

Introduction

Income Tax

Capital Gains Tax

Corporation Tax

Capital Allowances

Value Added Tax

Inheritance Tax

Vehicle Benefits

Mileage Allowances

National Insurance Contributions

Key Dates & Deadlines

Pension Premiums and
Withdrawals

Charitable Giving

Savings & Investments

Some Useful Rates

Stamp Taxes

Land and Buildings Transaction
Tax

Vehicle Benefits

Chargeable on employees earning £8,500 or over (including benefits), and directors.

- [Car Benefit](#)
- [Car Fuel Benefits](#)
- [Company Vans](#)

Car Benefit

The taxable benefit is calculated as a percentage of the list price of the car, on the day before it was first registered, plus certain accessories. This percentage depends upon the rate at which the car emits carbon dioxide (CO₂), and the fuel type.

From April 2015, the five year exemption for zero carbon and the lower rate for ultra-low carbon emission cars will come to an end. Two new bands will be introduced for ultra-low emission vehicles (ULEVs). These will be set at 0-50 g/km and 51-75 g/km. The appropriate percentages for the remaining bands will increase by 2% for cars emitting more than 75 g/km, to a new maximum of 37%.

You can find the appropriate percentage for 2015/16 using the following table:

CO ₂ emissions (g/km)	Appropriate percentage	
	Petrol %	Diesel %
0-50	5	8
51-75	9	12
76-94	13	16
95-99	14	17
100-104	15	18
105-109	16	19
110-114	17	20
115-119	18	21
120-124	19	22
125-129	20	23
130-134	21	24
135-139	22	25
140-144	23	26
145-149	24	27
150-154	25	28
155-159	26	29
160-164	27	30
165-169	28	31
170-174	29	32
175-179	30	33
180-184	31	34
185-189	32	35
190-194	33	36
195-199	34	37
200-204	35	
205-209	36	
210 or more	37	

How to find out how much CO₂ your company car emits – see:

<ul style="list-style-type: none"> • the car's V5 registration document • your dealer • the data pages of car magazines (current models) 	<ul style="list-style-type: none"> • the Vehicle Certification Agency – www.vca.gov.uk • the website of the Society of Motor Manufacturers and Traders - http://www.smmco2.co.uk/co2search3.asp
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Reliable emissions data is not widely available for cars registered before 1 January 1998. For them, the following taxable percentages apply, regardless of fuel type:

Engine capacity	Taxable %
Up to 1400cc	15%

1401 - 2000cc	22%
Over 2000cc	32%

Car fuel benefit

The taxable car fuel benefit, for 2015/16, is calculated by applying the CO₂ based car benefit percentage to the car fuel benefit charge multiplier of £22,100.

If the employee pays for the full cost of all fuel for private journeys (usually including home to work) there will be no car fuel benefit. In **all** other cases the full tax charge will be due.

Fuel-Only Mileage Rates		
HMRC advisory mileage rates at the time of the Budget for employee private mileage reimbursement or employer reimbursement of business mileage in company cars are:		
Engine Size	Petrol	LPG
1400cc or less	11p	8p
1401cc - 2000cc	13p	10p
Over 2000cc	20p	14p
Engine Size	Diesel	
1600cc or less	9p	
1601cc - 2000cc	11p	
Over 2000cc	14p	

Example: A company car driver has a car which, on the day before it was first registered, had a list price of £21,000. It runs on petrol, and emits 177 g/km of CO₂.

If we assume the driver pays tax at 40%, the 2015/16 tax bill on the car is: £21,000 x 30% x 40% = £2,520

If the employer provides **any** fuel used for private journeys and is not reimbursed for the cost, the 2015/16 tax bill for the fuel is: £22,100 x 30% x 40% = £2,652.

Company vans

The taxable benefit for the unrestricted use of company vans is £3,150 plus a further £594 of taxable benefit if fuel is provided by the employer for private travel.

Van and fuel charge	Van	Fuel	Total
Tax (20% taxpayer)	£630	£118.80	£748.80
Tax (40% taxpayer)	£1,260	£237.60	£1,497.60
Tax (45% taxpayer)	£1,417.50	£267.30	£1,684.80
Employer's class 1A NICs	£434.70	£81.97	£516.67

Van drivers can avoid a benefit charge if they agree not to use the van for personal journeys. Driving to and from work is acceptable so long as there is a reasonable amount of business use.

The flat rate of £3,150 is reduced by 80% to £630 for vans which cannot produce CO₂ engine emissions under any circumstances when driven. There is no fuel benefit for such vans.