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!
Belgium: Cycling to work increased by 42% in 12 years
A. Fiscal Incentives
Best practice Belgium – but:

<table>
<thead>
<tr>
<th>Mode</th>
<th>Incentive</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cycling</td>
<td>288 €</td>
<td>10%</td>
</tr>
<tr>
<td>EPAC</td>
<td>426 €</td>
<td>15%</td>
</tr>
<tr>
<td>Public Transport</td>
<td>323 €</td>
<td>12%</td>
</tr>
<tr>
<td>Company Cars</td>
<td>2,763 €</td>
<td>100%</td>
</tr>
</tbody>
</table>
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 3rd highest per capita e-bike sales in EU despite only average cycling levels
### B. Financial Incentives for e-cycling

#### Best Practice

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales of e-bikes in France</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>57,000</td>
</tr>
<tr>
<td>2014</td>
<td>78,000</td>
</tr>
<tr>
<td>2015</td>
<td>102,000</td>
</tr>
<tr>
<td>2016</td>
<td>134,000</td>
</tr>
<tr>
<td>2017</td>
<td>250,000</td>
</tr>
<tr>
<td>2018</td>
<td>338,000</td>
</tr>
</tbody>
</table>