

Fuel duty increase from 2010 to be staged

1.28 To drive transition to a low-carbon and resource-efficient economy, while also contributing to the Government's plans for fiscal consolidation, Budget 2010 announces:

- that, to ease pressure on business and household incomes at a time when other prices are rising, the main fuel duty increase for 2010 will be staged, with an increase of one penny per litre on 1 April and one penny per litre on 1 October 2010, then 0.76 pence per litre on 1 January 2011. Fuel duty will also rise by one penny per litre in real terms on 1 April each year from 2011 to 2014; and

Source: Budget document http://www.hm-treasury.gov.uk/budget2010_documents.htm

Fuel duty rates

Fuel Duty rates in 2010-11				
Pence per litre (unless stated)	From 1 Sept 2009 to 1 April 2010	From 1 April 2010	From 1 October 2010	From 1 January 2011
Ultra-low sulphur petrol/diesel	56.19p	57.19p	58.19p	58.95p
Sulphur-free petrol/diesel	56.19p	57.19p	58.19p	58.95p
Biodiesel	36.19p	57.19p	58.19p	58.95p
Bioethanol	36.19p	57.19p	58.19p	58.95p
Liquefied petroleum gas used as road fuel	27.67p per kg	30.53p per kg	31.95p per kg	33.04p per kg
Natural gas used as road fuel	22.16p per kg	23.60p per kg	25.05p per kg	26.15p per kg
Rebated gas oil (red diesel)	10.80p	10.99p	11.18p	11.33p
Fuel Oil	10.37p	10.55p	10.74p	10.88p

Source: Press notice PN02 page 31

http://www.hm-treasury.gov.uk/d/budget2010_pressnotices_complete.pdf

Value added tax unchanged

VALUE ADDED TAX

Value Added Tax

VAT	Up to 31 December 2009	From January 2010
Standard rate	15%	17.5%
Reduced rate	5%	5%

Source: Press notice PN02 page 31

http://www.hm-treasury.gov.uk/d/budget2010_pressnotices_complete.pdf

Vehicle excise duty rates

See page 2

Vehicle excise duty rates unchanged

Vehicle Excise Duties

Vehicle Excise Duty for cars registered on or after 1 March 2001

VED band	CO ₂ emissions (g/km)	Standard rate 2009-10*	Standard rate 2010-11*	First year rate 2010-11*
A	Up to 100	£0	£0	£0
B	101-110	£35	£20	£0
C	111-120	£35	£30	£0
D	121-130	£120	£90	£0
E	131-140	£120	£110	£110
F	141-150	£125	£125	£125
G	151-165	£150	£155	£155
H	166-175	£175	£180	£250
I	176-185	£175	£200	£300
J	186-200	£215	£235	£425
K**	201-225	£215	£245	£550
L	226-255	£405	£425	£750
M	Over 255	£405	£435	£950

*Alternative fuel discount: 2009-10, A-I £20, J-M £15; 2010-11, £10 all cars

**Includes cars emitting over 225g/km registered before 23 March 2006

Vehicle Excise Duty for cars and vans registered before 1 March 2001

VED band	2009-10 rate	2010-11 rate
Up to 1549cc	£125	£125
Over 1549cc	£190	£205

Source: Press notice PN02 page 32

http://www.hm-treasury.gov.uk/d/budget2010_pressnotices_complete.pdf

New first year rates of vehicle excise duty for new cars

Vehicle excise duty 7.40 From 1 April 2010, the Government will introduce new first-year rates of vehicle excise duty (VED), as announced at Budget 2008. Under this system, all cars emitting up to 130 grams of carbon dioxide per kilometre (g CO₂ per km) will pay no VED in the first year. Cars emitting over 165 g CO₂ per km will pay additional VED in the first year – up to £950 for cars emitting over 255 g CO₂ per km. First-year rates will encourage the purchase of more fuel-efficient cars by providing a strong signal to the consumer at the point of purchase.

Source: Budget document http://www.hm-treasury.gov.uk/budget2010_documents.htm