Tax treatment: permanent or temporary transfer of turism vehicles

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OBJECTIVE: the proposed directive aims to simplify the conditions and procedures relating to private motor vehicles moved permanently or temporarily to another Member State. The objective is to bring the tax treatment of private motor vehicles accompanying individuals moving from one Member State to another more closely into line with the principles and rules of the single market. SUBSTANCE: the proposed directive is intended to replace Directive 83/182/EEC on tax exemptions within the Community for certain means of transport imported into one Member State from another and Directive 83/183/EEC (amended by Directive 89/604/EEC), on tax exemptions applicable to permanent imports from a Member State of the personal property of individuals. The proposed measures cover two broad categories: (1) firstly, in the case of transfer of residence, it is proposed that Member States should not impose registration taxes or similar taxes on vehicles brought into their territory by individuals who are transferring their place of residence to their territory from another Member State; (2) as regards temporary movements, the main thrust of the proposal is to ensure a satisfactory continuation of the right of an individual to use a vehicle temporarily in a Member State other than that in which he resides; the key element here is the right to use a vehicle for up to six months in any 12 month period. A number of additional elements are being introduced, in particular: - greater freedom to use rental cars in Member States other than those where they are registered, - the right of family members to use the vehicle, - greater flexibility concerning the rights of persons who work in a Member State other than that where they reside and vehicles provided by employers. The proposal also envisages a greater onus on the competent authorities of Member States to communicate bilaterally in the event of a dispute concerning a persons' alleged place of residence, and emphasizes that, in cases where national law is infringed, any consequent action or sanction must be proportionate.