FACT SHEET

Vehicle Tax and German Customs

What you need to know about German vehicle tax as a registered keeper

In a nutshell

German Customs collects vehicle tax once a year, in advance, by SEPA Direct Debit. You will not receive a payment reminder. So make sure the account you have provided is valid and has sufficient funds on the due date.

01 How much is the vehicle tax and when is it debited?

The amount of vehicle tax depends on the type of vehicle and its technical data. For cars, the main factors are engine capacity, CO_2 emissions and fuel or drive type; for motorhomes, it is the permissible gross weight and the emissions class. You will find the relevant details in your registration certificate Part I (Zulassungsbescheinigung Teil I). You can work out the tax for your vehicle online using the vehicle tax calculator of the German Federal Ministry of Finance: www.bundesfinanzministerium.de/Web/DE/Service/Apps_Rechner/KfzRechner/KfzRechner.html. The amount stated in your tax assessment notice (Steuerbescheid) is binding.

Vehicle tax is calculated and charged to the day, from the day of registration to the day of deregistration, but for at least one month. It is always paid twelve months in advance. The first debit is made after you have received the tax assessment notice, which is sent out about two weeks after registration. You will find the exact date in the notice. After that, the tax is debited on the same date every year.

If you deregister the vehicle, the tax for the final period is recalculated to the day. Any tax you have overpaid is usually refunded to the account on file about three weeks after deregistration.

02 Which bank accounts can I use for the SEPA Direct Debit?

Vehicle tax is collected in euros via the SEPA Core Direct Debit scheme. As a rule, any account with an IBAN from an EU country, Norway, Iceland or Liechtenstein will work. You do not need a German account: under EU law, a payee may not dictate which country the account used for a direct debit is held in.

We advise against Swiss accounts (IBAN starting with CH). Although Switzerland is part of the SEPA area, our customers have so far not been able to have their vehicle tax debited from Swiss accounts, even when the account had sufficient funds.

The account does not have to be in your name. You can also provide another person's account, for example that of a family member. In that case, the account holder must also sign the SEPA Direct Debit mandate, and their ID card or passport will usually be required as well.

A word of caution about Revolut: customers from overseas whose Revolut account was opened in, for example, Australia generally cannot use it for SEPA Direct Debits. For such accounts, Revolut only allows direct debits in the local currency, even if the account holds a euro balance.

In this case, we recommend a Wise account. Wise provides a Belgian IBAN (starting with BE) for euros, which can be used for SEPA Direct Debits. This IBAN is now also accepted by public authorities and insurers. If your euro balance is not sufficient on the due date, Wise states that it will automatically convert money from another currency balance, provided there are enough funds there.

Whichever account you use, it is essential that it has sufficient funds on the due date and that direct debits are not blocked.

03 Why have I received a payment demand (Mahnung) from German Customs?

In Germany, vehicle tax is not handled by the tax office (Finanzamt) but by German Customs (Zoll), more precisely by the relevant main customs office (Hauptzollamt). Tax liability begins when your vehicle is registered and only ends when it is deregistered or, if it is sold within Germany, when it is registered in the buyer's name. Customs sends out the tax assessment notice about two weeks after registration. This notice has no expiry date and also applies to all subsequent years. The tax is debited twelve months in advance, on the date stated in the notice, by SEPA Direct Debit from the account you provided at registration. There is no annual payment reminder. A payment demand therefore almost always means that this debit did not go through.

Good to know: the state works differently from a private company here. Companies usually send a friendly payment reminder first, followed by several further reminders, because private claims are governed by civil law (the German Civil Code, BGB). Taxes, by contrast, are governed by the German Fiscal Code (Abgabenordnung). Your obligation to pay and the due date are already set out in the tax assessment notice; no further request is needed. If you do not pay on time, late payment surcharges accrue automatically, even without a prior payment demand. The payment demand from Customs is therefore not a reminder but the last step before enforcement: it usually gives you one week to pay, after which the main customs office can take enforcement action. So do not expect several rounds of reminders.

The most common causes are an account without sufficient funds on the due date, an account that has since been closed, or new bank details that the main customs office is not aware of. You must notify the main customs office of new bank details directly, not the vehicle registration office. A debit that you did not recognise and had your bank return also counts as unpaid. You can recognise vehicle tax debits by the creditor identifier DE09ZZZ00000000001.

Another point catches many people out: after a returned debit, the direct debit arrangement is suspended. Even if you then transfer the outstanding amount yourself, the tax will no longer be debited automatically the following year unless you explicitly reactivate your SEPA Direct Debit mandate. The payment demand then arrives a year later, seemingly out of the blue.

First check whether the payment really has not been made. If you have already paid, inform the Central Vehicle Tax Information Service (Zentrale Auskunft Kraftfahrzeugsteuer), stating your bank details, the payment date and your tax number. If the amount is still outstanding, transfer it as soon as possible to the bank account given in the payment demand. To make sure future payments are collected automatically again, then reactivate your SEPA Direct Debit mandate, either online via the Customs Portal (Zoll-Portal) or through the Central Vehicle Tax Information Service. If you have new bank details or a different account holder, issue a new SEPA Direct Debit mandate, either online via the Customs Portal or using form 032021. The form must be signed by the account holder and, if different, by the registered keeper of the vehicle, and sent to the relevant main customs office. If you no longer use the vehicle, it should be deregistered. Only then does tax liability end, and any tax paid in advance is refunded. If the original account has been closed, provide the main customs office with bank details for the refund.

Waiting is not a good idea. For every month or part of a month that the tax remains unpaid, a late payment surcharge of 1 per cent is charged on the outstanding amount, rounded down to the nearest 50 euros. If payment is still not made, the main customs office can take enforcement action, for example by seizing money from your bank account, and can apply to the vehicle registration office to have the vehicle deregistered by official order. As long as vehicle tax arrears remain, you also cannot register another vehicle in Germany.

For your safety: Customs sends tax assessment notices and payment demands by post or makes them available in the Customs Portal, not by email or text message with a payment link. Payments only ever go to accounts of the Federal Treasury (Bundeskasse) at the Deutsche Bundesbank, whose IBANs start with DE. A payment request by email or text message is a scam.

As your post is handled by our authorised recipient service, you will receive notices and payment demands from Customs from us as a scan. Please respond promptly, as payment deadlines and late payment surcharges run regardless of when you read the letter. If you have questions about your vehicle tax, contact the Central Vehicle Tax Information Service on +49 351 44834-550 or by email at info.kraftst@zoll.de.

04 What happens if I don't pay the vehicle tax?

If you do not pay the vehicle tax by the due date, you will first receive a payment demand (Mahnung). It usually gives you one week to pay. Late payment surcharges also accrue from the due date.

If payment is still not made, the main customs office starts enforcement proceedings. No court is needed for this, as the tax assessment notice itself is the legal basis. The main customs office can, for example, seize money from your bank account. In addition, or if enforcement is unsuccessful, it applies to the vehicle registration office to have the vehicle deregistered by official order, known as compulsory deregistration (Zwangsabmeldung). The registration office orders this by official notice and requires you to hand in the registration certificate and number plates for cancellation. From the moment you receive this order, the vehicle may no longer be moved. Because your post is sent to our address, the order may already take effect before you have read the scan.

If you do not hand in the documents and plates, the deregistration is enforced at your expense: an officer from the authority or the police will cancel the plates on site and confiscate the registration certificate. If the vehicle cannot be found, for example because you are travelling abroad with it, a police search alert is issued for it. Number plates that have been declared invalid can also be entered into the Schengen Information System, which police and border authorities across Europe can access. The vehicle will then be flagged at any police or border check, the plates and documents may be seized, and you will not be allowed to continue your journey.

The registration office also notifies your vehicle insurer of the deregistration. This ends your regular insurance cover. Under standard German policy conditions, the policy is converted into laid-up cover (Ruheversicherung), which only protects a vehicle parked in a garage or on an enclosed parking area. Anyone who drives the vehicle anyway is driving without valid registration and risks the insurer refusing to pay and claiming money back from them (recourse).

The outstanding tax remains payable despite the compulsory deregistration, together with the late payment surcharges and the costs of enforcement and of the proceedings.

So make sure that the account you have provided is valid and has sufficient funds on the due date.

Key contacts and links

Central Vehicle Tax Information Service (Zentrale Auskunft Kraftfahrzeugsteuer)	Phone +49 351 44834-550 Email info.kraftst@zoll.de
Customs Portal (issue, change or reactivate your SEPA mandate)	www.zollportal.de
Vehicle tax calculator	www.bundesfinanzministerium.de/Web/DE/Service/Apps_Rechner/KfzRechner/KfzRechner.html
SEPA Direct Debit mandate form	Form 032021, available at www.zoll.de

This fact sheet is for general information only and does not replace legal or tax advice. The statutory provisions, your tax assessment notice and the terms and conditions of your vehicle insurance policy prevail.