



Changes to vehicle tax from April 2017



Changes from 1 April 2017 (M1 vehicles)

- new first year licensing rates
- new vehicle taxes rates
 - standard rates
 - additional rates
- list price needed for new cars when first registered

Driver & Vehicle Licensing Agency

Vehicle tax changes



Did you know?

There will be new tax rates for cars registered for the first time with DVLA from 1 April 2017

1 April 2017

gov.uk/newvehicletaxrates

Non M1 and M1 vehicles without an emissions value will continue to be taxed in the same way.

New first year licensing rates - 1 April 2017

CO2 emissions (g/km)	Petrol (TC48) and diesel cars (TC49)	Alternative fuel cars (TC59)
0	£0	£0
1 - 50	£10	£0
51 - 75	£25	£15
76 - 90	£100	£90
91 - 100	£120	£110
101 - 110	£140	£130
111 - 130	£160	£150
131 - 150	£200	£190
151 - 170	£500	£490
171 - 190	£800	£790
191 - 225	£1,200	£1,190
226 - 255	£1,700	£1,690
Over 255	£2,000	£1,990



Note - 6 month licences will no longer be available at first registration.





New vehicle tax rates

Standard rate

- £0 - Zero CO2
- £130 - Alternative fuel
- £140 - Petrol / diesel cars

Additional rate for 5 years

- £310 - cars over £40,000

Vehicles over £40,000



Standard rate and additional rate licences

Fuel type	Standard rate	Additional rate	Total payable
Electric	£0	£310	£310
Alternative	£130	£310	£440
Petrol/diesel	£140	£310	£450

- after the 5 year period the vehicle will be taxed at the standard rate for that vehicle
- the usual 50% and 100% discounts will apply to the total price for those eligible under PIP

What is list price?

- The list price is the retail price published by the manufacturer, importer or distributor of the vehicle.
- DVLA is provided with the list price by the manufacturer/importer.
- The list price is the price on the day before the date on which the vehicle will be taxed and registered for the first time.
- Where a vehicle does not have a UK list price the notional price must be provided. The notional price is what you would reasonably expect the list price to be for a vehicle of this kind.
- The list price includes options fitted by the manufacturer.
- It is the list price before any discounts or incentives.
- The list price may not be the price the customer pays.



List price and notional price – what is included?

What's Included	What's not included
Manufacturers recommended retail price	Warranty/insurance and service packages etc
The price of any non-standard option fitted by the manufacturer	Any non-standard option fitted by the dealer
VAT	Modifications such as 'police packs', ambulance/fire engine modifications
Electric vehicles- If the battery is leased then the cost of the battery constitutes part of the list price	Modifications for disabled users
Delivery charges inc. pre delivery inspection charges	First registration fee and cost of first licence

First year licences refunds

- Refunds of first year licences and any follow licence will continue to be processed in the same way as they always have been.

- The refund of a first year licence will be based on either the first year rate or the cost of what the second licence would be, which ever is lower.
 - if the vehicle has a list price of £40,000 or less the refund will be based on either the first year rate or the standard rate for that vehicle, which ever is the lower value
 - if the vehicle has a list price of over £40,000 the refund will be based on either the first year rate or the standard rate for that vehicle plus the additional rate, whichever is the lower value

Licensing changes

How will a customer know if the additional rate is due for a vehicle?

- When buying a new car the customer signs a confirmation of registration details form (CRD/COR) This will now contain a note stating whether the additional rate of tax will be applied after the first licence.
- The vehicle enquiry service will show whether the additional rate is applicable for the vehicle and the date it is due to end www.gov.uk/check-vehicle-tax.
- There will be a special note on the vehicle registration certificate (V5c) with the date the additional rate will end.
- It will also be shown on the new keeper supplement (V5c/2).



Communications campaign

- Stakeholder engagement ongoing since the budget announcement.
- Phase 1 – targeting new car buyers ahead of the changes. This will start in **January 2017**. Work is well underway with stakeholders, communications will increase from **November 2016**:

- social media campaign
- campaign page
- changes to gov.uk



- Phase 2 - a wide reaching general awareness campaign. This will start in **March/April 2017**.
- We will continue wide reaching general awareness campaign **post April 2017** reminding the public of the changes and that they still need to tax their vehicle and the consequences of not doing so.

Questions?

Thank you

