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 LTA/VR&L/V43.013.000

All Motor Vehicle Dealers / Importers

Your ref

All Electronic Service Agents

DID

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Dear Sir/Madam

Further Measures to Encourage Adoption of Electric Vehicles (EVs)

As announced during Budget 2021, the Government will introduce further measures to support the early adoption of electric vehicles (EVs), by reducing the Additional Registration Fee (ARF) floor and revising the road tax framework for electric cars.

Lowering the ARF Floor to \$0

2. The EV Early Adoption Incentive (EEAI) and the enhanced Vehicular Emissions Scheme (VES), which both came into effect on 1 January 2021, provide prospective electric car buyers with combined cost savings of up to \$45,000. These combined rebates are currently subject to a minimum Additional Registration Fee (ARF) of \$5,000.

3. To enable mass-market electric car buyers to benefit more fully from the combined rebates, the ARF floor will be lowered from \$5,000 to \$0 for fully electric cars and taxis registered from 1 January 2022 to 31 December 2023.

Revised Road Tax Framework for Electric Cars

4. From 1 January 2022, the road tax brackets of 30-90kW and 90-230kW will merge. Electric cars in the revised 30-230kW bracket will then be subjected to the road tax formula of the current 30-90kW bracket. This will lead to a reduction of up to 34% in road tax for electric cars in the current 90-230kW bracket. These changes will also apply to petrol-electric cars that currently pay road tax based on their maximum electric power rating. Please refer to **Annex A** for the revised road tax schedule.

5. For existing owners of electric and petrol-electric cars who have paid road tax for the period beyond 1 January 2022 based on the existing road tax schedule, any excess road tax paid will be used to offset the amount payable at the next road tax renewal.

6. If the vehicle is transferred to another owner before its next road tax renewal, any excess road tax paid will be offset against the transfer fee payable, and any amount remaining will be transferred along with the vehicle to the new registered owner.

7. Please bring the contents of this circular to the attention of your members and staff accordingly. For enquiries, please contact us via www.lta.gov.sg/feedback or call our Customer Service hotline at 1800 2255 582. Thank you.

Yours faithfully

Candice Yeo (Ms)
Deputy Director
Vehicle Licensing Division
Vehicle Services Group

Revised Road Tax Schedule for Fully Electric and Petrol-Electric Cars

Existing Road Tax Treatment		New Road Tax Treatment (from 1 January 2022)	
Power Rating (kW)	Current 6-Monthly Road Tax Formula	Power Rating (kW)	New 6-Monthly Road Tax Formula
PR ≤ 7.5	$S\$200 \times 0.782$	PR ≤ 7.5	$S\$200 \times 0.782$
7.5 < PR ≤ 30	$[S\$200 + S\$2(PR - 7.5)] \times 0.782$	7.5 < PR ≤ 30	$[S\$200 + S\$2(PR - 7.5)] \times 0.782$
30 < PR ≤ 90	$[S\$250 + S\$3.75(PR - 30)] \times 0.782$	30 < PR ≤ 230	$[S\$250 + S\$3.75(PR - 30)] \times 0.782$
90 < PR ≤ 230	$[S\$475 + S\$7.50(PR - 90)] \times 0.782$		
PR > 230	$[S\$1,525 + S\$10(PR - 230)] \times 0.782$	PR > 230	$[S\$1,525 + S\$10(PR - 230)] \times 0.782$

Distribution List

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