

## Cars for Employees & Fuel Rates

The current regime of taxing Company Cars for employees is intended to encourage more environmentally friendly choices when deciding which vehicles to purchase or lease.

Company cars are taxed according to the list price (this is the original list price and does not consider any discounts received). This price is then graduated according to the level of CO2 emissions.

### Percentage Charges

CO2 (g per km)	2017/18 % of cars original price taxed	2018/19 % of cars original price taxed
0-50	9	13
51-75	13	16
76-94	17	19
95	18	20
100	19	21
105	20	22
110	21	23
115	22	24
120	23	25
125	24	26
130	25	27

For every additional 5g thereafter add another 1% until the maximum of 37% is reached. Emissions are rounded down to the nearest 5g.

The vehicle CO2 can be obtained from <https://www.gov.uk/check-vehicle-tax>

### The List Price

The list price of the car is the price when it was first registered, including VAT, delivery and any accessories that are provided with the car. If accessories are added to the vehicle subsequently these are also included unless the value of these is below £100.

### Employer's Class 1A National Insurance Contributions

The benefit chargeable to the tax of the employee is also used to calculate the additional employer's liability to Class 1A this is currently 13.8%, however with all taxes this is subject to change in the future.



## Business Fuel

### Employer Owned Vehicles

There is no charge when the employee is reimbursed for fuel for business travel only. HMRC have issued advisory rates for employer owned vehicles, these are based on the engine size and are listed in the table below:

Engine Size	Pence per Mile for Petrol Vehicles
1400cc or less	11p
1401cc – 2000cc	14p
Over 2000cc	22p

Engine Size	Pence per mile for Diesel Vehicles
1600cc or less	9p
1601cc – 2000cc	11p
Over 2000cc	13p

Engine Size	Pence per mile for LPG Vehicles
1400cc or less	7p
1401cc – 2000cc	8p
Over 2000cc	13p

### Employees Owned Vehicles

There are also statutory rates that the employee can claim when using their own vehicle for business. The rates claimable listed below are free of tax and NI.

Number of miles travelled per year	Rate Per mile
Up to 10,000	45p
10,001 upwards	25p
Each passenger	+ 5p

NB: If employers pay below the statutory rates above the employee can claim tax relief on the difference between the amount received and the statutory rate.

