

September 2024

## **Re: Benefit-in-kind Exemption for Home EV Charging – Tax and Duty Manual**

Ireland Electrified is an industry association promoting the electrification of heat, domestic and industrial, as well as transport. This transition to electric heat and transport represents a cleaner, more secure energy source and can provide many benefits to the electricity grid. We advocate for decarbonising our economy in sectors currently heavily reliant on largely imported fossil fuels with greater electrification from renewable energy sources, meaning increased energy security and a more sustainable energy source for householders, businesses, transport and large industry.

EV charging infrastructure both home and public will form the backbone of our future transport system. State policy should encourage and not hinder the expansion of electrification wherever possible including in terms of policies to encourage the growth of domestic EV charging. Using incentives to grow our electric transport can be utilised such as reforms of the Taxes and Consolidation Acts 1997 as amended in regard to the Benefit-in-kind (BIK) provisions. The Tax & Duty Manual, Part 05/01/01b S6<sup>1</sup>, concerns the implication of BIK on employees for EV chargers provided at the employees' residence by the employer.

It states that in the regulation:

*“An exemption from BIK also applies where an employer provides a charging point for electric vehicles on their business premises, on the condition that the facility is available to all employees.*

*This exemption does not extend to the provision or installation of an electric vehicle charge point at an employee's private home, and in that scenario a BIK charge applies.”*

An amendment, to apply the exemption then in terms of an installation of an electric vehicle charging point in employees' home, will have significant benefits to EV charging infrastructure growth. We are proposing a change to the designation of the EV charger to the provision of work-related equipment as defined under the Tax & Duty Manual, Part 05-01-01 i.

These changes would allow more employers develop fleet electrification without any added burden on the employee. We believe these reforms could help increase the decarbonisation of not only the national fleet but also private and leased fleets. Furthermore, there is the potential for more revenue to be raised through VAT and VRT for the State than any potential BIK gained from the EV chargers themselves.

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<sup>1</sup> Tax and Duty Manual, Chapter 2 – Employer-provided vehicles

<https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-05/05-01-01b.pdf>



We propose the following changes to the related documents:

Tax & Duty Manual Part 05-01-01i EV Charging Equipment

Where an employer provides an employee with EV Charging equipment, a BIK charge will not arise where:

- the equipment is provided for business use and private use is merely incidental, and

- there is no transfer in ownership of the equipment.

EV Charging equipment includes a charging station, charging cable, portable charging solution and other devices which are connected.

Where EV Charging equipment is provided to an employee for his or her private use, or if private use is not incidental, it will give rise to a BIK charge. The value of the BIK in such cases is equal to 5% of the market value of the asset when it was first provided as a benefit to any employee. See TDM Part 05-01-01a for further guidance on the calculation of the BIK charge in such cases.