



## SPECIAL REPORT

### "Motor tax and Declaration of non-use of a motor vehicle"

*Ombudsman: Calliope Spanou*

*Deputy Ombudsman: Mary Kotronia*

*Senior Investigators (editors): Eirini Kamenou, Maria Karageorgou*

*May 2015*

#### SUMMARY

***In this Special Report, the Greek Ombudsman describes the experience it has accumulated in matters pertaining to motor tax and to off the road declarations. In addition, it makes recommendations aiming at improving the legislative framework and enhancing compliance of the administrative practices with the principles of administrative law.***

In the light of the cases investigated, the Greek Ombudsman ascertains that the arising problems are due to the outdated and extremely complicated legislative framework regulating motor tax, while the clarifications contained in the circulars appear to be conflicting or inadequate thus resulting in legal uncertainty. Furthermore, it has been observed that taxpayers are not equitably treated, while weaknesses and shortcomings on the part of various Departments having joint jurisdiction on the matter are often passed on to citizens as extra charges.

In order to deal with the problems thus identified, the Greek Ombudsman makes the following recommendations:

- Outstanding motor tax charges should be cleared within three years from the year they became due; the Administration's competence to clear old motor taxes should be rendered void if three [or more] years elapse.
- A mandatory off the road declaration made by a vehicle seller/owner should be accepted when accompanied by a police statement certifying that a complaint has been lodged against the buyer on account of their negligence in seeking to have the vehicle transferred and registered in their name.
- Motor tax should be proportionately imposed according to the number of months, or perhaps quarters, that the vehicle has been on the road within the year concerned.
- Vehicle Registration Certificates marked "NOT VALID FOR CIRCULATION", which are issued when vehicle ownership is transferred without having subjected the vehicle to technical inspection, should be accepted when a mandatory off the road declaration is made.

- A provision should be made for paying motor tax depending on emissions for vehicles released on the road before 1/11/2010 as long as there is sufficient and conclusive data regarding CO<sub>2</sub> emissions.
- Disabled vehicle owners should pay reduced motor tax for vehicles with engine capacity exceeding the limit establishing motor tax exemption on the grounds of disability (in line with current engine capacity classification rates).
- The decisions made by Public Finance Departments in respect of motor tax exemption on the grounds of disability should retroactively apply if a delay is established on the part of the Disability Certification Centres in issuing the necessary certificate of disability; in addition, any fines imposed on the grounds of overdue motor tax payment should be made null and void if a negative decision is issued concerning motor tax exemption after the deadline for paying motor tax.
- The technical characteristics of vehicles that are classified as “jeeps” but which are subject to motor tax as passenger vehicles instead of cargo vehicles should be clearly defined.

The main conclusion of this report is that there is a pressing need to amend and update the relevant legislation and the explanatory circulars according to a more rational and equitable treatment of taxpayers.