

noble

fleet Services

Car Tax Guide 2013



Current System

The company car taxation system is based on a percentage of the car's price graduated according to its CO² emissions.

Key Features

- The minimum normal charge will be 15% of the list price of the car and for the cars with the lowest CO² emissions and the maximum charge will be 35% for cars with high emissions.
- Diesel engine vehicles are subject to a 3% supplement on the petrol percentages, capped at 35%.
- There are discounts for certain cleaner alternatively propelled cars and these may reduce the minimum charge to less than 15%.
- Cars without an approved figure of CO² emissions are taxed according to engine size (see below). This will include all cars first registered before 1998 but only small proportion of those first registered 1998 and later.

What's the P11D?

The list price is the price published by the vehicle manufacturer, importer or distributor as the inclusive price for a single car of that type on an open market retail sale in the UK. The list price to be taken is that applying on the day immediately before the date of the car's first registration. Cars without an actual list price will be taxed on a notional list price basis.

The following items are included in the list price:

- Delivery charges
- VAT
- Car tax (abolished for cars first supplied after 12 November 1992)
- Customs and import duties
- Standard accessories fitted when the car was supplied
- Optional accessories fitted after the car was first supplied and which cost over £100
- Replacement accessories which are superior to the originals
- Adaptations for the disabled, if made before 6 April 1995
- Basic number plates

The following items are not included in the list price:

- Running costs such as petrol, road tax, breakdown cover, etc
- Warranties
- Telephones (which were taxed separately prior to 1999/2000)
- Optional accessories costing less than £100 fitted after the car was supplied
- Replacement accessories of the same standard as the originals
- Accessories which have been replaced by accessories of a superior standard
- Adaptations for the disabled made after 5 April 1995
- From 6 April 1998, any element of the list price or cost of accessories directly related to enabling the car to run on road fuel gases
- Personalised number plates.

The list price used for calculating taxable benefit is capped at £80,000. The list price may be reduced by up to £5000 if the employee makes a contribution to the capital cost. The tax charge for a company car is reduced pro rata if the car is not available for the whole year. Periods of less than 30 days during which the car is unavailable (e.g. for repairs) are disregarded. The taxable value of a company car is reduced by any amount which the employee pays to the employer for the use of the car.

How car benefit is calculated for a car with an approved CO² emission figure

- The charge builds up from the normal minimum of 15% of car's list price.
- The minimum charge applies to cars emitting CO² at or below a qualifying level measured in grams per kilometre (g/km).
- The charge builds up in 1% steps for every additional full 5g/km over that level.
- There is an overriding maximum charge of 35% of the car's price.

Disabled Employees

If the only car that a disabled employee can drive is one with automatic transmission, the car benefit charge will be calculated using the approved CO² emissions of the closest manual equivalent.

Example

The following examples show how to calculate the car benefit charge. The figure described as the basic car benefit charge in the example may be reduced if the employee has to pay for private use of the car, or if the car is unavailable for part of the tax year.

Example – Petrol car

- Price of the car is £15,000
- Approved figure of CO² emissions is 183g/km
- Round 183 down to 180
- Look up the percentage of the car's price in ready reckoner (below).
- Percentage for 2009/10 is 24%.

Basic car benefit charge is £15,000 x 24% = £3,600.

Where is the CO² emissions figure found?

The approved CO² emission figure for car benefit purposes is the figure which is recorded on the type approval certificate. The approved CO² emission figure will be shown on the new Vehicle Registration document (V5).

Adjustments to base percentage

The appropriate percentage is based on the car's approved CO² emissions figure. There are some supplements and reductions to take account of different fuels.

Ready Reckoner of Car Benefit Charges

CO ² Emissions in g/km			
2009 - 2010	2010 - 2011	2011 - 2012	% of Car's Price taxed
120 or below	120 or below	120 or below	10
135	130	125	15
140	135	130	16
145	140	135	17
150	145	140	18
155	150	145	19
160	155	150	20
165	160	155	21
170	165	160	22
175	170	165	23
180	175	170	24
185	180	175	25
190	185	180	26
195	190	185	27
200	195	190	28
205	200	195	29
210	205	200	30
215	210	205	31
220	215	210	32
225	220	215	33
230	225	220	34
235	230	225	35

The tables below summarises the rules from 2009/10.

Type of Fuel	Code	Standard Adjustment	Abolition Date
Petrol	P	None	N/A
Diesel (Not Euro IV)	D	Supplement 3% (see note 1)	N/A
Diesel (Euro IV) first registered on/before 31st December 2005	L	None	2011
Diesel (Euro IV) first registered on or after 1 January 2006	L	Supplement 3% (as type D; see note 1)	N/A
Electric only		Reduction 1%	N/A

Cars without a CO² Figure

The following percentages are used for vehicles without a CO² figure:

	Petrol, Gas and Conversions	Diesel
0 - 1400	15	18
1401 - 2000	25	28
Over 2000	35	35

Vehicle Certification Agency

The VCA supplies CO² (and other) emissions data in two formats;

- On its website at www.vca.gov.uk
- Or in a booklet that it publishes twice a year and that can be obtained free of charge from VCA, 1 The Eastgate Office Centre, Eastgate.

Example for an electric vehicle

- Price of the car is £20,000
- Percentage for 2009/10 for an electrical vehicle is 9%.
- Basic car benefit charge is £20,000 x 9% = £1,800.

The following reductions only apply to vehicles with a CO² figure above 121g/km.

Type of Fuel	Code	Standard Adjustment	Abolition Date
Hybrid Electric	H	Reduction 3%	2011
Gas only	B	Reduction 2%	2011
Bi-fuel with CO ² emissions figure for gas	B	Reduction 2% (see note 2)	2011
Bi-fuel conversion or other bi-fuel not within type B	C	None	2011
Car manufactured to be capable of running on E85 fuel	G	Reduction 2%	2011