

Flash Alert

6 October 2020



Government of Nepal revises tax rates on electrical vehicles

Exercising power under section 18 (1) of Finance Act 2077, meeting of the Council of Ministers held on 15 Ashwin 2077 (1/10/2020) reduced the excise duty on electric vehicles by 80% to 25%. The customs duty and VAT remains unchanged. Revised excise duty is as follows.

Battery capacity	Previous Excise Duty	New Excise duty
50 KW	30%	6%
50-100 KW	40%	10%
100-150 KW	50%	15%
150-200 KW	60%	45%
200-300 KW	70%	52.2%
Above 300 KW	80%	60%

PKF Comment

Government had received barrage of criticism from environmental groups and proponents of renewable energy for increasing excise and custom duty heavily on electrical cars for not being ecofriendly. Reducing excise duty on the same is highly appreciable effort of the government.