

# **Fiscal and financial incentives for cycling – What works?**

**Holger Haubold, ECF Fiscal and Economic Policy Officer  
Velo-city, Dublin, 25 June 2019**

**Don't tell me  
what you value,  
show me your  
budget, and I'll  
tell you what  
you value.**

**Joe Biden, former  
U.S. Vice-President**





**Today we focus on:**

- A. Fiscal incentives for cycling to work**
- B. Financial incentives for e-cycling**



# **A. Fiscal Incentives Where are we today?**

- Car dominant in commuting**
- **Environment and space problems**
  - **Health problems: air quality, inactivity**





GRÜN

**BMW rät Angestellten zum  
Fahrrad statt zum Dienstwagen**



# A. Fiscal Incentives

## Best practices

### Belgium:

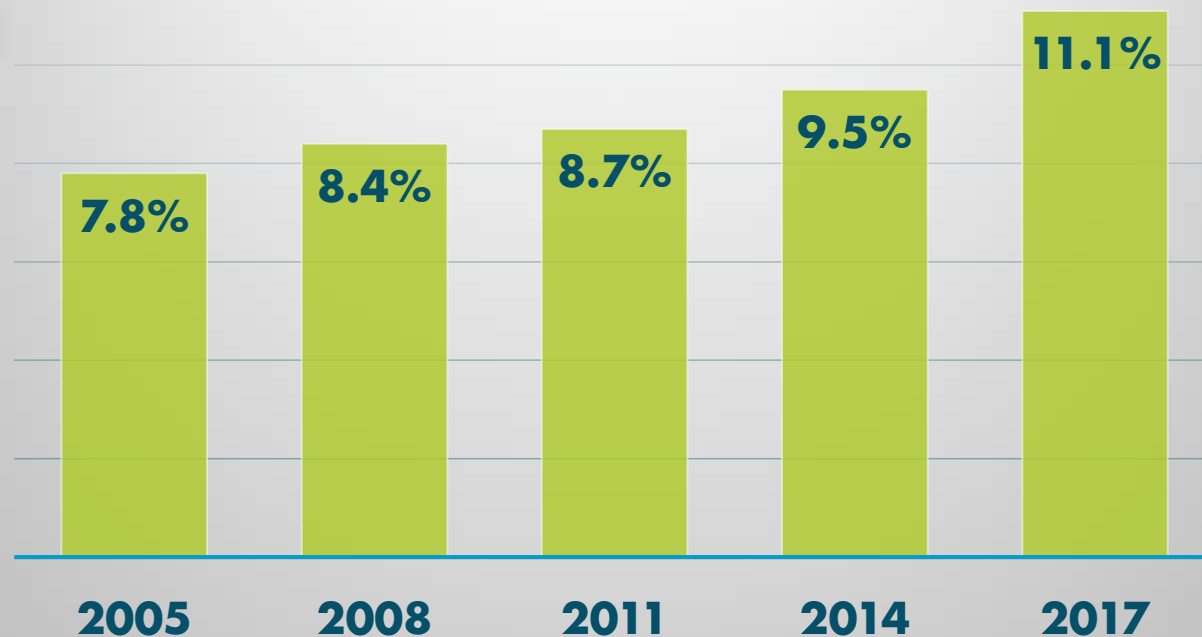
- **Tax-free reimbursement:** € 0.24/km
- **Tax-free provision of company bikes** for employees
- **120% deductible for companies:** costs for bikes + cycling infrastructure

**ECF recommends:** Follow this example!

# A. Fiscal Incentives Best practices

**Belgium:  
Cycling to work  
increased by  
42% in 12 years**

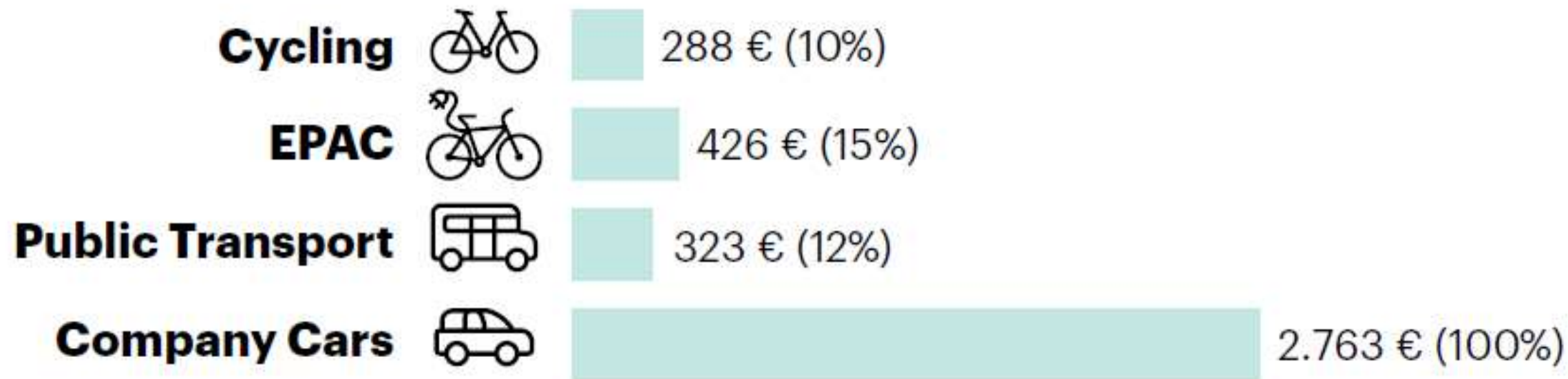
Share of employees  
cycling to work





# A. Fiscal Incentives

## Best practice Belgium – but:





# A. Fiscal Incentives

## Best practices

### United Kingdom, Ireland:

- Employers lend bicycles free of tax to their employees.
- Employee can buy the bike at the end of the lending phase.

### Germany, Austria:

- Bicycle provided by employer not counted as taxable benefit



# A. Fiscal Incentives

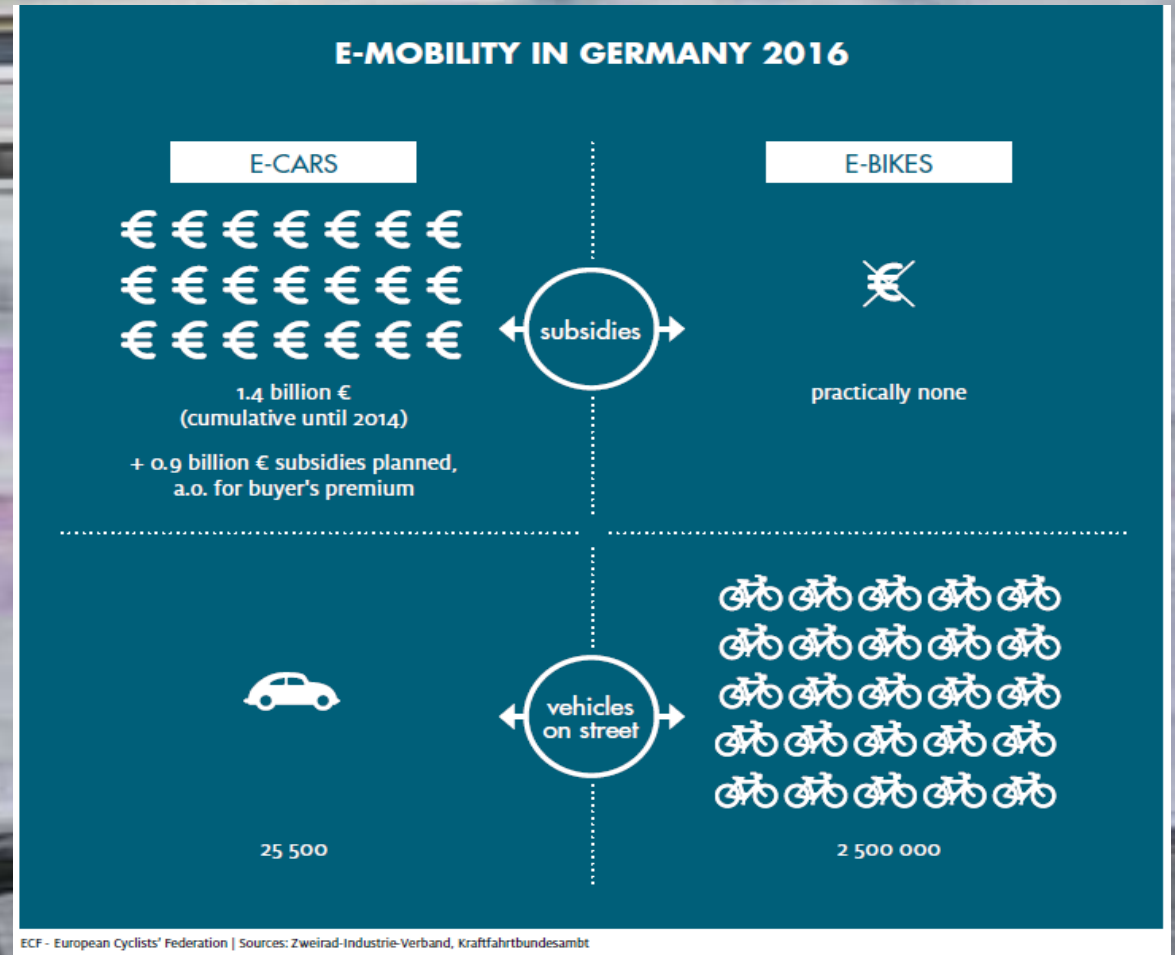
## Best practices

**Austria: e-bikes provided by employer receive same tax benefits as e-cars**

**Ex-ante analysis:**

- **CO2 reduction 13'000 tons per year**
- **Public health benefits 12 million EUR per year**
- **benefit for companies 130 euro per year and per employee**





# B. Financial Incentives for e-cycling

## Where are we today?



## B. Financial Incentives for e-cycling Best Practice

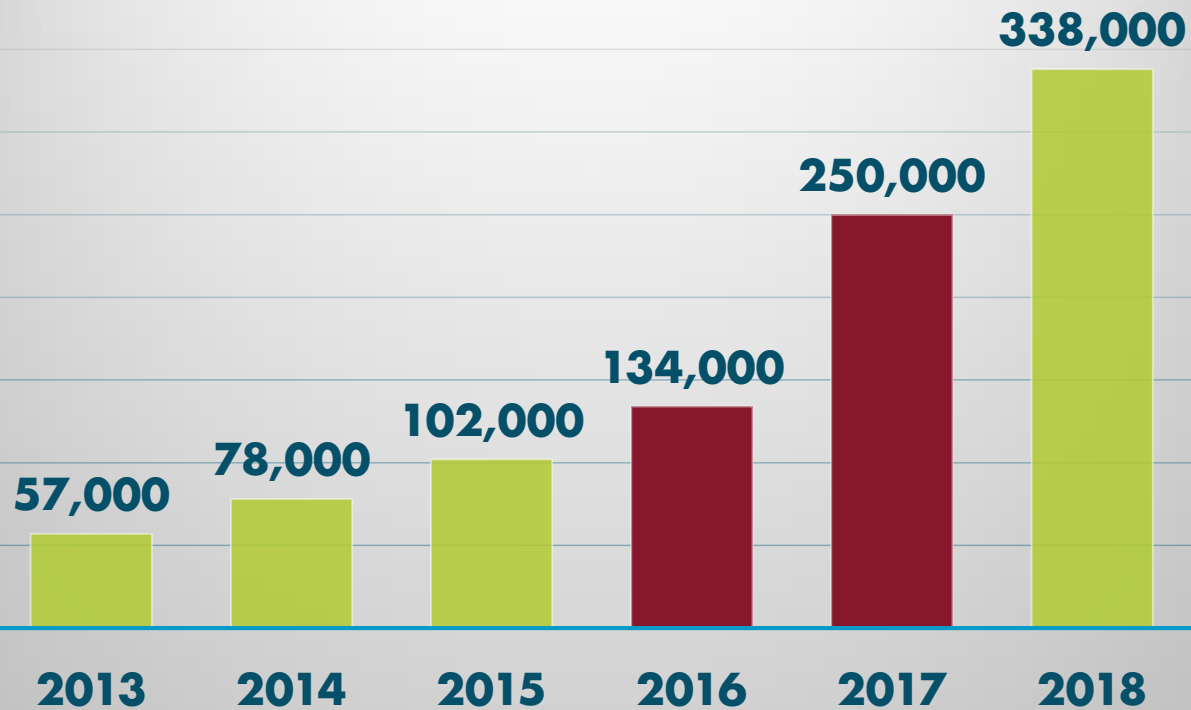
### Austria

- **Balanced e-mobility** policy
- **Purchase subsidies** during **market uptake**
- **Result:** Today **3<sup>rd</sup> highest per capita e-bike sales** in EU despite only average cycling levels



## B. Financial Incentives for e-cycling Best Practice

Sales of e-bikes in France



### France:

- e-bike sales practically doubled
- 61% of e-bike trips replaced car trips