

Changes in vehicle tax in the UK

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The Chancellor of the Exchequer, Alistair Darling, announced in 2008 a series of measures to reform vehicle tax (vehicle excise duty or VED). Some of these reforms took effect from 1 May 2009.

Rates of vehicle tax for tax discs taken out from 1st May 2009

Cars registered before 1 March 2001 (based on engine size)

Private/light goods (TC11)

Engine size (cc)	12 months rate	6 months rate
Not over 1549	£ 125.00	£ 68.75
Over 1549	£ 190.00	£ 104.50

Cars registered on or after 1 March 2001 (based on fuel type and CO2 emissions)

The rates shown only apply to cars that have been type approved in category M1 and registered on the basis of CO2 emissions measured in grams per kilometre (g/km) driven. These details are shown on the registration certificate (V5C).

From 1 May 2009, Vehicle tax rates for cars registered on or after 1 March 2001 are split into 13 bands depending on CO2 emissions. The amount you'll pay depends on which band your car is in. The lower a car's emissions, the lower the vehicle tax payable on it.

These bands and rates apply to all tax discs bought from 1 May 2009 onwards.

Petrol car (TC48) and diesel car (TC49)

Band	CO2 emission (g/km)	12 months rate	6 months rate
A	Up to 100	Not applicable	Not applicable
B	101-110	£35.00	Not applicable
C	111-120	£35.00	Not applicable
D	121-130	£120.00	£66.00
E	131-140	£120.00	£66.00
F	141-150	£125.00	£68.75
G	151-165	£150.00	£82.50
H	166-175	£175.00	£96.25
I	176-185	£175.00	£96.25
J	186-200	£215.00	£118.25
K*	201-225	£215.00	£118.25
L	226-255	£405.00	£222.75
M	Over 255	£405.00	£222.75

* Band K includes cars that have a CO2 figure over 225g/km but were registered before 23 March 2006.

http://www.direct.gov.uk/en/Motoring/OwningAVehicle/HowToTaxYourVehicle/DG_10012524

What changes are being made to vehicle tax from 1st April 2010?

Vehicle tax rates for cars registered on or after 1 March 2001 are split into 13 bands depending on CO2 emissions. The amount you will pay depends on which band your car comes under.

From April 2010 there will be different Vehicle Tax rates for new cars when they are first registered. These are known as 'first-year rates'. Standard rates of Vehicle Tax will also change in April 2010.

Rates for cars and vans registered before 1 March 2001 are based on engine size. The rates for these cars from April 2010 are shown in the table below:

Engine size (cc)	2010-11
Not over 1549	£125
Over 1549	£205

What about already registered cars?

From April 2010, already registered higher emitting cars will be charged up to £30 more and lower emitting cars will be charged up to £30 less.

Band	CO2 (g/km)	2010-11 standard rate
A	Up to 100	£0
B	101-110	£20
C	111-120	£30
D	121-130	£90
E	131-140	£110
F	141-150	£125
G	151-165	£155
H	166-175	£180
I	176-185	£200
J	186-200	£235
K*	201-225	£245
L	226-255	£425
M	Over 255	£435

*Band K includes cars that have a CO2 figure over 225g/km but were registered before 23 March 2006.

What are the 'first-year rates'?

From April 2010 anyone buying a new car will pay a different rate of Vehicle Tax for the first tax disc. From the second tax disc onwards they will then pay the standard rate. This will send a stronger signal to the buyer about the environmental implications of their car purchase and will only apply to new cars, not already registered cars.

For the table of "first year rates" see the Direct Gov website

http://www.direct.gov.uk/en/Motoring/OwningAVehicle/HowToTaxYourVehicle/DG_172916

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Reimported MG RV8s – note the third clause below

Used imported vehicles

If you import a vehicle to the UK that's been previously registered abroad and register it here, you may have to pay the first year rate.

If the vehicle was registered abroad for less than six months you'll pay the first year rate when it's registered in the UK. The first year rate will also be payable if the vehicle has travelled less than 6,000 kilometres (3,728 miles) when it's first registered in the UK.

If the vehicle was registered abroad for more than six months and travelled over 6,000 kilometres (3,728 miles) you'll pay the standard rate of vehicle tax.

http://www.direct.gov.uk/en/Motoring/OwningAVehicle/HowToTaxYourVehicle/DG_181053