

1. Title of the measure

Tax incentive of purchasing fuel-efficient cars

2. Purpose of the measure

For the purpose of making car emissions cleaner and improving the fuel efficiency of cars in the process of dealing with issues such as air pollution and global warming, the following automobile taxation measures have been implemented:

- (i) Reductions of automobile taxes based on emission levels and fuel efficiency;
- (ii) Imposition of heavy taxes on automobiles that have been used for several years since new car registration and are becoming harmful to the environment;
- (iii) Reductions in automobile acquisition taxes based on the emission levels and fuel efficiency.

3. Target sector (transport, building, manufacturing, etc.)

Transport

4. Funds and budget for the measure

5. Method for measuring the effect of the measure (energy consumption reduction, energy cost reduction, etc.)

energy efficiency of vehicles

6. Result of the measure

Since the launch of the Automobile Green Taxation in FY2002, the number of vehicles achieving the fuel efficiency target (target year: FY2010) has been increasing. About 80% of cars shipped in FY2006 have achieved the target.

The average level of fuel efficiency for new cars increased by about 26% during the period between FY1995 and FY2006, showing a dramatic improvement in fuel efficiency.

7. Future tasks

It is necessary to collect data for auto manufacturers for each fiscal year (e.g. volume of shipment) and carry out the tax schemes so as to provide incentives for the introduction of fuel-efficient vehicles, while maintaining tax revenue neutrality.

8. Others

9. Contact

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