

## Budget Statement 2014 – extracts from the HM Treasury support document

**2.151 Fuel duty incentives for methanol** – From April 2015, the government will apply a reduced rate of fuel duty to methanol. The rate will be set at 9.32 pence per litre. The size of the duty differential between the main rate and methanol will be maintained until March 2024. The government will review the impact of this incentive alongside the duty incentives for road fuel gases at Budget 2018. (Finance Bill 2015)

**2.152 Vehicle Excise Duty (VED) rates and bands** – VED rates for cars, motorcycles and the main rates for vans will increase by RPI from 1 April 2014. (Finance Bill 2014)

**2.153 VED: classic vehicle exemption** – The government will introduce a rolling 40 year VED exemption for classic vehicles from 1 April 2014. (Finance Bill 2014 and future Finance Bills) (39)

**2.154 VED administrative simplification** – As announced at Autumn Statement 2013, the government will introduce legislation to reduce tax administration costs and burdens by making the following changes with effect from 1 October 2014:

- motorists will be able to pay their VED by direct debit annually, biannually or monthly, should they wish to do so. A 5% surcharge will apply to biannual and monthly payments (Finance Bill 2014) (c)
- a paper tax disc will no longer be issued and required to be displayed on a vehicle windscreen (Finance Bill 2014)

**2.156 Company Car Tax (CCT) rates for 2016-17** – Budget 2012 and Budget 2013 set out CCT rates and bands for 2016-17, including the removal of the diesel supplement. The appropriate percentage of the list price subject to tax will be 7% for the 0-50 gCO<sub>2</sub>/km band and 11% for the 51-75 gCO<sub>2</sub>/km band in 2016-17. (Finance Bill 2014) (bh, br)

**2.157 CCT rates for 2017-18 and 2018-19** – The appropriate percentage of list price subject to tax will increase by 2 percentage points for cars emitting more than 75 grammes of carbon dioxide per kilometre (gCO<sub>2</sub>/km), to a maximum of 37%, in both 2017-18 and 2018-19. In 2017-18 there will be a 4 percentage point differential between the 0-50 and 51-75 gCO<sub>2</sub>/km bands and between the 51-75 and 76-94 gCO<sub>2</sub>/km bands. In 2018-19 this differential will reduce to 3 percentage points. The differential will reduce further to 2 percentage points in 2019-20 in line with the Budget 2013 announcement. (Finance Bill 2015) (38)

**2.158 Fuel Benefit Charge (FBC)** – From 6 April 2015 the FBC multiplier for both cars and vans will increase by RPI.

**2.192 Company Car Tax** – As announced at Autumn Statement 2013, to protect tax revenues, and taking effect from 6 April 2014, the government will introduce legislation to:

- ensure individuals make payments for private use of a company car or van in the relevant tax year (Finance Bill 2014)
- ensure that where an employer leases a car to an employee, the benefit is taxed as a car benefit rather than as employment earnings (Finance Bill 2014)

### Alcohol duties

**2.139 Alcohol duty rates** – From 24 March 2014, the duty rate on general beer will be reduced by 2%. The duty rate on low strength beer will be reduced by 6% and the total duty rate on high strength beer will be reduced by 0.75%. The duty rates on spirits and most ciders will be frozen in cash terms this year. The duty rates on wine and high strength sparkling cider will increase by RPI. (Finance Bill 2014) (29, 30)

You can see HM Treasury Budget 2014 support document @ <https://www.gov.uk/government/publications/budget-2014-documents>