# Taxation of a new means of transport

## GENERAL PRINCIPLES

Under the VAT Act, the taxation of a new means of transport is different from the taxation of supply of other goods. The transfer of a new means of transport to a person of another Member State together with the transport of the means of transport to the other Member State is always subject to a zero rate and the tax liability arises for all persons who acquire a new means of transport from another Member State, including natural persons. Therefore, the new means of transport will be taxed in the country where it will be registered and actually used.

**A new means of transport within the meaning of the VAT Act** (subsection 7 of § 2 of the VAT Act) is:

1. a vessel exceeding 7.5 metres in length which is transferred within three months as of the date of first entry into service or which has sailed for less than 100 hours, with the exception of sea-going vessels specified in clause 3 of subsection 3 of § 15 of the VAT Act;
2. aircraft the take-off weight of which exceeds 1,550 kilograms which is transferred within three months as of the date of first entry into service or which has flown for less than 40 hours, with the exception of aircraft specified in clause 4 of subsection 3 of § 15 of the VAT Act;
3. a motorised land vehicle the engine capacity of which exceeds 48 cubic centimetres or the power of which exceeds 7.2 kilowatts and which is transferred within six months as of the date of first entry into service or which has travelled less than 6,000 kilometres.

A means of transport is **new** when it has been transferred before the expiry of three months (in the case of a motor vehicle, six months) since its initial entry into service or if it has travelled less than the time or kilometres indicated in the definition.

If one of those two conditions is met, the means of transport is considered new. Whether the means of transport is new or not is determined at the moment of sale, not when it is delivered to the Member State of destination. If the means of transport was “new” at the moment of sale and the sale took place at a zero rate, the buyer is liable to VAT in the Member State of destination even if both conditions are no longer met at the time of payment of the VAT.

Last updated on 08.01.2025