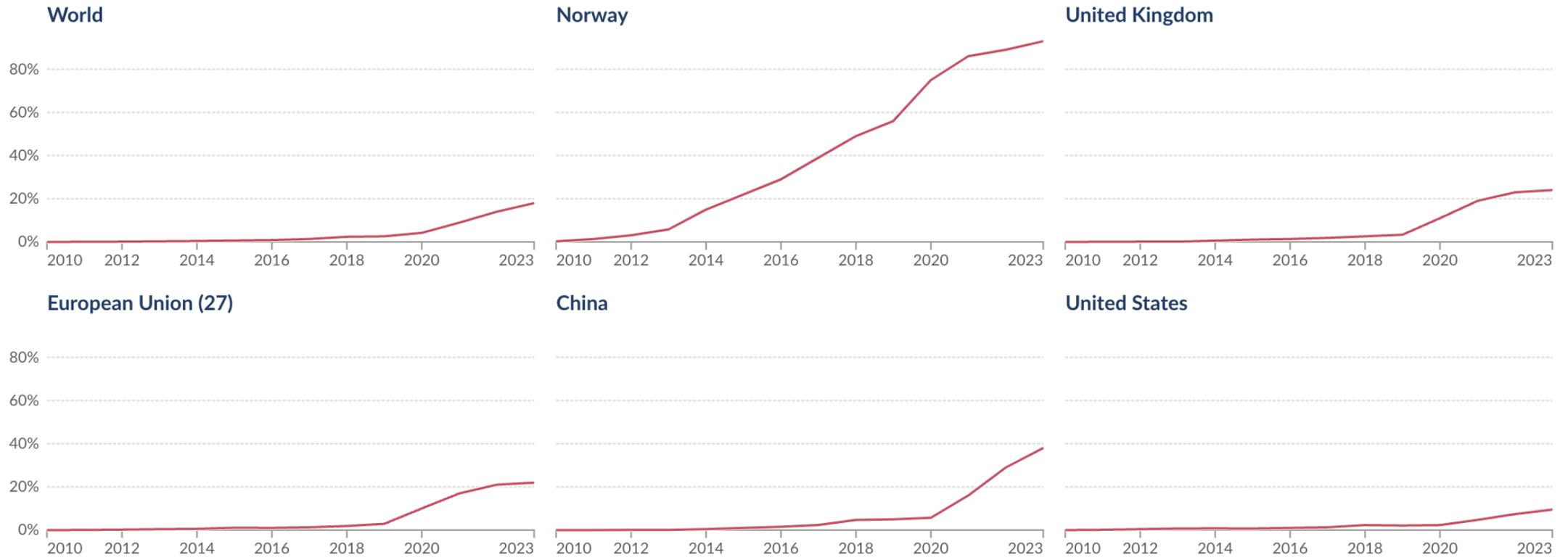


Petar Mitić

Institute of Economic Sciences, Belgrade,  
Serbia

# Public Incentives Driving EHV Adoption in the Visegrad Group and Serbia

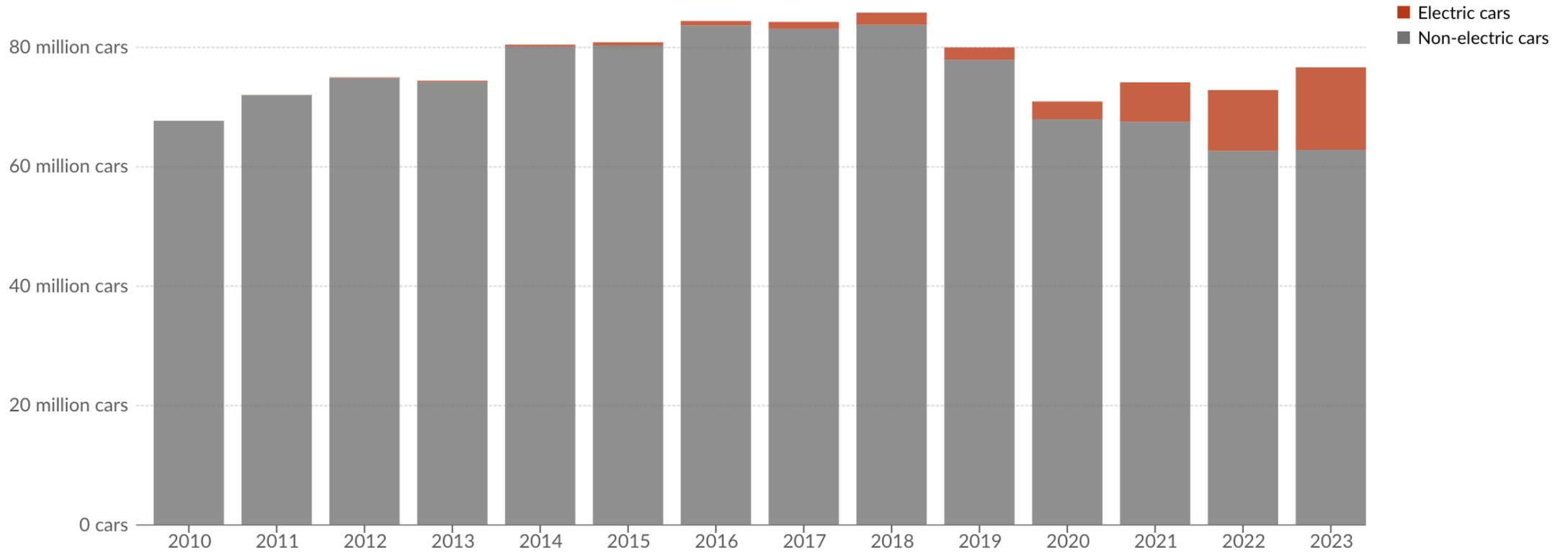




Share of new electric cars sold, 2010 to 2023

# Emerging Trends in Electric and Hybrid Vehicles

- There are substantial differences in the state of electromobility advancement in individual countries worldwide.
- EV chargers are getting smaller and more adapt to urban settings.
- Ultra-fast charging technology is one of the most in-demand solutions of our time and until EV drivers can match their charging time with that taken by ICE vehicle drivers.
- Battery swapping technology is also in high demand, as one of the biggest drawbacks to owning an EV is the time a battery takes to charge. But battery swapping allows a driver to exchange their empty battery, with a fully charged one, to get them back on the road.
- Wireless charging.
- Bidirectional charging.
- Electrified roads.



Number of new cars sold, by type, World

# Incentives for EHV's purchase

- Many countries in the world, in order to overcome the obstacles related to the implementation of electric cars in everyday life, have developed a policy of promoting electric cars based on various incentive programs.
- One of the classifications generally distinguishes three main groups of incentives. There are:
  - incentives related to the producer of electric cars,
  - incentives related to the charging infrastructure for electric cars,
  - financial incentives aimed directly at owners of electric cars or owners of electric car fleets.
- On the basis of the literature review, it can be concluded that the level of applying incentives in individual European countries differs significantly.
- An interesting form of financial incentive is the scrapping program.

# 2025 purchase subsidies in V4 & Serbia

Hungary	Poland	Czech Republik	Slovakia	Serbia
<p>As of 5 February 2024, Hungary launched a company-only BEV subsidy programme with a total budget of <b>€79.1 million</b>. Despite high demand and <b>budget exhaustion</b> by 17 April 2025, the programme remains open for applications. Support levels:</p> <p>Passenger cars:            ≤€30,000 &amp; ≤41 kWh: <b>€5,500</b>            ≤€37,000 &amp; 41–59 kWh: €9,500            ≤€52,700 &amp; &gt;59 kWh: <b>€10,500</b></p> <p>N1, N2, M2 commercial vehicles:            ≤€44,800 &amp; ≤49 kWh: €9,500            ≤€58,000 &amp; 49–74 kWh: €10,000            ≤€66,000 &amp; &gt;74 kWh: €10,500</p>	<p>The “NaszEauto” programme, launched on 3 February 2025, offers substantial purchase subsidies for new battery electric vehicles (BEVs), replacing the earlier “Mój elektryczny samochód” scheme. Funded under the National Reconstruction Plan with a budget of <b>approx. €355 million</b>, the programme is open to private individuals and sole proprietorships. The base subsidy amounts to <b>€4,170</b>, with an additional €2,220 available for those who scrap an old internal combustion engine (ICE) vehicle. Low-income households are eligible for an extra €2,500, while holders of the Large Family Card (KRD) and sole proprietors can receive subsidies of up to €6,670. The maximum total subsidy under the scheme reaches <b>€8,890</b>. To qualify, the net list price of the <b>vehicle must be under €50,000</b>. Applications remain open until 30 April 2026 or until the allocated funds are exhausted.</p>	<p>No purchase subsidies available in 2025.</p>	<p>No direct BEV purchase subsidies in place as of 2025. The government has expressed interest in future subsidies, but no concrete program exists yet.</p>	<p>For exclusively electric vehicles, a budget of approx. <b>€1,5 million</b>:</p> <ul style="list-style-type: none"> <li>- L1 and L2 (mopeds) incentive of <b>€250</b></li> <li>- L3 - L7 (motorcycles and quadricycles) incentive of €500</li> <li>- M1 (passenger vehicle) and N1 (cargo vehicles) incentive of <b>€5000</b></li> <li>- Incentives for taxi associations of <b>€8000</b> for are fully electric, hybrid or compressed natural gas powered, or meet at least the Euro 6 standard in terms of exhaust gas emissions.</li> </ul>

# Tax benefits and other incentives

Country	Registration tax benefits	Ownership tax benefits	Company tax benefits	VAT benefits	Other financial benefits	AF infrastructure incentives	Local incentives
<b>Hungary</b>	Vehicles with green license plates—classified as 5E (100% electric), 5N (PHEV), 5P (electric ≥50 km range), or 5Z (zero emission) - <b>are exempt from registration tax. From 2025, hybrids and PHEVs are no longer exempt.</b> For instance, regular hybrids now pay around €209 in registration tax.	Green plate vehicles are <b>exempt from both annual vehicle tax and property transfer tax.</b> Other vehicles are taxed based on engine power and vehicle age. From 2025, PHEVs lose their exemption from vehicle tax.	BEVs used for business purposes are <b>exempt from company car tax.</b> Costs related to purchasing and installing electric charging infrastructure are deductible from corporate tax, promoting investment in workplace BEV support.	BEVs follow standard VAT rules. <b>Businesses may deduct 50% of VAT on operating costs.</b> Foreign companies may also recover VAT on BEV-related expenses, subject to reciprocity and EU regulations.	Since 1 January 2017, companies investing in energy efficiency assets, including EV chargers, benefit from a <b>corporate tax credit:</b> Applicable for 6 tax years Cap: 70% of the total tax due, max €15 million Eligible under differentiated conditions based on company size and location This credit is not classified as de minimis aid.	<b>Hungary's national EV charging network is expanding with a €72 million programme</b> (28 billion HUF), focused on underserved rural areas (“white spots”). Key elements: Over 100 public charging points to be installed outside Budapest Integration of solar panels and battery storage encouraged Funding: €250,000 to €10 million per project (HUF 100M–4B) Low-interest loans (≤15 years), with 10% self-financing required Support intensity: 65% for micro/small, 55% for medium, and 35% for large enterprises	<b>Most municipalities offer free public parking for green plate vehicles.</b> However, since 2023, a number of cities have started phasing out this benefit.
<b>Poland</b>	<b>BEVs are exempt from Poland's registration tax and excise duty,</b> both of which apply to internal combustion engine vehicles. These exemptions remain valid until the end of 2029.	BEVs benefit from <b>favourable tax depreciation limits</b> in Poland, depending on their emission profile. The <b>depreciation ceiling is set at approximately €50,000</b> for battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs), €33,300 for vehicles emitting 0–50 g CO <sub>2</sub> /km, and €22,200 for vehicles emitting more than 50 g CO <sub>2</sub> /km.	Companies can benefit from increased depreciation limits for BEVs (up to approximately €50,000). Additional business-related incentives may apply through VAT reclaim and exemption of received subsidies from taxable income.	Businesses are allowed to <b>reclaim the full 23% VAT</b> on the purchase of BEVs used for commercial purposes. Updates to VAT eligibility rules are expected later in 2025.	Subsidies received for the <b>purchase of BEVs are exempt from income tax.</b> In some cities, public charging stations offer free or discounted electricity for electric vehicles.	Poland's national infrastructure incentive focus is currently linked to public transport electrification through the <b>“Mój elektryczny autobus” programme.</b> Support includes co-funding for charging stations used by municipal electric bus fleets. Additional private and municipal charging initiatives may be implemented through regional programmes.	<b>Bus lane access:</b> BEVs can use bus lanes in several cities, an incentive valid through 2025. <b>Designated EV parking:</b> Special spaces are available in many municipal lots. <b>Clean Transport Zones (SCT):</b> BEVs have unrestricted access to SCTs, which are limited to zero- and low-emission vehicles.
<b>Czech Republik</b>	<b>BEVs and FCEVs (emitting ≤ 50 g CO<sub>2</sub>/km) are exempt from registration fees</b> if they are registered with a special “EL” license plate.	' <b>Road tax exemption</b> for BEVs and HEVs. <b>Toll exemption for BEVs, FCEVs, and vehicles with ≤ 50 g CO<sub>2</sub>/km.</b> <b>Accelerated depreciation</b> (BEVs and PHEVs) and reduced depreciation period for home/public chargers.	Road tax exemption applies to all alternatively powered vehicles (BEVs, FCEVs, CNG, LPG, etc.) BEVs used for private purposes enjoy a reduced tax base (0.5–1%) No benefit-in-kind taxation on BEVs or electricity provided by employers.	n/a	BEVs, FCEVs and vehicles with alternative powertrains (electric or hydrogen) with CO <sub>2</sub> emissions up to 50g/km <b>have been exempt from motorway tolls</b> since 1 January 2020.	Subsidy of CZK 30,000 (~ <b>€1,200</b> ) <b>for private individuals to install home chargers</b> (non-commercial use only).	<b>Free parking in Prague's blue zones</b> for residents and people working in the city. <b>Not applicable to visitors.</b>
<b>Slovakia</b>	<b>BEVs pay lower registration tax rates (2–5%) compared to 8% for ICEs.</b>	<b>BEVs pay 0% annual road tax.</b> Hybrids and PHEVs get up to 50% tax reduction.	From 1 January 2025, the <b>benefit-in-kind (BIK) tax for employees using BEVs for private purposes</b> is reduced from 1% to 0.5% of vehicle value/month. <b>Charging at home for company BEVs is tax-deductible</b> and reimbursable tax-free under certain conditions. BEVs remain in accelerated depreciation group “0” (2 years).	<b>No VAT exemptions</b> or deductions specific to BEVs.	<b>Free or discounted parking in some cities.</b> Low-emission zones may favor BEVs (enabled by Air Protection Act).	Government continues to invest in public charging infrastructure.	<b>Municipalities can implement low-emission zones and may introduce local parking privileges or charger support.</b>
<b>Serbia</b>	n/a	<b>Exemption from tax on the use of motor vehicles for owners of electric and/or hybrid motor vehicles.</b>	n/a	n/a	<b>Owners of older diesel cars in Serbia are encouraged to recycle their vehicles</b> and receive state subsidies to purchase newer or used Euro 6 standard cars. - €2,100 for standard cars. - €2,500 for light commercial vehicles. - €2,900 for buses. This initiative is part of the Air Protection Program in Serbia.	n/a	n/a

# Concluding remarks



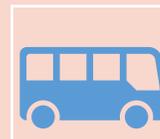
**Poland and Hungary** lead with comprehensive EHV support, combining **financial incentives, tax relief, and infrastructure investment**.



**Czech Republic and Slovakia** lack direct purchase subsidies but offer **partial tax and infrastructure support**, signaling potential for future expansion.



**Serbia** provides targeted incentives (scrappage, EVs, taxi fleets), but lacks structural fiscal tools and widespread infrastructure support.



**Coordination across national and local levels** varies widely - local benefits like free parking or bus lane access are inconsistently applied.

# Policy Implications

## Broaden

**Broaden Eligibility and Target Groups:** Expand access to subsidies beyond companies (e.g. Hungary) and include low-income and family-based incentives (as in Poland).

## Integrate

**Integrate Fiscal Tools:** Combine purchase subsidies with tax exemptions, VAT recovery, and depreciation benefits to improve cost-effectiveness for consumers and businesses.

## Scale

**Scale Infrastructure Investment:** Encourage multi-level co-funding models for public and private charging networks—especially in underserved areas.

## Link

**Link EV support to public transport and fleet electrification** (e.g. Poland's "electric bus" model) for faster impact and visibility.

## Develop

**Develop Clean Mobility Zones and Local Incentives:** Promote bus lane access, parking privileges, and low-emission zones to enhance local adoption and public visibility.

## Enhance

**Enhance Regional Alignment:** Cross-border dialogue in CEE can help harmonize incentive frameworks, reduce policy fragmentation, and support EV supply chain development.



# SHIFT TO ELECTRIC CAR PRODUCTION: NATIONAL STRATEGIES IN CENTRAL AND EASTERN EUROPE



• supported by

• Visegrad Fund

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About the project

A joint project involving Czech, Polish, Slovak, Serbian and Hungarian researchers.

# THANK YOU FOR YOUR ATTENTION!

- For further questions:
  - [petar.mitic@ien.bg.ac.rs](mailto:petar.mitic@ien.bg.ac.rs)
  - [isidora.beraha@ien.bg.ac.rs](mailto:isidora.beraha@ien.bg.ac.rs)

