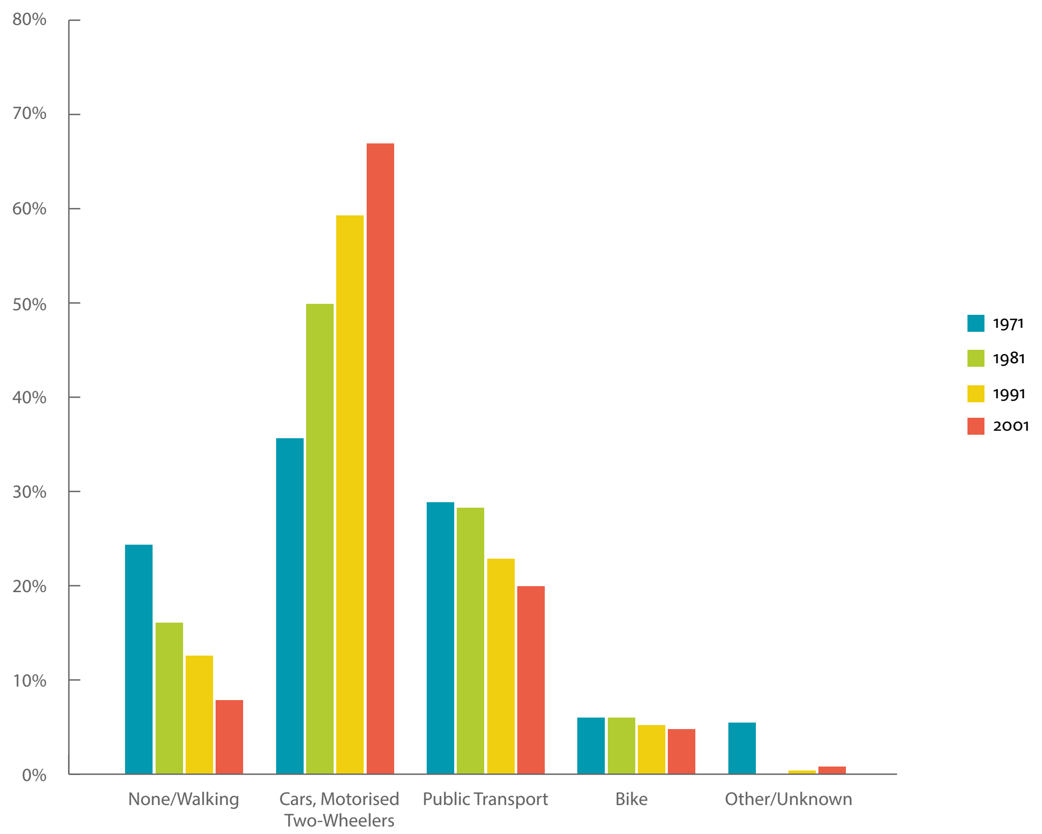
PERSONAL INCOME TAX DEDUCTION FOR HOME-WORK TRAVEL

All employees in Austria receive an automatic deduction from their taxable income for home-work travel to the amount of € 291 per year.[15] An additional deduction is possible for employees living further away than 20 km of their work if public transport is available or 2 km if public transport is not available. The amount of the deduction is higher if public transport is not available. The highest possible deduction is € 3,672 per year if the distance between home and work is longer than 60 km and if there is no public transport available.[16] If the conditions for the additional deduction are fulfilled, another € 2 per km of the distance between home and work can be deducted per year.[17] The additional deduction cannot be claimed if the employer provides a company car or a "job ticket" for public transport (see above).

EVOLUTION OF COMMUTING BEHAVIOUR

Data on the modes of transport used for commuting was included in the Austrian censuses from 1971 until 2001. During this period, the share of motorised individual transport increased considerably, while both public transport and active modes of transport (walking, cycling) decreased. There is no country-wide data available for the time after;[18] however, data from major Austrian cities suggests that the use of bicycles has been on the rise again since then. In Innsbruck, the share of cycling has increased from 13% in 2002 to 23% in 2012, and in Vienna, this share has tripled from 2% in 2002 to 6% in 2011.[19]

MODES OF TRANSPORT USED FOR COMMUTING IN AUSTRIA



[7] http://derstandard.at/1392686343676/Zarte-Bremse-fuer-dicken-Dienstwagen
[8] https://www.bmf.gv.at/steuern/arbeitnehmer-pensionisten/pendlerpauschale/informationen-zur-pendlerfoerderung.html#Kein_Pendlerpauschale_f_r_Arbeitnehmer_die_ihren_Dienstwagen_f_r_Fahrten_zwischen_Wohnung_und_Arbeitsst_tte_nutzen_k_nnen_
[9] https://www.bmf.gv.at/steuern/selbststaendige-unternehmer/betriebsausgaben/ba-abschreibung.html#Pkw_und_Kombi
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[11] http://diepresse.com/home/wirtschaft/economist/1546391/Private-kaufen-immer-weniger-Neuwagen-
[12] https://www.wko.at/Content.Node/Service/Steuern/Lohnverrechnung/Vom-Brutto-zum-Netto/Jobticket.html
[13] https://www.wien.gv.at/rk/msg/2013/03/06016.html
[14] http://www.lexandtax.at/index.php?option=com_content&view=article&id=15308:das-job-ticket-unter-der-lupe--unterschied-zum-fahrtkostenzuschuss&catid=80:137,74&Itemid=72
[15] https://www.bmf.gv.at/steuern/arbeitnehmer-pensionisten/steuertarif-absetzbetraege/steuerabsetzbetraege.html#Verkehrsabsetzbetrag
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[17] https://www.help.gv.at/Portal.Node/hlpd/public/content/193/Seite.1930200.html
[18] http://www.statistik.at/web_de/static/tagespendler-innen_1971_bis_2001_nach_verkehrsmittel_und_bundeslaendern_023072.xls
[19] http://www.bmvit.gv.at/service/publikationen/verkehr/fuss_radverkehr/downloads/riz_2013.pdf

BELGIUM

RECOMMENDATIONS

In general, Belgian fiscal legislation with regard to commuting is relatively generous, with tax-free reimbursements by the employer being possible for every mode of transport except for walking. Regarding cycling, Belgium has even the most generous tax rules among the countries studied, since the provision of a company bike free of taxes that is additionally subsidised for the employer, the payment of a tax-free cycling mileage allowance and the deduction of costs for cycling to work from income tax can be combined. As a result, cycling has been able to increase its modal share in home-work travel during the last decade.

Regarding company car taxation, although there has recently been a major overhaul of the system with the introduction of a CO_2 component, Belgium remains one of the countries with a very low valuation of the taxable benefit for using a company car for private purposes. This is reflected by the fact that the share of company cars in new car registrations has remained high despite the changes, meaning that the value of the company car benefit for taxation purposes needs to be set higher.

ANALYSIS OF FISCAL SCHEMES FOR DIFFERENT TRANSPORT SOLUTIONS PROVIDED BY EMPLOYERS

Company Car Taxation

For Employees

In Belgium, the use of a company car for private purposes is regarded as a taxable advantage. The advantage per year is calculated as a percentage of the car's list price, with the percentage varying between 2.39% and 15.43%, depending on the car's CO_2 emissions and the time that has passed since its first registration, with older cars being taxed less. The advantage cannot be less than € 1,250 per year. Fiscally, the advantage is counted as a "reimbursement of the employer for other modes of transport", meaning that a tax allowance of € 380 applies.[20]

For Employers

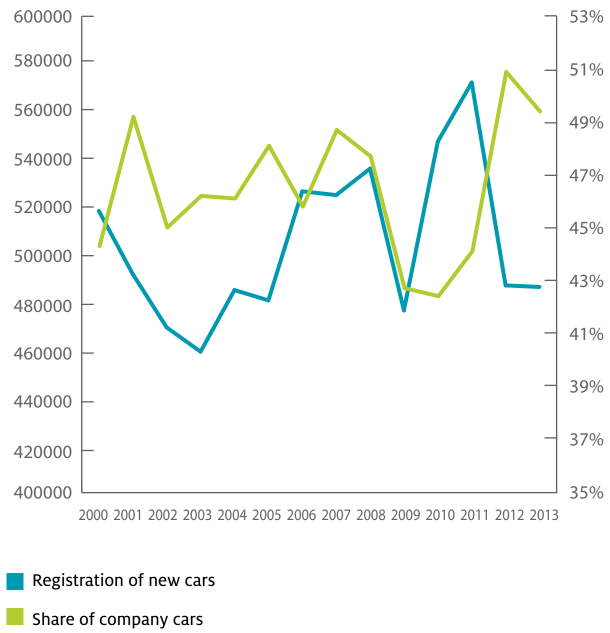
Companies can deduct costs for company cars from their taxable profits; however, the deductable amount depends on the car's CO_2 emissions. For cars with zero emissions (electric cars), 120% of the costs can be deducted. For cars with emissions under 60 g CO_2/km, all costs can be deducted. For cars with higher emissions, the deductable share decreases with increasing emissions to 50% for cars with emissions higher than 195 g CO_2/km (diesel) or 205 g CO_2/km (petrol). Private use of company cars is counted as taxable profit for the company, at a percentage of 17% of the taxable advantage of the employee.

Concerning VAT, only VAT paid for business use of a company car can be subject to deduction as input tax. The company can chose between proving the actual business use or using a general formula that takes into account the distance between home and work of the employee using the car.[21]

Evolution of Company Car Registrations

Despite comprehensive changes in the legislation for company cars, the share of company cars in new registrations has remained high, reaching values around 50% during the last two years.[22]

REGISTRATIONS OF NEW CARS IN BELGIUM AND SHARE OF COMPANY CARS



Public Transport Reimbursement

Employers in Belgium are legally obliged to reimburse 75% of the costs for home-work travel by public transport. However, many of them reimburse the entire amount. These payments are exempt from income tax, provided that the employee does not claim a special reduction for home-work travel in his tax declaration at the same time (see below).[23]

Cycling reimbursement

There are a number of fiscal advantages for people cycling to work in Belgium – and for their employers. First of all, employers can pay a cycling allowance of currently € 0.22/km free of taxes and social security contributions.[24]

Additionally, they can provide their employees with a company bicycle. For the employee, this is not counted as a taxable advantage; for the company, 120% of the costs are deductable from taxable profits, meaning that there is not only a tax exemption, but actually a subsidy. This is also valid for installations making it easier for employees to get to work by bike, e.g. bike parking spaces or showers and changing rooms. VAT paid for company bikes is entirely deductable as input tax.[25]

Mode-neutral solutions ("Mobility budget")

Currently, Belgian fiscal legislation does not provide for mode-neutral tax-free reimbursement schemes for home-work travel. Nevertheless, a pilot project involving different companies in the region of Flemish Brabant was implemented between 2011 and 2013 with support from the Flemish government. The results of this project showed that the introduction of a flexible mobility budget for employees significantly decreased the share of home-work travel by car, while the share of both cycling and public transport increased.[26] Following these conclusions, a bill was introduced into the Belgian Chamber of Representatives that would make it possible for Belgian companies to voluntarily introduce a mobility budget for their employees. This budget would be free of taxes and social security contributions, except for the part that is used for a company car. As of today, the bill has not been approved yet.[27]

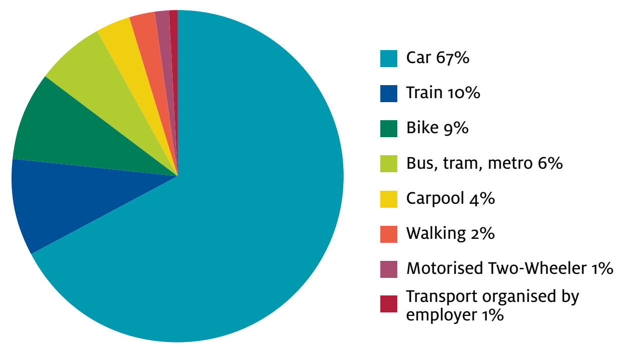
PERSONAL INCOME TAX DEDUCTION FOR HOME-WORK TRAVEL

Persons liable to income tax in Belgium have the right to deduct costs related to their work from their taxable income. They can choose to deduct a lump sum defined by law or to prove their actual costs. If they decide to prove their actual costs, they can deduct € 0.22 for every kilometer travelled by bike or € 0.15 per kilometer for other transport modes. However, reimbursements for home-work travel by the employer are no longer free of tax if the employee chooses to deduct his actual commuting expenses. The only exception to this rule is the cycling allowance, which can be combined with the deduction of actual costs.[28]

EVOLUTION OF COMMUTING BEHAVIOUR

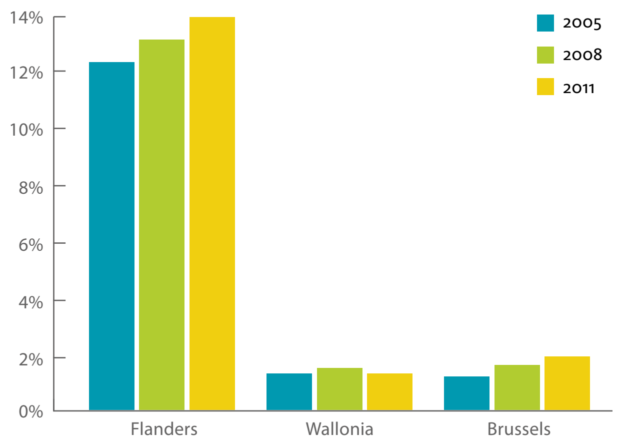
As in other European countries, commuting in Belgian is still largely dominated by car travel with over 70% if carpooling is taken into account. All modes of public transport together stand for around 16% of home-work traffic, while cycling has a share of 9%.

MEANS OF TRANSPORT USED FOR HOME-WORK TRAVEL IN BELGIUM 2011



What is specific for Belgium is the high disparity between regions concerning the share of cycling in home-work transport. While this share has been growing steadily in Flanders during the last decade from an already high 12.3% to 13.9%, the numbers in Brussels and Wallonia are considerably lower. While they are also increasing in Brussels, they stagnate in the country's southern part.[29]

CYCLING TO WORK IN THE BELGIAN REGIONS



[20] http://finances.belgium.be/fr/particuliers/transport/voitures_de_societe/
[21] https://multimediafiles.kbcgroup.eu/ng/published/KBC/PDF/KBC_Autolease_brochure_fiscale_voitures_de_societe.pdf
[22] http://www.febiac.be/statistiques/2014/2.B.4.%20Evolution%20des%20immatriculations%20de%20voitures%20neuves%20par%20type%20de%20propri%E9taire%20et%20par%20r%E9gion.xls
[23] http://finances.belgium.be/fr/particuliers/transport/deduction_frais_de_transport/trajet_domicile_travail/transport_en_commun/
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[26] http://www.mobiel21.be/sites/default/files/130301%20MBW%20eindrapport%20v7_opgemaakt%2Bbijlagen.pdf
[27] http://www.sdworx.be/nl-be/sd-worx-r-d/publicaties/artikels/van-bedrijfswagen-naar-mobiliteitsbudget
[28] http://finances.belgium.be/fr/particuliers/transport/deduction_frais_de_transport/trajet_domicile_travail/forfait_et_frais_reels/
[29] http://www.mobilit.belgium.be/fr/mobilite/chiffres/domiciletravail/

DENMARK

RECOMMENDATIONS

Denmark is one of the countries in Europe with the highest valuation of the taxable employee benefit for private use of company cars. For companies, a strict distinction is made between private use and business use when it comes to the deductibility of costs. Taken together, these may be factors explaining the relatively low share of company car's in total new car registrations.

Following the logic of separating business and private use and taxing the latter, Danish fiscal legislation is also very strict concerning the provision of company bikes to employees. In order to further incentivise the already high use of bikes for home-work travel, it might be beneficial to make the rules in this regard more lenient, following the example of neighbouring Sweden.

Regarding the income tax deduction for commuting, which is currently only allowed for daily travel of more than 24 km, it might be beneficial to either make it available for all distances since this would end the discrimination of walking and cycling that are practically relevant only for shorter distances, or to scrap it altogether.

ANALYSIS OF FISCAL SCHEMES FOR DIFFERENT TRANSPORT SOLUTIONS PROVIDED BY EMPLOYERS

Company Car Taxation

For Employees

The private use of a company car is considered a taxable advantage in Denmark. The calculation of the advantage is based on the original value of the car during the first three years after the first registration of the car and on 75% of this value afterwards; however, a minimum value of DKK 160,000 (around € 21,000) is always applied.The share of this value that is regarded as taxable advantage is 25% per year for the first DKK 300,000 (ca. € 40,200) and 20% for any value above. An "environmental supplement" of DKK 7,500 (ca. € 1,000) is added to the taxable advantage. The resulting amount minus payments made by the employee to the company for the use of the car is taxed at the applicable income tax rate.[30]

For Employers

Companies can deduct expenses for cars from their taxable profits, but only for business use. The share of business use of the car has to be proven. VAT cannot be deducted as income tax for the purchase and the running expenses of passenger cars (except for car leasing companies and driving schools). However, a deduction of 25% of VAT is possible for the leasing of passenger cars if the leasing period is longer than six months.

Evolution of Company Car Registrations

As in other European countries, the share of company cars in new passenger car registrations has risen in Denmark during the last two decades. However, with a share of around 37% in 2013, it is still relatively low compared to countries like Germany.

NEW PASSENGER CAR REGISTRATIONS AND SHARE OF COMPANY CARS IN DENMARK

Public Transport Reimbursement

Employers can pay the ticket for public transport between home and the workplace for their employees free of tax if the employee chooses not to use the personal income tax deduction for commuting. The ticket has to be used mainly for home-work travel; otherwise the value of exclusively private use is subject to income tax.[31]

Cycling reimbursement

In Denmark, employers can only provide a bicycle free of tax to their employees if it is used exclusively for work-related travel and or home-work commuting. However, in the latter case, the tax administration automatically assumes that there is private use of the bike as well since it is available at home. Private use of the bike is then liable to income tax.[32] Companies can deduct the costs for bikes from their taxable profits and they can also deduct VAT as input tax, but only for the pure business use of the bike.[33]

Mode-neutral solutions ("Mobility budget")

The employer can provide transport between home and workplace free of income tax if the employee chooses not to use the income tax deduction for home-work travel, regardless of the mode of transport used. However, a fixed mileage allowance does not fall under this rule and is liable to income tax.[34]

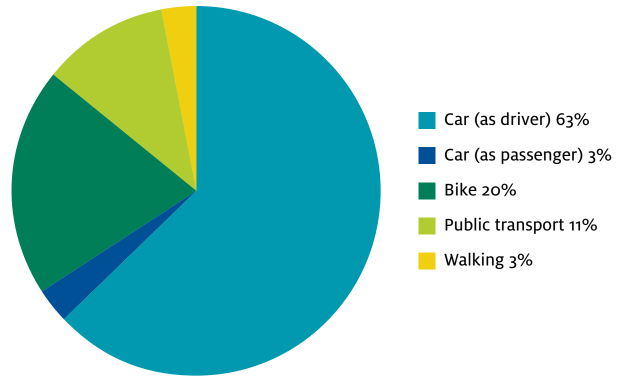
PERSONAL INCOME TAX DEDUCTION FOR HOME-WORK TRAVEL

Employees in Denmark can claim a deduction for home-work travel from their taxable income. This deduction is mode-neutral; however, it can only be claimed for travelled distances of more than 24 km per day (distance for travelling by car, both ways). For every kilometer above this distance, the deduction is DKK 2.10 (ca. € 0.282); for every kilometer above 120 km, DKK 1.05 (ca. € 0.141) can be deducted. The deduction can be higher for persons living in certain remote municipalities or having a low income.

EVOLUTION OF COMMUTING BEHAVIOUR

As in other European countries, cars still play a dominant role for commuting in Denmark with a share of about two thirds of home-work journeys. It should be noted, however, that the share of cycling is also very high compared to other European countries with 20%, a number that is only surpassed by the Netherlands.[35]

HOME-WORK JOURNEYS 2013



[30] Website of the Danish Customs and Tax Administration: http://www.skat.dk/SKAT.aspx?oId=1789830&vId=0
[31] http://www.skat.dk/SKAT.aspx?oId=1976849&chk=209219
[32] http://www.skat.dk/SKAT.aspx?oId=1947978&chk=209219
[33] http://www.skat.dk/skat.aspx?oId=1844097&vId=0
[34] http://www.skat.dk/SKAT.aspx?oId=1976848&chk=209219
[35] http://www.modelcenter.transport.dtu.dk/~/media/Centre/Modelcenter/modeller%20og%20publikationer/Faktaark/2013%20Faktaark_pendling.ashx

FRANCE

RECOMMENDATIONS

In France, fiscal incentives for home-work travel mainly concentrate on car use, which is reflected in the fact that more than 70% of French commuters use a car to get to work. Company car taxation is very advantageous for employees; even though there is a mechanism to take fuel provided by the company into account, the value of the taxable benefit is still set well below the real value of private use of the company car. On the employer side, the "luxury threshold" for the deduction of costs and the company car tax can be seen as positive examples to disincentive the purchase of cars that are not directly necessary for the operations of the company.

The system of employer reimbursements for home-work travel needs major readjustments. First of all, reimbursements for car use, if they are kept at all, should not incentivise the use of high-powered, CO_2-intensive cars as is the case today. Second, the use of a bicycle to get to work should also be subject to reimbursement. The propositions made by the government in 2014 to introduce a tax-free cycling mileage allowance would therefore constitute a major step in the right direction.

Another possible approach would be to replace the current system of different reimbursements for different modes of transport by a unique, mode-neutral scheme that would allow companies to offer "mobility budgets" to their employees.

ANALYSIS OF FISCAL SCHEMES FOR DIFFERENT TRANSPORT SOLUTIONS PROVIDED BY EMPLOYERS

Company Car Taxation

For Employees

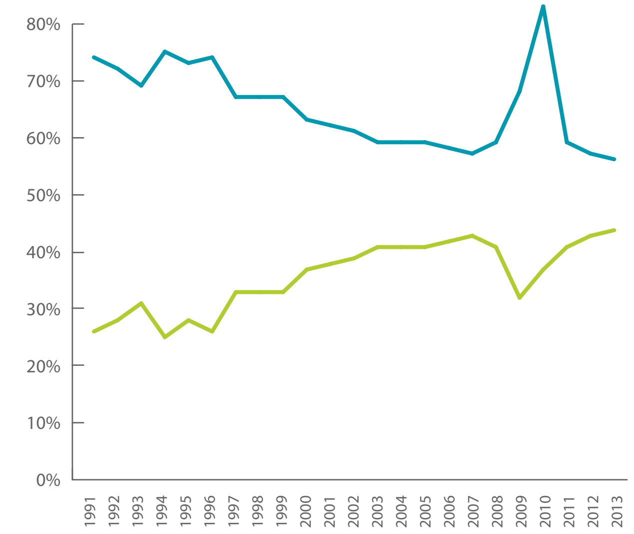
The use of a company car for private purposes has to be declared as a taxable benefit for the employee in France. The yearly amount of the benefit can be calculated either by multiplying the share of actual private use by the incurred costs (20% of the car's price + insurance + maintenance) or by applying a fixed amount of 9% of the car's price if fuel is not provided by the employer or 12% of the car's price if fuel is provided. It should be noted that the price used as basis for the calculation is the actual price paid by the company, which normally is lower than the list price due to discounts. For cars older than 5 years, lower rates apply.[36]

If the company does not provide a car, and if the employee lives outside the Île-de-France region around Paris or outside the service area of an urban transport system, the employer can reimburse fuel costs free of tax and social security contributions up to a limit of € 200 per year.[37] Furthermore, he or she can reimburse the costs incurred by kilometer. The allowed amount per kilometer increases with the engine power and CO_2 emissions of the car and decreases with the number of declared kilometers per year. For example, for a yearly distance of up to 5,000 km covered with a high-powered and high-emissions car, the reimbursement per km would be € 0,587, while it is only € 0,283 for a distance of more than 20,000 km per year covered with a car with low CO_2 emissions and a small engine.[38]

For Employers

For businesses, expenses for company cars can be deducted from taxable earnings up to a limit of € 18,300 (cars with emissions of up to 200 g CO_2/km) or € 9,900 (cars with emissions above 200 g CO_2/km). A linear method of depreciation has to be used to determine the yearly amount that can be deducted.[39]

Like private buyers of cars, businesses have to pay a car registration tax plus an ecological tax of up to € 8,000 if they register a car with CO_2 emission of 130 g CO_2/km or more. They receive an ecological bonus of up to € 6,300 for cars with emissions of 60 g CO_2/km or less.[40] Furthermore, companies are liable for an annual company vehicle tax ("Taxe des véhicules de société"). Also this tax is determined according to the CO_2 emissions of the car in question. The amount can reach from € 0 (cars with emissions of less than 50 g CO_2/km) to several thousand Euros per year for cars with high emissions (e.g. € 7,000 per year for a car with emissions of 260 g CO_2/km).[41]



Share of private cars

Share of company cars

Companies cannot deduct the VAT on "normal" passenger cars as input tax; however, deduction is possible for utility vehicles. Passenger cars with only two seats and two doors fall under the latter category and are therefore often used by companies. A similar problem arises for fuel; VAT for petrol cannot be deducted, while 80% of the VAT on diesel can be deducted. This has led to a situation where 96% of company cars are diesel-driven.[42]

Evolution of Company Car Registrations

As in other European countries, the share of company cars in new cars registration has increased steadily in France during the last two decades. In 2013, this share reached 44%.[43]

Public Transport Reimbursement

In France, it is obligatory for employers to reimburse at least 50% of the costs for public transport subscriptions in the framework of home-work travel. The employer can also reimburse more than that. Up to the actual costs of the subscription, the reimbursement is exonerated from tax and social security contributions.[44]

Cycling reimbursement

Contrary to public transport, there is no obligatory or facultative cycling reimbursement scheme in France. Only the costs of subscriptions to public bike hiring systems can be reimbursed.[45]

However, the French government is currently considering the introduction of a tax-free cycling mileage allowance at the level of € 0.25/km. In order to study the potential of such a measure a pilot project comprising selected companies and running from June until December 2014 has been set up.[46]

Mode-neutral solutions ("Mobility budget")

Since the French fiscal system follows a logic of different reimbursement schemes for each mode of transport (or no reimbursement, as for cycling), there is no mode-neutral scheme.

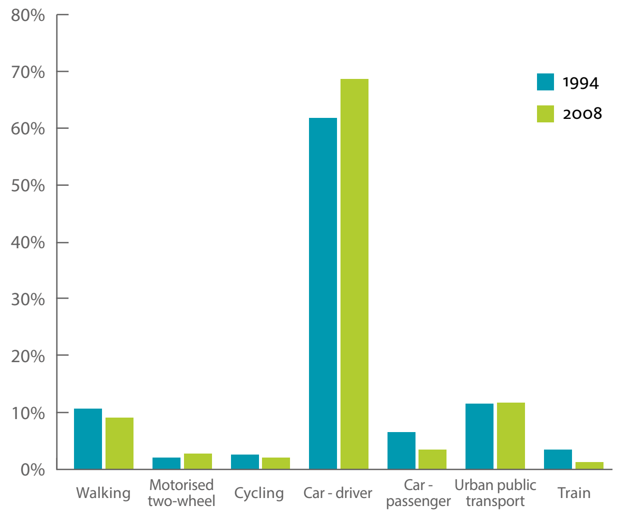
PERSONAL INCOME TAX DEDUCTION FOR HOME-WORK TRAVEL

In France, employees benefit from a 10% lump-sum deduction of taxable income for the calculation of their personal income tax in order to take into account costs linked to the exercise of a job. If they consider that their actual costs are higher, they can also claim these costs. This rule is used especially for costs linked to home-work travel that are not reimbursed by the employer. The deductable amount is calculated using either the actual costs (e.g. price of the subscription to public transport) or, for cars and motorised two-wheelers, using a fixed amount per kilometer that is equal to the amount that could have been reimbursed by the employer (see above). The use of individual motorised transport instead of public transport has to be justified (e.g. by the time savings), as well as claims for home-work distances of more than 40 km. Theoretically, the actual costs incurred for using a bicycle for home-work travel can also be claimed for deduction; however, in practice they will almost always be lower than the lump-sum deduction of 10%.[47]

EVOLUTION OF COMMUTING BEHAVIOUR

Comprehensive surveys on commuting behaviour are carried out every 10-15 years by the French national statistical office INSEE. The last two surveys clearly show that commuting by car is dominating by far and has even increased between 1994 and 2008. Walking and public transport have both seen their share decrease during the same period. Cycling remains marginal, with a share of 2.2% in 2008 – which is even less than the 2.7% in 1994.[48]

MAIN MODE OF HOME-WORK TRAVEL IN FRANCE



[36] http://www.urssaf.fr/profil/employeurs/dossiers_reglementaires/dossiers_reglementaires/avantages_en_nature_05.html
[37] Code général des impôts : article 81 : Exonération fiscale (19°ter-b)
[38] http://www.urssaf.fr/profil/employeurs/dossiers_reglementaires/dossiers_reglementaires/frais_professionnels_04.html
[39] https://www.cm-cic-bail.com/fr/bail/Dossiers/fiscalite_vehicule_entreprise/Fiscalite_vehicule_entreprise_amortissement.html
[40] http://vosdroits.service-public.fr/particuliers/F19911.xhtml
[41] http://vosdroits.service-public.fr/professionnels-entreprises/F22203.xhtml
[42] http://www.observatoire-vehicule-entreprise.com/la-non-r%C3%A9cup%C3%A9ration-de-la-tva-sur-lessence-pour-en-finir-avec-une-aberration-%C3%A9conomique
[43] http://www.observatoire-vehicule-entreprise.com/analyse-du-marche-automobile-francais-2013
[44] http://vosdroits.service-public.fr/particuliers/F19846.xhtml#N1017A
[45] http://travail-emploi.gouv.fr/informations-pratiques,89/fiches-pratiques,91/remuneration,113/la-prise-en-charge-des-frais-de,9185.html
[46] http://www.developpement-durable.gouv.fr/IMG/pdf/rapport_IK_nov_2013.pdf
[47] http://www.impots.gouv.fr/portal/dgi/public/particuliers.impot?pageId=part_fraisprof&espId=1&sfid=1210
[48] http://www.insee.fr/fr/themes/detail.asp?reg_id=99&ref_id=mobilite-professionnelle-08

GERMANY

RECOMMENDATIONS

The fiscal situation regarding home-work travel in Germany is marked by a plethora of different legal instruments that are not necessarily coherent and lack an ecological component.

In terms of value, the income tax deduction for home-work travel is the largest subsidy in this framework. In principal, it is mode-neutral, meaning that the deductible amount is the same regardless of which mode of transport is used. If the taxpayer uses the cheapest mode of transport (e.g. walking or cycling) for his travel from home to work, he or she can keep most of the difference between the savings in taxes and the actual commuting costs. However, for expenses over 4,500€ , only commuting by car gets subsidised, which can be seen as an important incentive for non-environmental friendly behaviour – living away far from work and commuting there by car.

German company car taxation is clearly under-representing the real value of the private use of a company car. It is probable that this is one of the causes of the very high share of company cars in new car registrations in Germany. During the last decade, private registrations have declined and there are signs that Germans are less and less prone to car ownership and usage, which is good news for the climate, the environment, but also congested cities. In this framework of changing habits, the company car taxation system becomes more and more counterproductive by keeping car use artificially high, which is also shown by the fact that the share of car use in commuting has remained nearly constant in Germany during the last decade. Therefore, the taxable benefit for the use of a company car needs to be increased drastically, for example by doubling it.

Concerning public transport, fiscal incentives in Germany are rather weak, a problem that is reinforced by the strict jurisprudence in this area. A possible change here would be to exclude public transport tickets paid by the employer from the benefits in kind for which the tax-free threshold of € 44 per month applies.

Regarding cycling, the introduction of fiscal rules similar to those for company cars has been a great step forward. The fact that there are already companies on the market who offer employee bike schemes to companies shows that there clearly is a demand for this kind of fringe benefit.

For mode-neutral solutions, companies would have a stronger incentive to offer "mobility budgets" to their employees if the flat-rate tax of 15% on commuting reimbursements would be scrapped altogether. This could be financed through an increased tax base from company car taxation.

ANALYSIS OF FISCAL SCHEMES FOR DIFFERENT TRANSPORT SOLUTIONS PROVIDED BY EMPLOYERS

Company Car Taxation

For Employees

In Germany, the use of company cars for private purposes is considered a taxable advantage under the German Income Tax Act (Einkommensteuergesetz). For the calculation of the financial advantage, the taxpayer can choose between two options. The first is to apply a fixed rate of 1% per month of the car's list price (including VAT) at the time of first registration plus the price of special equipment. For electric cars, the costs of the battery can be deducted from the list price up to an amount of currently € 10,000. However, this amount will decrease from year to year. The second option is to keep a logbook in order to keep track of the actual costs of private trips. If the car can be used for trips from home to work, the value of the advantage increases with 0.03% of the list price per kilometer of the distance between residence and workplace.[49] However, the employee can later deduct the costs for home-work travel as income-related expenses.[50]

An estimation presented by the German Federal Agency for the Environment suggests that an increase of the rate for determining the value of private use of a company car to 1.5% per month would save taxpayers € 500 million per year.[51]

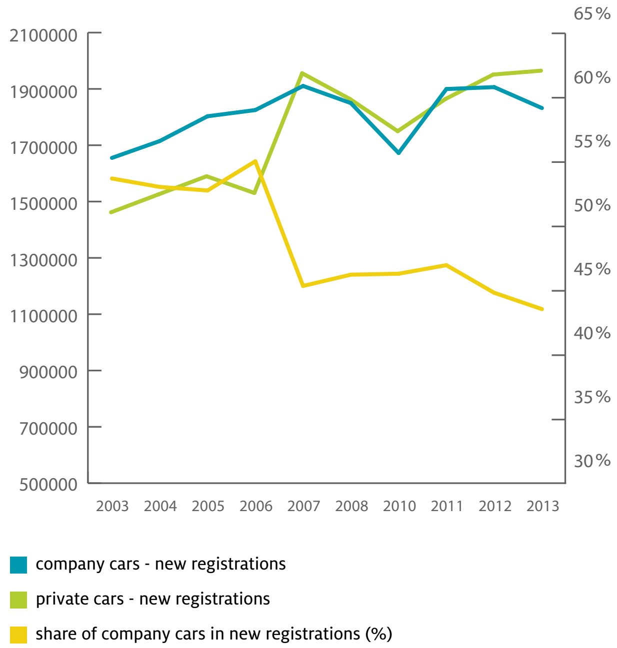
For Employers

For employers, the price of a company car can be counted as a cost in their balance sheets for income tax purposes. There is no limit as such to the price that can be counted as a cost, as long as the car is not only bought as a luxury item whose price is disproportionally high compared to the size or the profits of the company, or of it is obviously unsuitable for business purposes.[52] However, German courts have been very lenient concerning the interpretation of this rule in the past.[53] The acquisition costs can be deducted using a method of linear depreciation over an assumed useful life of 6 years,[54] while running expenses are deducted directly for the year in which they occur. Furthermore, companies liable to VAT have the right to deduct the VAT on company cars as input tax. If the company car is used for private purposes, the resulting advantage is counted as an income for the company for which VAT has to be paid.[55] The calculation of the advantage is similar to the rules for employees: It is possible to choose between applying a fixed rate of 1% per month of the car's list price and keeping a logbook to establish proof of the actual value of the advantage. Home-work travel with a company car is, in this case, regarded as deductible business use up to the value that is deductible as income-related expenses for income tax purposes (€ 0.30 per km of the single distance) and not as private use.[56]

Evolution of Company Car Registrations

Statistics provided by the German Federal Motor Transport Authority show that the number of new company passenger car registrations has been on the rise since the year 2003, with a dip only during the years of the global economic and financial crisis 2008 to 2010. This development is particularly striking since new registrations of passenger cars for private use have decreased during the last ten years (with the exception of the year 2009, when purchases of new private cars were subsidised with a special government prime), meaning that the share of company cars in new passenger car registrations has gone up from 51.1% in 2003 to 62.1% in 2013.[57]

PASSENGER CAR REGISTRATIONS AND SHARE OF COMPANY CARS



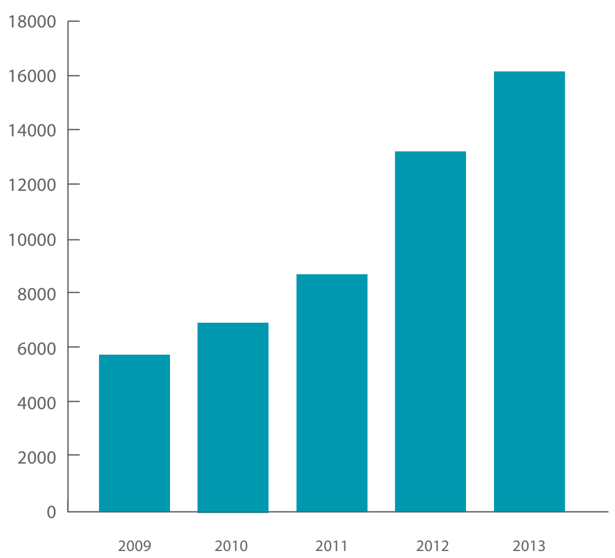
Note that the year 2009 is not depicted in the graphic because of the distorting effect of the government prime on private car purchases.

Public Transport Reimbursement

So-called "job tickets" have become more and more popular in Germany during the last decade and are now offered by a large number of partnerships between public transport consortia and employers. However, up to this day, German fiscal legislation does not provide for any special or preferential treatment for this model. Job tickets are treated as any other benefit in kind, meaning that they are counted as taxable income if the value of all benefits in kind exceeds € 44 per month.[58] What is more, jurisprudence has been relatively strict in this respect: If the job ticket is provided on a yearly basis, the benefit for the whole year is counted for the month in which the employee receives the ticket, which makes it likely that the threshold of 44€ will be exceeded.[59]

Companies can also provide their employees with discount cards for railways or with a card for unlimited travels on the whole German railway and urban public transport network (BahnCard). In this case, the benefit in kind that is counted as taxable income is the difference between the price of the card and the cost savings for business trips achieved through the card. Only if these savings exceed the price of the card, the private use is not subject to taxation.[60]

NUMBER OF EMPLOYEES USING A JOB TICKET IN THE REGION OF DRESDEN



[49] § 8 par. 2 s. 2 Income Tax Act in conjunction with § 6 par. 1 nr. 4 Income Tax Act
[50] http://www.ihk-koeln.de/upload/Merkblatt_BesteuerungFirmenwagen2013_2083.pdf?ActiveID=3162
[51] http://www.umweltbundesamt.de/sites/default/files/medien/publikation/long/4048.pdf
[52] § 4 par. 1 nr. 7 Income Tax Act
[53] Decision of the Federal Fiscal Court on 8 Oct. 1987, Case IV R 5/85
[54] § 7 par. 1 s. 1 Income Tax Act
[55] http://www.hk24.de/recht_und_steuern/steuerrecht/ertrag_lohnsteuer/einkommen_koerper_steuer/366526/Geschaeftswagen.html
[56] http://www.ihk-koeln.de/upload/Merkblatt_BesteuerungFirmenwagen2013_2083.pdf?ActiveID=3162
[57] http://www.kba.de/DE/Statistik/Fahrzeuge/Neuzulassungen/Halter/z_n_halter.html and http://www.kba.de/DE/Statistik/Fahrzeuge/Neuzulassungen/2013_n_jahresbilanz.html?nn=644522
[58] § 8 par. 1 s. 11 Income Tax Act
[59] Decision of the Federal Fiscal Court on 14 Nov. 2012, Case VI R 56/11
[60] http://www.rehmnetz.de/Personal/Lohnbuero/CompetenceCenter-BLOG/Bahncard-100---Auswirkung-bei-privater-Nutzung-4962.html
[61] http://edas.landtag.sachsen.de/viewer.aspx?dok_nr=13565&dok_art=Drs&leg_per=5&pos_dok=202

Since there is no obligation for regional transport authorities to offer a job ticket and since the exact arrangements may vary, there are no comprehensive statistics on the use of job tickets. However, where numbers have been collected, there seems to be a high demand for this instrument. For example, in the region of Dresden, the number of employees using a job ticket has nearly tripled during the last four years.[61]

Cycling reimbursement

Since November 2012, companies can provide employees with bicycles for both business and private use under similar conditions as for cars. This means that the taxable advantage is calculated as 1% of the list price of the bicycle per month. However, contrary to the rules for company cars, no additional advantage is calculated for home-work travel with a company bicycle. The provision of a company bicycle does not fall under the rules for benefits in kind with its tax-free threshold of 44€ per month. The new rules explicitly include electric bicycles as long as they are considered to be bicycles under traffic law (criteria are inter alia: not covered by an obligation to have a number plate and insurance, motor power not over 25 km/h).[62]

For employers, the costs of company bikes can be deducted as a cost in their balance sheets for income tax purposes, using a method of linear depreciation over an assumed useful life of 7 years. As with cars, companies liable to VAT have the right to deduct the VAT on company bicycles as input tax. To take into account the private use of a company bike, the financial advantage of the employee (1% of the list price per month) is counted as an income for the company.[63]

Mode-neutral solutions ("Mobility budget")

The concept of "mobility budgets" has not been taken up explicitly in German fiscal legislation yet. However, companies can pay their employees a mode-neutral home-work travelling cost allowance that is taxed at a reduced flat rate of 15%, provided that this allowance is paid additionally to the normal salary and not as a substitution for it and that it does not exceed the amount the employee would be allowed to deduct for personal income tax purposes (generally speaking 0.30 € per km of the simple distance between home and work). The flat tax of 15% on the commuting allowance has to be paid entirely by the employer, and the personal income tax deduction for the employee is reduced by the amount of the allowance.[64]

So far, the introduction of mobility budgets as an alternative for employees instead of the provision of a company car has been driven by initiatives of individual companies. However, some of these companies are among Germany's biggest employers, such as Deutsche Bahn AG[65] or Siemens AG.[66]

PERSONAL INCOME TAX DEDUCTION FOR HOME-WORK TRAVEL

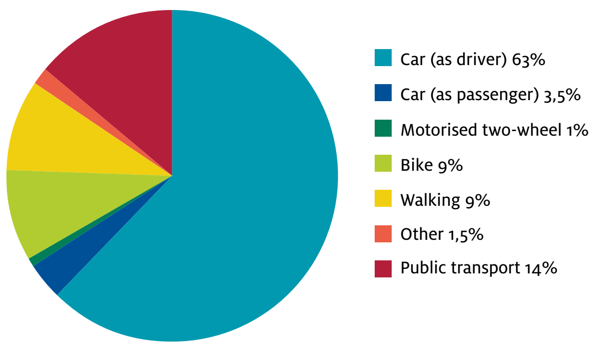
In Germany, employees can claim a deduction from their taxable income for their home-work travel. In principle, this deduction is mode-neutral: It amounts to 0.30 € per km of the one-way distance between home and work for each day worked, regardless of the chosen transport mode. However, if the total sum of the deduction exceeds 4,500 € per year, only costs for travelling by car (based on the distance driven) or by public transport (based on actual costs) can be counted for a further deduction.[67]

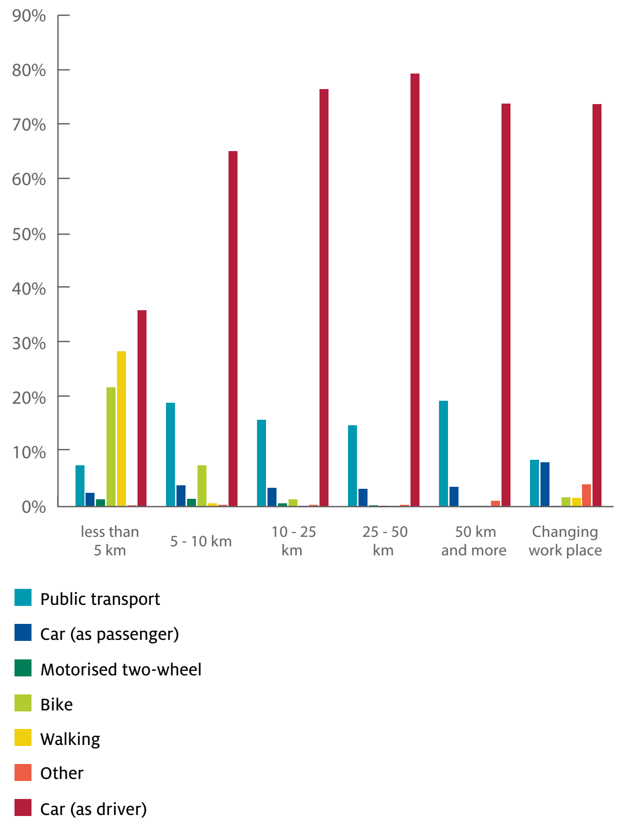
Tax statistics show that home-work travel accounts for the most popular deduction possibility among German tax payers. In 2008, of 25.3 million income tax cases, 48.2% declared higher-than-standard income-related expenses for home-work travel.[68] In 2005, this translated into a loss of € 4.35 billion in tax revenue.[69]

EVOLUTION OF COMMUTING BEHAVIOUR

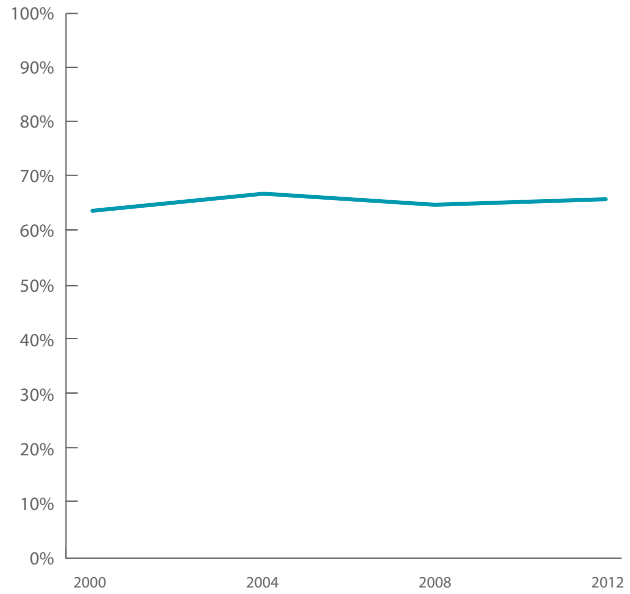
Figures show that commuting behaviour in Germany has remained stable during the last decade and is still dominated by cars. Detailed surveys on commuting are carried out every four years in the framework of the general population census.[70] The last of these surveys was conducted in 2012; it showed that almost two thirds of commuters used cars to get to work, either as drivers or as passengers. Public transport accounted for 14% of home-work travel, while walking and cycling were almost on equal footing with around 9% each. Even for short distances less than 5 km the car is the most popular option among commuters with a share of almost 40%. However, active modes of transport also play a prominent role in this segment, with a share of 29% of commuters walking and 22.3% taking the bike if their workplace is less than 5 km away from home. For longer distances, their importance decreases rapidly, with a share of 7.4% for cycling and 0.7% for walking for distances between 5 and 10 km. For longer distances, active modes of transport are virtually insignificant.
Since the year 2000, there has been no significant change in commuting behaviour in Germany. Car use has remained high at a level of around 65% of commuters.

MAIN MEANS OF TRANSPORT USED FOR COMMUTING IN GERMANY, 2012





USE OF CARS FOR COMMUTING



[62] http://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Steuern/Steuerarten/Lohnsteuer/BMF_Schreiben_Allgemeines/2012-11-23-gleichlautende-erlasse-elektrofahrraeder-anlage.pdf?__blob=publicationFile&v=1
[63] http://www.haufe.de/steuern/kanzlei-co/umsatzsteuer-bei-ueberlassung-von-fahrraedern-an-arbeitnehmer_170_259782.html
[64] http://www.haufe.de/personal/personal-office-premium/fahrtkostenzuschuesse_idesk_PI10413_HI521055.html
[65] http://www.firmenauto.de/deutsche-bahn-mobilitaetsbudget-statt-dienstwagen-6560384.html
[66] http://www.fairkehr-magazin.de/3_2012_vcd_nordost.html
[67] http://www.bundesfinanzministerium.de/Content/DE/Downloads/BMF_Schreiben/Steuerarten/Lohnsteuer/2013-10-31-entfernungspauschalen-reisekostenrecht.pdf?__blob=publicationFile&v=1
[68] https://www.destatis.de/DE/Publikationen/Thematisch/FinanzenSteuern/Steuern/LohnEinkommensteuer/Einkommensteuerstatistik2140711087004.pdf?__blob=publicationFile
[69] http://www.umweltbundesamt.de/sites/default/files/medien/publikation/long/4048.pdf
[70] https://www.destatis.de/DE/Publikationen/Thematisch/Arbeitsmarkt/Erwerbstaetige/BerufArbeitsbedingungErwerbstaetigen2010412127004.pdf?__blob=publicationFile

ITALY

RECOMMENDATIONS

In Italy, the company car taxation system is relatively advantageous for employees since the taxable benefit for private use is set at a low value; for companies on the other hand, the fact that only part of the costs for a company car can be deducted from profits if the car is used for private purposes makes it unattractive to allow private use. This might explain the low share of company cars in new car registrations in Italy.

The low share of cycling in home-work travel might be increased through the introduction of fiscal incentives, such as the provision of company bikes at reduced taxrates or the possibility for the employer to pay a cycling allowance.

ANALYSIS OF FISCAL SCHEMES FOR DIFFERENT TRANSPORT SOLUTIONS PROVIDED BY EMPLOYERS

Company Car Taxation

For Employees

In Italy, using a company car for private purposes is taxed as a fringe benefit for the employee. The value of the benefit is calculated using tables from the "Automobile Club d'Italia" that indicate kilometric costs for every car model. The value used is 30% of the cost for 15,000 km.[71] For example, a SEAT Toledo 1.2 86 CV with a minimum list price of € 16,700[72] would generate a benefit value of € 2,088.96 per year,[73] which is 12.51% of the list price. For more expensive versions of the same model, the benefit value does not change as long as the engine power remains the same.

For Employers

The amount that companies can deduct from their taxable profits for the purchase or leasing of cars that are also used privately depends on whether the car is used by a director of the company or by an employee. In the first case, the deductable share is limited to 20% of the car's price, with a maximum deductable amount of € 3,615.20. If the car is provided to an employee, 70% of the costs can be deducted, with no maximum amount. In both cases, the company can claim 40% of the VAT paid as input tax.[74]

Evolution of Company Car Registrations

Contrary to many other European countries, private persons account for a large majority of new car registrations in Italy, reaching a share of almost two thirds in 2012 and 2013. During the same period, company cars and leasing cars both reached a share of around 18%, which is much less than in countries like Germany, where the proportions are almost inverse.[75]

Public Transport Reimbursement

In Italy, employers can provide collective transport from their home to the workplace to their employees; either directly or through contracts with (public) service providers. This benefit does not form part of the employee's taxable income. Reimbursements made to the employee for public transport tickets do count as taxable income, however.[76]

Cycling reimbursement

Currently, there is no fiscal incentive scheme for employer-provided company bicycles in Italy.

Mode-neutral solutions ("Mobility budget")

There are no specific provisions for mobility budgets in Italian fiscal legislation; however, employees can receive a maximum of € 258.33 per year in goods and services (for example public transport tickets) without this being count as taxable fringe benefits.[77]

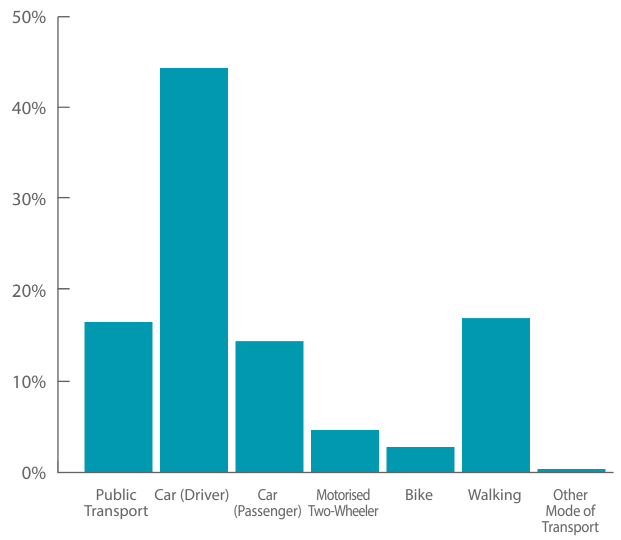
PERSONAL INCOME TAX DEDUCTION FOR HOME-WORK TRAVEL

There is no income tax deduction for home-work travel foreseen in the Italian fiscal system. The possibility to deduct costs for public transport subscriptions has been abolished since 2011.[78]

EVOLUTION OF COMMUTING BEHAVIOUR

Even more than in other European countries, commuting in Italy is still largely dominated by car traffic, with 58%. With a share of 16% for each mode, public transport and walking also play an important role in home-work travel. Only 2.5 % of respondents in the 2001 census used their bike to get to work. The share of motorised two-wheelers is high compared to other European countries, with 5%.[79]

MAIN MODE OF TRANSPORT USED FOR COMMUTING IN ITALY, 2001



[71] http://www.tasse-fisco.com/autoveicoli/benefit-auto-dipendenti-tasse-irped-iva/13780/
[72] http://www.seat-italia.it/content/medialib/seat/it/models/toledo/pdf/listino-2015-toledo/_jcr_content/renditions/rendition.file/listini_am_2015-toledo.pdf
[73] http://www.aci.it/fileadmin/documenti/servizi_online/fringe2007/fringe_2014/Autoveicoli_BZ_IN.xls
[74] http://www.quickmanager.it/clienti/files/La-deducibilita-delle-auto-2013.pdf
[75] http://www.unrae.it/files/dicembre2013_struttura_del_mercato.pdf
[76] http://www.adcectv.it/file.axd?id=a841f21f-14a6-4276-93ef-428276ffa654&type=ds
[77] http://www.adcectv.it/file.axd?id=a841f21f-14a6-4276-93ef-428276ffa654&type=ds
[78] http://www.intrage.it/rubriche/fisco/deduzioni_detrazioni_fiscali/spesededucibiliedetraibili/
[79] http://www.regione.lazio.it/binary/prtl_statistica/statistica_normativa/Pubblicazione_Trasporti_CNR.pdf

SPAIN

RECOMMENDATIONS

In Spain, the rules for the taxation of the private use of company cars would benefit from some clarification, as it is not clear today which share of private and business use is assumed in case no detailed records are available. A possibility that would go towards a fair treatment of company cars versus private cars would be to simply apply the 20% value of the acquisition price that is used today as a base for the calculation in every case where a company car is used privately, regardless of the exact share.

The introduction of the possibility for employers to provide employees with tickets for public transport free of taxes has been a step in the right direction. A similar rule should be introduced for the provision of company bikes.

Finally, the possibility to deduct costs for moving houses when accepting a job far away instead of allowing deduction of costs for home-work travel can help to avoid commuting altogether and could therefore serve as an example for other countries.

ANALYSIS OF FISCAL SCHEMES FOR DIFFERENT TRANSPORT SOLUTIONS PROVIDED BY EMPLOYERS

Company Car Taxation

For Employees

In Spain, the use of a company car for private purposes is considered to be a taxable benefit. The value of the benefit is calculated on a basis of 20% of the car's acquisition price including taxes (or the market value for leased cars) per year for full private use. Since most company cars are used both privately and for business, the actual value is lower after business use is subtracted. If the taxpayer cannot prove the actual share of business and private use, tax authorities often assume a private use of 50% (in absence of a clear legal provision), meaning that the taxable benefit lies at 10% of the car's acquisition price.[80]

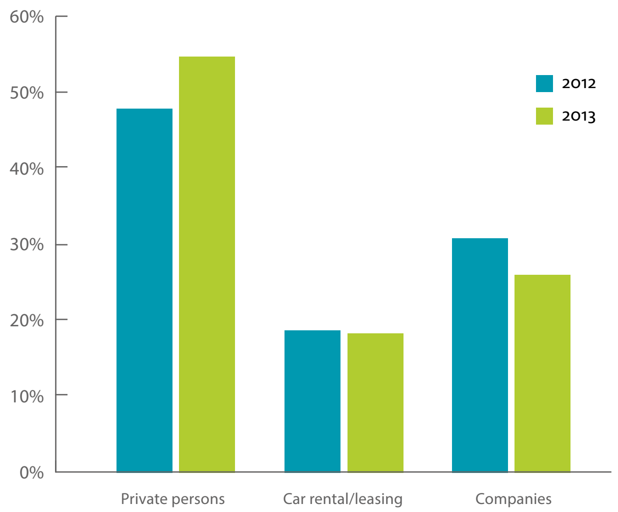
For Employers

Companies in Spain can deduct the costs for cars from their taxable profits; however, the share of private use calculated according to the rules explained above has to be declared as staff costs.[81] 50% of the VAT on company cars can be deducted as input tax, or more if a higher share of business use can be proven.[82]

Evolution of Company Car Registrations

Compared to other European countries, the share of company cars in new car registrations in Spain has been relatively low during the last two years, reaching 18.9% for car rental companies and 31.1% for other companies in 2012. In 2013, 18.5% of new registrations were done by rental companies and 26.3% by others.[83]

REGISTRATIONS OF NEW CARS IN SPAIN



Public Transport Reimbursement

Since 2010, Spanish companies can provide their employees with tickets for public transport up to an amount of € 1,500 per year without this being counted as a taxable benefit. The tickets have to be bought directly by the company, be issued on the name of the employee, and they may not be transferable and/or reimbursable.[84] In 2013, the Spanish government decided to include this benefit (amongst others) in the income base for social security, meaning that social security contributions now have to be paid on the value of the tickets.[85]

Cycling reimbursement

There are no fiscal incentives for employers to give bikes to their employees in Spain at this point of time. However, in February 2014, a company active in the field of employee motivation introduced a proposition to the Spanish Ministry of Finance to include bicycles in the list of employee benefits.[86]

Mode-neutral solutions ("Mobility budget")

Currently, there are no mode-neutral fiscal solutions for Spanish employers to provide their employees with reimbursements for public transport.

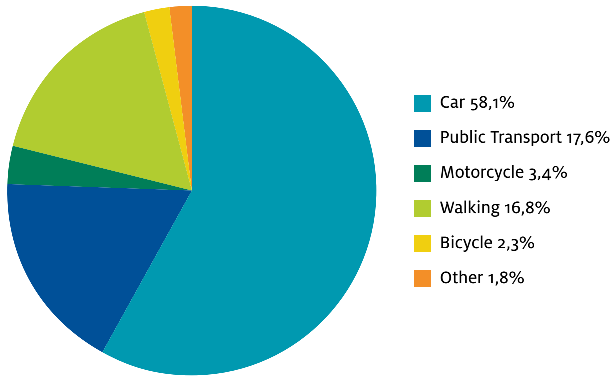
PERSONAL INCOME TAX DEDUCTION FOR HOME-WORK TRAVEL

In Spain, there is no income tax deduction foreseen for daily home-work travel. Instead, there is a deduction of € 2,600 to € 4,000 (depending on the income) for previously unemployed taxpayers who have accepted a job and moved houses in order to live closer to their new workplace.[87]

EVOLUTION OF COMMUTING BEHAVIOUR

As in other European countries, commuting in Spain is still largely dominated by car traffic, with 58%. With an almost equal share of 18% and 17%, public transport and walking also play an important role in home-work travel. Only 2% of respondents in the 2011 census used their bike to get to work.[88]

MODES OF TRANSPORT USED FOR HOME-WORK TRAVEL IN SPAIN, 2011 CENSUS



[80] http://mieconomista.eu/pregunta-de-juan-castellon-de-fecha-20-07-2012/
[81] https://www2.agenciatributaria.gob.es/ES13/S/IAFRIAFRC12F?TIPO=R&CODIGO=0130039
[82] http://e-autonomos.es/blog/2013/08/comprar-un-coche-para-tu-actividad/
[83] http://www.coches.net/noticias/mas-de-722000-matriculaciones-en-2013
[84] http://www.emede-asociados.com/wp-content/uploads/2014/04/Retribucion-en-especie-en-irpf-juan-manuel-toro-fernandez.pdf
[85] https://es.finance.yahoo.com/blogs/finlaotracaradelamoneda/el-nuevo-golpe-la-n%C3%B3nima-vales-comida-plus-123836174.html
[86] http://www.grassroots.es/noticia/42/grass-roots--la-bicicleta-como-retribuci----n-flexible
[87] https://www2.agenciatributaria.gob.es/ES13/S/IAFRIAFRC12F?TIPO=R&CODIGO=126740
[88] http://www.ine.es/censos2011/tablas/Wizard.do?WIZARD=2&reqCode=paso2

SWEDEN

RECOMMENDATIONS

Even though the Swedish tax system has very elaborate rules on the valuation of the taxable benefit of a company car used for private purposes, the resulting values are rather low compared for example to neighbouring Denmark. It would be beneficial to increase this value substantially in order to decrease the number of company car registrations, which is very high compared to other European countries. On the other hand, the rule that fuel provided by the employer is excluded from the taxable benefit of the car and is taxed departing from a base of 120% of its value is an exemplary way to disincentivise this behaviour which otherwise leads to artificially high private use of the company car and fuel consumption.

The rules concerning the provision of company bikes to employees are rather lenient in Sweden and provide an incentive to take the bike to go to work. This incentive could be further developed if the rules for income tax deduction of costs for home-work travel would be made more bike-friendly, for example by abolishing the current SEK 10,000 threshold for applying the deduction as well as the limitation of deductible costs to SEK 250 per year for cycling-related costs.

ANALYSIS OF FISCAL SCHEMES FOR DIFFERENT TRANSPORT SOLUTIONS PROVIDED BY EMPLOYERS

Company Car Taxation

For Employees

In Sweden, private use of a company car is considered to be a taxable benefit if this use exceeds 10 journeys or 1000 km per year. In this case, the value of the benefit is calculated based on the list price of the new car plus optional equipment. Other factors taken into account are yearly inflation and the interest rate for long-term Swedishgovernment bonds. In 2014, the value of the benefit is SEK 14,075 (ca. € 1,536, this part is adjusted to inflation every year) plus 10.5675% (9% plus ¾ of the current interest rate for long-term Swedish government bonds) of the list price for cars with a list price of SEK 333,000 (ca. € 36,350) or lower. For cars with a higher list price, the part of the price above the limit is taken into account with 20% instead of 9%.[89]

For example, for a car with a list price of SEK 400,000 (ca. € 43,660), thetaxablebenefitwould be:
SEK 14,075+0.105675*SEK 333,000+0.2*(SEK 400,000-SEK 333,000)=SEK 50,665 (ca.€ 5,530)

The taxable benefit in this case corresponds to 12.67% of the car's list price.

Fuel for private use that is paid by the employer is not included in the taxable car benefit and is counted as an extra benefit worth 120% of the fuel expenses.

For Companies

Companies can deduct expenses for company cars from their taxable profits; however, they are not allowed to deduct VAT for car purchases as input tax. A 50% VAT deduction is possible for car leasing if the car's business mileage is over 1000 km per year.[90]

i. Evolution of Company Car Registrations

In Sweden, legal entities stand for a very high share of new car registrations. In 2012, this share reached 65.5%, after 61.1% in 2011.[91]

Public Transport Reimbursement

In Sweden, reimbursements for public transport tickets made by the employer are always considered to be a taxable benefit if they are not used exclusively for business trips. Home-work travel is regarded as private use in this respect.[92]

Cycling reimbursement

Swedish employers can provide bikes for their employees as taxable benefits. The value of the benefit is calculated using the yearly depreciation of the bike, costs for accessories and maintenance and the cost of capital (since the employee does not have to use his own capital to buy a bike). The cost of capital is based on the interest rate for long-term government bonds (in 2013: 2.2%), to which 1% is added. For example, the benefit value for a bike that costs SEK 5,000 (ca. € 547), for which the employer pays SEK 300 (ca. € 33) per year for maintenance and which is supposed to last for 10 years, the benefit value would be:

(SEK 5,00010)/+SEK 300+0.032*SEK 5,000
=SEK 960 (ca.€ 105)[93]

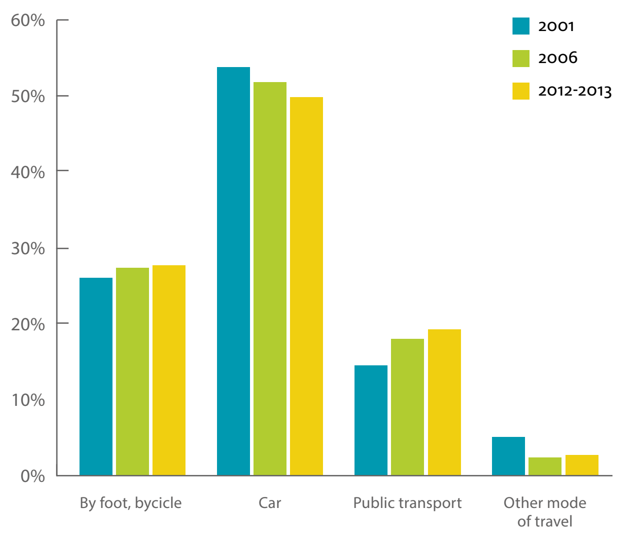
Mode-neutral solutions ("Mobility budget")

Home-work travel is regarded as private travel in Swedish tax legislation. All reimbursements paid by the employer are therefore taxable as if they were normal income,[94] which makes the introduction of "mobility budgets" for employees rather unattractive.[95]

PERSONAL INCOME TAX DEDUCTION FOR HOME-WORK TRAVEL

Swedish taxpayers can claim an income tax reduction for home-work travel, but only for the part of the costs that exceeds SEK 10,000 per year (ca. € 1,095). The distance between home and work has to be more than 2 km (5 km if a car is used). For public transport, only the costs actually incurred can be deducted.[96] If a car is used, the deduction can only be made if no public transport is available, if the time saved by using the car is at least two hours per day, or if the car is used for business trips during the day for most of the year. In this case, SEK 1.85 (ca. € 0.20) per kilometer travelled can be deducted if the taxpayer's own car is used. If a company car is used, the possible deduction is SEK 0.65 (ca. € 0.07) per km for diesel cars or SEK 0.95 (ca. € 0.10) per km for other cars.[97] For cycling to work, the yearly deductible amount is SEK 250 (ca. € 27.36), regardless if the bike is used for the whole distance or just for a part of it. However, since the SEK 10,000 threshold also applies in this case, it is practically impossible to claim a tax induction if cycling is the main mode of home-work transport.[98]

STUDY- AND WORK-RELATED JOURNEYS IN SWEDEN



EVOLUTION OF COMMUTING BEHAVIOUR

In Sweden, commuting is studied in the national travel habits survey.[99] Results from the last decade show that car commuting has decreased steadily to reach a share of 50% in the study period 2012-2013, while public transport and walking and cycling have increased their share to 19.4% (public transport) and 27.8% (walking and cycling) respectively. When comparing to other European countries, it should be noted that these statistics include also study-related journeys, which might partly explain the high share of public transport, walking and cycling.

[89] https://www.skatteverket.se/download/18.8dcbbe4142d38302d72c80/1387280119440/SKVM_2013_19+Bilmeddelande.pdf
[90] https://www.skatteverket.se/foretagorganisationer/moms/sarskildareglerforvissavarortjanster/bilar.4.58d555751259e4d66168000010628.html
[91] http://www.bilsweden.se/storage/cms/053967d1c7c64f69b18b1766f00bf1e8/fff76a9cb35643e88350b6a63e031691/pdf/9/PressRel1212def%5B1%5D.pdf?MediaArchive_ForceDownload=true&PropertyName=File1&ValueIndex=0
[92] http://www.personalekonomi.se/artikel/forman-manadskort-kollektivtrafik.aspx
[93] https://www.skatteverket.se/privat/skatter/arbeteinkomst/formaner/cykel.4.46ae6b26141980f1e2d466e.html
[94] https://www.skatteverket.se/privat/skatter/arbeteinkomst/formaner/resor.4.7459477810df5bccdd4800015064.html
[95] https://www.energimyndigheten.se/Global/Forskning/Transport/F%C3%B6rstuideMobilityBudgets20120103.pdf
[96] http://www.skatteverket.se/privat/skatter/arbeteinkomst/avdragslexikon/r.4.5fc8c94513259a4ba1d800042806.html#resa
[97] http://www.skatteverket.se/privat/skatter/arbeteinkomst/avdragslexikon/b.4.5fc8c94513259a4ba1d800042789.html#Biltillochfranarbetet
[98] http://www.skatteverket.se/privat/skatter/arbeteinkomst/avdragslexikon/c.4.5fc8c94513259a4ba1d800042820.html#cykel
[99] http://www.trafa.se/sv/Statistik/Resvanor/

SWITZERLAND

RECOMMENDATIONS

The company car taxation system in Switzerland is rather lenient, both for employees and for companies. The taxable benefit is among the lowest of all countries studied, and no benefit arises at all if home-work travel is the only private use of the company car – which is an important incentive for commuting by car. This exemption should therefore be abolished and a fiscal incentive for using the bike to go to work introduced instead. Concerning income tax deduction for home-work travel, the strict rules concerning the priority of public transport and the decreasing deductible amount for longer distances could serve as an example for other countries.

ANALYSIS OF FISCAL SCHEMES FOR DIFFERENT TRANSPORT SOLUTIONS PROVIDED BY EMPLOYERS

Company Car Taxation

For Employees

In Switzerland, the value of the taxable benefit for the private use of a company car is fixed at 0.8% per month (9.6% per year) of the price paid for the car, with a minimum value of CHF 150 (ca. € 123) per month. If the only private use of the car is the journeys from the employee's home to the workplace, no taxable benefit arises.[100]

For Employers

Companies in Switzerland can deduct the costs for cars from their taxable profits; however, the share of private use (either proven through a log book or calculated according to the method above) cannot be deducted.[101] VAT can also be deducted as input tax, but only for the business use of the car.[102]

Evolution of Company Car Registrations

In Switzerland, there is no central statistic over company car registrations. Estimations by a private consultancy suggest that their share in new registrations in 2009 was around 30%,[103] which would be rather low in comparison with other European countries.

Public Transport Reimbursement

In Switzerland, in principle all income is taxable. This includes reimbursements made by the employer for public transport tickets that are only used privately (including home-work travel).[104] Nevertheless, so-called "job tickets", where employers provide public transport tickets at reduced rates to their employees, also exist.[105] Furthermore, if a subscription to the public transport system is necessary for business travel, the additional private use does not have to be declared as a taxable advantage.[106]

Cycling reimbursement

There is no legislation in Switzerland that would fix the taxable benefit for the private use of a company bike, and it appears that currently the tax administration does not take into account this issue either, meaning that private use is free of taxes.[107]

Mode-neutral solutions ("Mobility budget")

In principle, all reimbursements made by the employer for home-work travel are considered to be taxable income in Switzerland (see above).[108] However, companies can pay up to CHF 600 (ca. € 493) per year in so called "Reka money" free of taxes and social security contributions. This "money" can be used for public transport, but also for car sharing services, for fuel at service stations and for a variety of touristic services.[109]

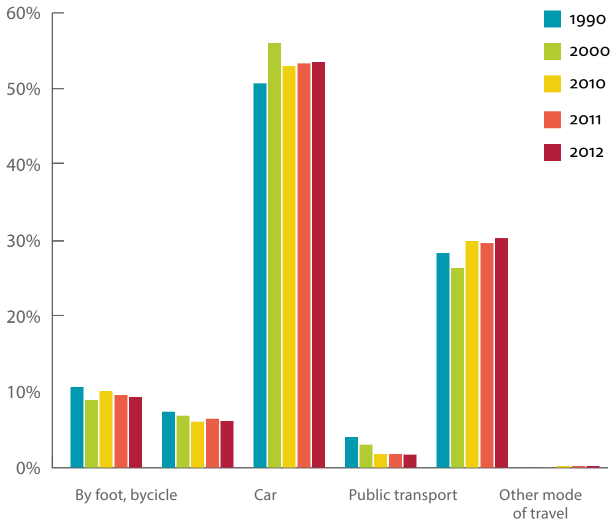
PERSONAL INCOME TAX DEDUCTION FOR HOME-WORK TRAVEL

Swiss taxpayers can claim a deduction from income tax for home-work travel. In principal, only the actual costsfor public transport tickets are deductible, regardless which mode of transport is used. For bikes and light motorcycles, CHF 730 (ca. € 600) per year can be deducted, or more if the actual costs incurred can be proven. If the use of public transport is not feasible, costs for the use of a private car can be deducted. The deductible amount per kilometer decreases with the distance travelled, from CHF 0.70 per km (ca. € 0.58) to CHF 0.50 per km (ca. € 0.41).[110]

EVOLUTION OF COMMUTING BEHAVIOUR

In Switzerland, statistics over commuters' choices of transport mode are readily available at the Federal Statistical Office. They show that car use is dominant for Swiss commuters, but less so than in other European countries. The share of car commuters has also decreased from 55.4% in 2000 to 52.9% in 2012. Public transport plays a very important role in Switzerland, with a share of around 30% in 2012. Cycling has decreased since 1990 from 7.3% to 6.1% in 2012.[111]

HOME-WORK TRAVEL IN SWITZERLAND



[100] http://www.steueramt.zh.ch/internet/finanzdirektion/ksta/de/steuererklaerung/rechtliche_grundlagen_steuern_allgemein/_jcr_content/contentPar/downloadlist_14/downloaditems/31_1320333526126.spooler.download.1320333128733.pdf/12-502.pdf
[101] http://www.taxinfo.sv.fin.be.ch/taxinfo/display/taxinfo/Privatanteile+Fahrzeugkosten
[102] http://vatar.ch/media/archive1/Beitrag%20r%26c%204_2012.pdf
[103] http://www.input-consulting.ch/?redirect=getfile.php&cmd[getfile][uid]=35
[104] http://tools.stv.gr.ch/deutsch/pdf/erlaeuterungen_zum_lohnausweis.pdf
[105] http://www.tnw.ch/tickets-und-preise/abonnemente/job-ticket/
[106] http://www.aargaumobil.ch/uploads/tx_amdownloads/Steuern_und_Mobilitaet.pdf
[107] http://www.velotext.ch/downloads/HH_Transportvelos_im_Gewerbe_Angeli.pdf
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[109] http://www.reka.ch/de/rekageld/firmen/steuerbefreite-lohnnebenleistung/seiten/steuerbefreite-lohnnebenleistung.aspx
[110] http://www.steuerverwaltung.bs.ch/15500_fw_np_ste_14-01_b_wegleitung.pdf
[111] http://www.bfs.admin.ch/bfs/portal/de/index/themen/11/04/blank/04.Document.178649.xls

THE NETHERLANDS

RECOMMENDATIONS

In the Netherlands, fiscal legislation regarding home-work travel is comparatively mode-neutral. This is especially true for the transport reimbursement that can be paid by employers regardless of which mode of transport is used for home-work travel, and it is probably one of the reasons why the Dutch are pioneers on the introduction of mode-neutral "mobility budgets" in companies. The recent introduction of the "work cost regulation" might further the development of mode-neutral solutions; however, the abolition of the "company bike" privilege is clearly a step in the wrong direction since it takes away an incentive for an environmentally friendly and congestion relieving mode of commuting. A way to palliate this development could be for example to extend the possibility to deduct costs for home-work travel from public transport to cycling.

The company car taxation system in the Netherlands with its relatively high valuation of the taxable benefit and the inclusion of a CO_2 component with low emission thresholds is among the more sustainable in Europe.

ANALYSIS OF FISCAL SCHEMES FOR DIFFERENT TRANSPORT SOLUTIONS PROVIDED BY EMPLOYERS

Company Car Taxation

For Employees

The use of a company car for private purposes of more than 500 km per year is considered to be a taxable advantage under Dutch fiscal legislation. The calculation of the advantage is based on the list price of the car multiplied by a percentage that depends on the vehicle's CO_2 emissions. This percentage reaches from 4% for cars with no CO_2 emissions to 25% for cars with emissions of more than 110 g/km (from 2015). Payments by the employee for the use of the car are deducted from the taxable advantage.[112]

For Employers

Companies can deduct the costs for cars from their taxable profits (depreciation + maintenance + fuel). However, if the car is used privately as well, the calculated fiscal advantage (see above) has to be deducted from the costs. The same logic applies for VAT: The VAT is deductable as input tax, but only for business use. The company can decide to either pay a lump sum VAT of 2.7% for private use or to keep a logbook in order to record the actual share of private use.[113]

Evolution of Company Car Registrations

In the Netherlands, detailed statistics on company cars are provided by the Central Office for Statistics. According to these numbers, the share of employees that benefit from a company car has remained constant at around 7% of all employees during the last 5 years.[114]

Public Transport Reimbursement

Dutch fiscal legislation makes it possible for companies to reimburse their employees the full cost of public transport for their home-work travel, even if it is higher than the general reimbursement of € 0.19 per km. This reimbursement is free of taxes and social security contributions.[115]

Cycling reimbursement

In the Netherlands, companies have been allowed to give a bike worth up to € 749 to their employees once every three years free of taxes. At least 50% of the rides must be for home-work traffic. Additionally, the employer can give tax-free reimbursements for expenses and accessories (rainsuit, bikelock, reparation and maintenance etc.) of up to € 82 per year and pay bike insurance, also free of taxes.[116]

In 2009, 371,420 employees (4.9% of all employees) received an allowance for the purchase of a bicycle for a total amount of € 183.7 million.[117]

With the introduction of the obligation to use the so-called "work cost regulation" in 2015 (see below), the possibility to provide employees with a bike free of taxes every three years will disappear in its current form. Reimbursements for bikes will then have to be included in the 1.2% of total salary costs that the company can use for tax-free employee benefits.[118] However, interest-free loans to employees for buying (e-) bikes are exempted from this rule.[119]

The employer can also put a bike at the disposal of the employee, while remaining owner of it. This is also tax-free; however, the general home-work travel compensation of € 0.19 cannot be applied in this case.[120]

Furthermore, there are temporary projects under the "Beter-Benutten" programme to incentivise employees to take the bike instead of the car for their way to work. In the framework of these projects, the incentives paid are exempt from taxes and contributions.[121]

Mode-neutral solutions ("Mobility budget")

Dutch fiscal legislation is already rather conducive to mode-neutral home-work mobility solutions, and there are a number of HR businesses who have specialised in offering the management of employee mobility budgets to companies.[122]

Companies can pay a travel cost compensation of € 0.19 per kilometre free of tax, regardless of the mode of transport used. For public transport, the reimbursement can be higher if the actual costs are reimbursed. For cycling, the possibility of giving a bike tax-free every three years could be combined with the reimbursement before the introduction of the "work cost regulation".[123]

Recently, the rules regulating employee benefits have been overhauled with a view to simplifying them and giving companies as well as employees more flexibility. Under the new "work cost regulation", which will be obligatory from 2015 on, companies can provide an amount of up to 1.2% of their total costs for salaries and wages for a wide range of tax-free benefits to their employees (the so-called "fiscal space"). They are free to decide how to spread this amount; however, benefits surpassing the limit must be declared as salary and taxed correspondingly; otherwise they are taxed at a flat rate of 80%. The travel cost compensation of € 0.19 per km is excluded from the regulation, meaning that it does not have to be taken into account when determining the "fiscal space".[124]

In January 2012, a group of 50 companies having an interest in smart mobility presented a proposal for the introduction of a "smart travel budget" to the Dutch government. With this proposal, the tax-free reimbursement of € 0.19 per kilometre would have been made more flexible in the way that the limit would not have been applicable to every single employee, but to all travelled kilometres for the company as a whole. The proposal was examined by the Ministries of Finance and Infrastructure, but was finally rejected in September 2013 because of the negative impact on the state budget.[125]

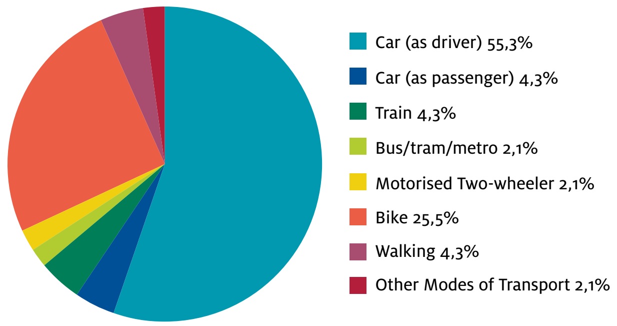
PERSONAL INCOME TAX DEDUCTION FOR HOME-WORK TRAVEL

If the employer does not give compensation for home-work travel, employees in the Netherlands can only deduct the costs for income tax purposes if they use public transport. The distance between home and work has to be more than 10 km. The deductible amount is fixed by the State every year and depends on the number of days per week on which public transport is used and the distance between home and work. There is no possibility for deduction for home-work travel by car or bike.[126]

EVOLUTION OF COMMUTING BEHAVIOUR

Compared to other European countries, cycling has an extremely high share in commuting in the Netherlands, reaching 26% in 2012. However, car travel, either as a driver or a passenger, still stands for 60% of the journeys, while public transport has a share that is well below the European average, reaching 6% for all modes taken together. [127]

HOME-WORK TRAVEL IN THE NETHERLANDS, 2012



[112] http://www.rijksoverheid.nl/onderwerpen/inkomstenbelasting/vraag-en-antwoord/wat-zijn-de-regels-voor-bijtelling-als-ik-een-auto-van-de-zaak-heb.html
[113] http://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/zakelijk/auto_en_vervoer/auto_van_de_onderneming/autokosten/uw_auto_is_ondernemingsvermogen/u_koopt_een_auto_voor_uw_onderneming
[114] http://www.cbs.nl/nl-NL/menu/themas/arbeid-sociale-zekerheid/cijfers/incidenteel/maatwerk/2013-auto-zaak-cm.htm
[115] http://www.belastingdienst.nl/bibliotheek/handboeken/html/boeken/HL/thema_s-vervoer_en_reiskosten.html#HL-21.2.1
[116] http://www.belastingdienst.nl/bibliotheek/handboeken/html/boeken/HL/thema_s-vervoer_en_reiskosten.html#HL-21.7.1
[117] Email from Bert Zinn, Dutch Ministry for Infrastructure and Environment, 3 June 2014
[118] http://www.rijksoverheid.nl/nieuws/2014/07/03/verbeteringen-in-werkkostenregeling.html
[119] http://www.belastingdienst.nl/bibliotheek/handboeken/html/boeken/HL/thema_s-werkkostenregeling_gerichte_vrijstellingen_nihilwaarderingen_en_normbedragen.html#HL-20.2.8
[120] http://www.belastingdienst.nl/bibliotheek/handboeken/html/boeken/HL/thema_s-vervoer_en_reiskosten.html#HL-21.7.3
[121] http://www.platformbeterbenutten.nl/pagina/233/vraagbeinvloeding/#Fiets
[122] For example: https://www.alphabet.com/nl-nl/mobiliteitsbudget
[123] http://www.belastingdienst.nl/bibliotheek/handboeken/html/boeken/HL/thema_s-vervoer_en_reiskosten.html#HL-21.1.1
[124] http://www.rijksoverheid.nl/nieuws/2014/07/03/verbeteringen-in-werkkostenregeling.html
[125] http://www.rijksoverheid.nl/bestanden/documenten-en-publicaties/kamerstukken/2013/09/17/kamerbrief-met-voorstellen-voor-mobiliteitsbudget-b50/kamerbrief-met-voorstellen-voor-mobiliteitsbudget-b50.pdf
[126] http://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/prive/auto_en_vervoer/u_reist_naar_uw_werk/openbaar_vervoer/voorwaarden_reisaftrek_openbaar_vervoer/voorwaarden_reisaftrek_openbaar_vervoer
[127] http://www.cbs.nl/nl-NL/menu/themas/verkeer-vervoer/cijfers/verkeer/71960ned-sl.htm

UNITED KINGDOM

RECOMMENDATIONS

The example of the United Kingdom shows that changes in fiscal legislation can have positive effects on home-work travel patterns. The introduction of a company car taxation system based on CO_2 emissions and with a relatively high valuation of a company car's taxable benefit has led to a notable decrease in the share of company cars in all cars registered in the UK. On the other hand, the tax exemption for company bike-loan schemes has had a positive impact for incentivising employees to go to work by bike, and bike commuting has increased drastically in a number of major cities. An area where more fiscal incentives other than the provision of tax-free loans might be needed in the future is public transport.

ANALYSIS OF FISCAL SCHEMES FOR DIFFERENT TRANSPORT SOLUTIONS PROVIDED BY EMPLOYERS

Company Car Taxation

For Employees

The use of a company car for private purposes is considered a taxable advantage under UK tax legislation. The calculation of the taxable advantage is based on the list price of the car plus the price of accessories and minus possible capital contributions or monthly rates paid by the employee. The yearly percentage rate which is used to determine the advantage depends on the CO_2 emissions of the car. It ranges from 0% for zero-emissions cars (meaning that they can be provided tax-free) to 35% for cars with emissions above 215 g CO_2/km, with thresholds being lowered every year. At similar emission rates, diesel-fuelled cars generate a higher taxable income than others because of their adverse effects on the environment. If the employer provides free fuel, this creates an additional taxable benefit. The calculation here uses the same percentage as for the company car, multiplied by a fixed figure (£ 21,700 (ca. € 26,800)[128] in 2014/2015).[129]

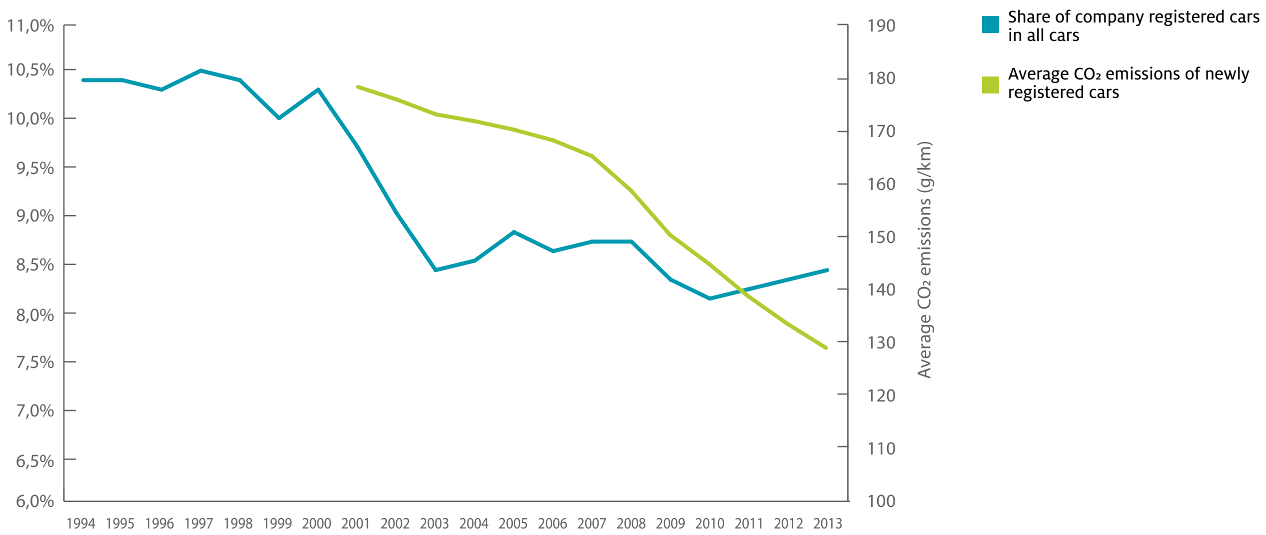
For Employers

In the UK, businesses can claim a "capital allowance" for company cars. This allowance can be written off against their taxable income. Its amount depends on the CO_2 emissions of the car: It is 8% per year for cars with high emissions, 18% per year with medium emissions, or 100% for the year when the car was bought for cars with low emissions (less than 95 g/km for cars purchased after 1 April 2013). For self-employed individuals and partners in a partnership, the amount of non-business use has to be deducted from the capital allowance; this is not the case for cars that are provided by companies to their employees.[130] Companies liable to VAT can only deduct the VAT on car purchases as input tax if the car is used exclusively for business purposes, without any private use.[131]

Evolution of Company Car Registrations

The current CO_2-emissions based company car tax regime was introduced in 2002. Statistics provided by the UK Department for Transport suggest that since then, the share of company cars in all registered cars has decreased from 10.3% in 2000 to 8.4% in 2013.[132] What is more, the CO_2 emissions of newly registered cars have decreased considerably, from an average of 178 g/km in 2001 to 128 g/km in 2013.[133]

PASSENGER CAR REGISTRATIONS AND SHARE OF COMPANY CARS



Public Transport Reimbursement

There are two main tax exemptions for businesses in the UK to support their employees with public transport cost. The first is the subsidisation of a local bus line that employees can use to get to the company's premises.[134] The second is the provision of interest-free loans of up to £ 10,000 (ca. € 12,330) which can be used to buy season tickets for public transport. The tax-free threshold for these loans had been doubled from £ 5,000 in April 2014 with the explicit aim to relief commuters using public transport from price increases.[135]

Cycling reimbursement

Already in 1999, the UK government introduced a tax exemption allowing employers to loan cycles and cyclists' safety equipment to employees as a tax-free benefit. In order to qualify for the exemptions, companies must set up a loan scheme open to all employees. The scheme can cover bikes (including electrically assisted ones) and safety equipment. The bikes must mainly be used for journeys made between the employee's home and workplace, or part ofthose journeys (for example, to thestation), or for journeys between oneworkplace and another. The scheme can either be put in place as an additional benefit for the employee (salary plus) or as a replacement for a part of his/her salary (salary sacrifice scheme). After the end of the loan phase, the employee can buy the bike. In order to avoid abuse, British tax authorities have published a guidance in 2010 on which prices they accept as reflecting market value and not providing a hidden additional benefit.[136]

According to data from the Cycle to Work Alliance, over 550,000 employees have used the scheme until today. 67% of them would use their car for commuting to work if they did not cycle. These commuters stand for emission savings of 112,210 tonnes of CO_2 per year.[137]

Mode-neutral solutions ("Mobility budget")

The concept of a mode-neutral "mobility budget" does not appear in British fiscal legislation as such. However, British tax authorities provide advice to businesses setting up "Green Travel Plans" for their employees, giving information on how fiscal incentives can be used to encourage to reduce car journeys for home-work travel and business trips.[138]

PERSONAL INCOME TAX DEDUCTION FOR HOME-WORK TRAVEL

In the UK, there is no income tax relief for travel from home to the usual work place.

EVOLUTION OF COMMUTING BEHAVIOUR

Commuting statistics in the UK are collected at country level, for England and Wales[139] together and separately for Scotland[142] and Northern Ireland[141]. In all four countries, commuting habits have remained largely stable between the two censi in 2001 and 2011 and are still dominated by car travel (59.9% both in Scotland and England + Wales, 73.8% in Northern Ireland).

Nevertheless, in England and Wales, car commuting has decreased somewhat during the last decade, from 62.0% in 2001 to the 59.9% mentioned above in 2011. The share of public transport in home-work travel has increased during the same period from 14.5% to 15.9%. More people also work mainly at home (9.2% in 2001 and 10.3% in 2011). Cycling has increased by 14% in absolute terms; however, this only translates into a very modest increase in terms of modal share, from 2.76% to 2.79%. The increase is much higher than average in some regions; for example, in the Greater London area, the number of people who cycle to work has more than doubled from 2001 to 2011. Remarkable increases have also been registered in other large urban areas such as Manchester, Bristol, Sheffield, or Newcastle.[142]

City/Area	Number of residents (16-74) cycling to work, change 2001-2011
Brighton and Hove	+109%
Greater London	+101%
Bristol, City of	+94%
Manchester	+83%
Newcastle upon Tyne	+81%
Sheffield	+80%
Cardiff	+65%
Leeds	+49%
Liverpool	+48%
Swansea	+45%
Birmingham	+26%

[128] Exchange rates in this document as of June 2014 (http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)
[129] http://www.hmrc.gov.uk/cars/company-cars-factsheet.pdf
[130] http://www.hmrc.gov.uk/capital-allowances/plant.htm#7
[131] http://www.hmrc.gov.uk/vat/managing/reclaiming/motoring.htm#1
[132] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/301635/veh0202.xls
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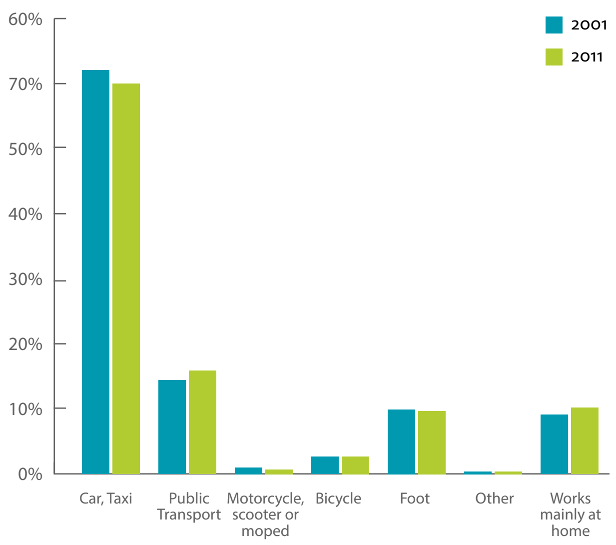
[136] https://www.gov.uk/government/publications/cycle-to-work-scheme-implementation-guidance
[137] http://www.cycletoworkalliance.org.uk/aboutus.html
[138] http://www.hmrc.gov.uk/green-transport/travel-plans.htm
[139] http://www.ons.gov.uk/ons/rel/census/2011-census/detailed-characteristics-on-travel-to-work-and-car-or-van-availability-for-local-authorities-in-england-and-wales/rft-table-1.xls
[140] http://www.scotlandscensus.gov.uk/ods-web/home.html
[141] http://www.nisra.gov.uk/Census/key_report_2011.pdf
[142] http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/cycling-to-work/reftable.xls

METHOD OF TRAVEL TO WORK, ENGLAND AND WALES



In Scotland, cycling has also increased its modal share in home-work travel from 1.6% in 2000 to 2.1% in 2010. In Northern Ireland, numbers have remained stable at a level of around 0.9%.

ECF Member Organisations

Go 2 Albania (AL)
Bicycle SA (AU)
Radlobby Österreich (AT)
Minsk Cycling Community (BY)
Брэсцкае гарадское культурна-асветніцкае грамадскае аб'яднанне «Ручаёк» (BY)
GRACQ – Les Cyclistes Quotidiens asbl (BE)
Pro Velo asbl (BE)
Fietsersbond vzw (BE)
Toerisme Vlaanderen (BE)
T & E, the European Federation for Transport and Environment (BE)
Green Tour Bosnia & Hercegovina (BA)
Bulgarian Cycling Association (BG)
Vélo Québec (CA)
Moj Bicikl (HR)
Κυπριακό Οργανισμό Τουρισμού (CY)
KKTC Bisiklet Seveler Demegi (CY)
Δημοτικός Όμιλος Ποδηλάτου Ιδαλίου (CY)
Nadace Partnerství (CZ)
Foreningen Frie Fugle (DK)
DCF, Dansk Cyklist Forbund (DK)
Vänta Aga (EE)
Pyöräilykuntien verkosto ry (FI)
Tampereen Polkupyöräilijät (FI)
HePo, Helsingin Polkupyöräilijät (FI)
AF3V Association Française des Véloroutes et Voies Vertes (FR)
Départements & Régions cyclables (FR)
FUB, Fédération Française des Usagers de la Bicyclette (FR)
Land Transport Agency (GE)
Allgemeiner Deutscher Fahrrad- Club (ADFC) e.V. (DE)
HPV Deutschland e.V. (DE)
Ecological Movement of Thessaloniki (GR)
Πόλεις για το Ποδήλατο (GR)
Cycling Club Orthopetalia (GR)
Filoi tou podèlatou (GR)
Magyar Kerékpárosklub (HU)
KMSZ, Kerékpáros Magyarország Szövetség (HU)
Landssamtök hjólreiðamanna, LHM (IS)
Cyclist.ie (IE)
Hyderabad Bicycling Club (HBC) (IN)
Yisrael Bishvil Ofanayim (IL)
FIAB, Federazione Italiana Amici della Bicicletta (IT)
Latvijas Velocelojumu Informacijas Centre (LV)
Lietuvos dviratininkų bendrija (LT)
Cycle Luxembourg (LU)
LVI, Lëtzebuerger Velos-Initiativ (LU)
Fietsersbond (NL)
Nederlandse Vereniging voor Human Powered Vehicles (NL)
Stichting Europafietsers (NL)
Stichting Landelijk Fietsplatform (NL)
SLF, Syklistenes Landsforening (NO)
Pomorskiego Stowarzyszenia "Wspólna Europa" (PL)
Fundacja Partnerstwo dla Środowiska (PL)
Miasta Dla Rowerów (PL)
VeloPoland Foundation (PL)
MUBi - Associação pela Mobilidade Urbana em Bicicleta (PT)
FPCUB, Federação Portuguesa Cicloturismo e Utilizadores de Bicicleta (PT)
Asociația Green Revolution (RO)
Federatia Biciclistilor Din Romania (FBR) (RO)
Велотранспортный союз (RU)
Russian Cycle Touring Club (RU)
MosgortransNIIproject (RU)
Yugo Cycling Campaign (RS)
Ciklo Svet Srbija (RS)
NSBI, Novosadska biciklistička inicijativa (RS)
Nadácia Ekopolis (SK)
Slovenský Cykloklub (SK)
Slovenska Kolesarska mreza (SI)
A Contramano: Asamblea de Ciclistas de Sevilla (ES)
Bicuitat de Mallorca (ES)
AEVV, Asociación Europea de Vías Verdes (ES)
Cykelfrämjandet (SE)
Der Verein Future Bike Schweiz (CH)
Pro Velo Schweiz (CH)
VCS, Verkehrs-Club der Schweiz (CH)
Formosa Lohas Cycling Association (TW)
Thailand Cycling Club (TH)
Enverçevko (TR)
Bisiklet Derneği (TR)
Izmir Bicycle Association (TR)
Sustrans (UK)
Cyclenation (UK)
CTC, the national cyclists' organisation (UK)
Асоціація велосипедистів Києва (UA)
Alliance for Biking and Walking (US)
One Street (US)

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Mission Statement

Founded in 1983, the **European Cyclists' Federation** (ECF) is the umbrella federation of the national cyclists' associations in Europe, reinforced by similar organisations from other parts of the world. On behalf of our members, we are pledged to ensure that bicycle use achieves its fullest potential so as to bring about sustainable mobility and public well-being. To achieve these aims, the ECF seeks to change attitudes, policies and budget allocations at the European level. ECF stimulates and organises the exchange of information and expertise on bicycle related transport policies and strategies as well as the work of the cyclists' movement.

ECF gratefully acknowledges financial support from the Life programme of the European Commission. The information and views set out in this report are those of the author(s) and do not necessarily reflect the official opinion of the European Union. Neither the European Union institutions and bodies nor any person acting on their behalf may be held responsible for the use which may be made of the information contained therein.

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