



HM Treasury

# Government Response to the Consultation on VAT Treatment of Private Hire Vehicles

## **Summary of Responses**

---

November 2025



# Government Response to the Consultation on VAT Treatment of Private Hire Vehicles

## **Summary of Responses**

---



© Crown copyright 2025

ISBN: 978-1-917638-96-8

PU: 3594

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at: [www.gov.uk/official-documents](https://www.gov.uk/official-documents).

Any enquiries regarding this publication should be sent to us at [public.enquiries@hmtreasury.gov.uk](mailto:public.enquiries@hmtreasury.gov.uk)

# Contents

<b>Chapter 1</b>	<b>Background</b>	<b>6</b>
<b>Chapter 2</b>	<b>Impacts of Court Cases and Objectives of Government Intervention</b>	<b>9</b>
<b>Chapter 3</b>	<b>Amending transport legislation in England</b>	<b>12</b>
<b>Chapter 4</b>	<b>Amending VAT legislation</b>	<b>15</b>
<b>Chapter 5</b>	<b>Mitigation options</b>	<b>17</b>
<b>Chapter 6</b>	<b>Next Steps</b>	<b>21</b>

# Chapter 1

## Background

1.1 Private Hire Vehicle (PHV) services provided by VAT-registered businesses are, and always have been, subject to the standard rate of VAT (20%). Taxis are also subject to the standard rate of VAT. Like all businesses, those in the PHV and taxi sector can choose whether or not to register for and charge VAT if they have an annual turnover below the UK VAT threshold of £90,000. It is mandatory for those operating above this threshold to register for VAT and to charge 20% VAT on the taxi and PHV services that they provide. This means that, in practice, larger PHV Operators (PHVOs) are VAT-registered and the majority of taxi and PHV drivers are not VAT-registered.

1.2 The liability to charge VAT on PHV services sits with the person or business making the supply, i.e. the business providing the PHV service. PHVOs account for VAT as either “agent” or “principal” depending on their business model. This distinction matters for regulatory and consumer protection purposes, and it also has an impact on VAT treatment.

1.3 Typically, a PHVO acting as agent has looser control of and responsibility for the service – as they are only acting as an agent to bring customers and drivers together – and it is the driver who is considered to be making the supply. In this case, the PHVO only charges VAT on their agency fee and VAT is not charged on the rest of the fee unless the driver is registered for VAT.

1.4 In contrast, a PHVO acting as principal will typically have greater control over and responsibility for the service. In this case, the PHVO is considered to be making the supply and will charge VAT on the full fare paid by the customer.

1.5 In April 2024, the previous government consulted on VAT treatment of Private Hire Vehicles (PHVs), seeking to understand the potential impacts of the *Uber Britannia Limited v Sefton Borough Council* High Court judgment that was handed down on 28 July 2023 (hereafter referred to as “the 2023 High Court judgment”), and the impacts of the *Uber London Limited v Transport for London* High Court judgment that was handed down on 6 December 2021 (hereafter referred to as “the 2021 High Court judgment”) on the PHV sector and its passengers.

1.6 Prior to the High Court judgments, PHVOs typically claimed they acted as drivers' "agents" or "intermediaries". As a result, for most journeys, VAT was only charged on a small proportion of the fare paid by consumers.

1.7 Both High Court judgments confirmed that PHVOs should contract with passengers as principal. Whilst these judgments did not concern tax law, a knock-on effect was that VAT-registered PHVOs in England and Wales (including in London) would become responsible for charging VAT on all PHV passenger fares in full to reflect these judgments.

1.8 However, in July 2024 – in the middle of the consultation period – the Court of Appeal overturned the 2023 High Court Judgment. This did not impact on PHVOs licensed in London, for which the requirement to contract as principal remained in place. However, the judgment meant that other PHVOs in England and Wales could act as agents. This judgment was subsequently appealed to the Supreme Court. In July 2025, after the consultation period had ended, the Supreme Court upheld the Court of Appeal's decision.

1.9 Following recent court judgments, several PHVOs which operate as principal sought to account for VAT under the Tour Operators Margin Scheme (TOMS). The TOMS is a VAT simplification scheme designed for tour operators operating across multiple jurisdictions. It is not designed for the PHV sector. If used by PHVOs contracting as principal, the TOMS would allow PHVOs to account for VAT only on the proportion of a fare retained as the PHVO's "margin", rather than on the whole fare. This means that PHVOs contracting as principal would charge VAT as though they were agents, at an effective rate of around 4% instead of 20%.

1.10 The Government's consistent position, however, is that it is not appropriate for any PHVO to exploit the TOMS to reduce their effective VAT rate, and it has been litigating this issue in the courts. Following a ruling by the Upper Tribunal on 24 March 2025, the Government has announced at Autumn Budget 2025 that it will put an end to this: from 2 January 2026, suppliers of PHV will be excluded from the scope of the TOMS, except where these are supplied in conjunction with certain other travel services. This decision will provide businesses with certainty and ensure everyone makes fair contributions, protecting our public services, including the Government's record investment in the NHS, while getting debt down. This change will also apply to taxi services such as black cabs, though there are no known cases of these attempting to exploit this scheme. The overwhelming majority of black cabs contract directly with customers and are below the VAT threshold, so legitimately do not pay VAT.

1.11 The consultation ran from 18 April 2024 to 8 August 2024. The government received 86 responses from a range of stakeholders including drivers, PHVOs, trade associations, and taxi and PHV licensing authorities. The government is grateful to all those who took the time to contribute to the consultation process.

1.12 This document provides a summary of the main points raised throughout the consultation period, and the government's responses to these. Chapter 2 responds to questions 1 to 7 of the consultation regarding the impacts of the High Court judgments and the objectives of government intervention. Chapter 3 responds to questions 8 to 12 regarding transport legislation. Chapter 4 responds to questions 13-15 regarding VAT legislation. Chapter 5 responds to questions 16-21 regarding mitigation options. Finally, chapter 6 summarises the conclusions drawn from the consultation and the government's next steps on this issue.

# Chapter 2

## Impacts of Court Cases and Objectives of Government Intervention

**2.1** The consultation sought to understand the potential impacts of the High Court judgments on affected people and groups including consumers, PHV drivers, and PHVOs. It also sought views on a range of potential policy responses under consideration. As set out above, the consultation was published prior to the 2024 Court of Appeal and 2025 Supreme Court judgments and was therefore based on the 2021 High Court and 2023 High Court judgments.

**2.1.1** Questions 1-6 of the consultation invited views on the government's analysis alongside information on the actual impacts of the 2021 High Court judgement and expected impacts of the 2023 High Court judgment.

**2.2** Question 7 of the consultation sought views on the government's proposed objectives for evaluating potential mitigation options to help limit potentially negative impacts from the court cases on PHVOs, drivers, and passengers. The primary objectives set out were to:

- Support vulnerable consumers who rely on PHV services, and maintain high standards of passenger safety/consumer protections.
- Be cost effective and ensure good value for taxpayers' money.
- Promote fair competition in the PHV sector.

**2.3** These primary objectives were supplemented by additional objectives to ensure any proposals:

- Posed a low non-compliance risk
- Were easy to administer for both taxpayers and HMRC.

**2.4** The government received a wide range of responses to questions 1-6, with respondents offering a variety of different views. Some respondents agreed with the government's estimates regarding fare increases, but others argued that fare increases would be higher, leading to a greater reduction in demand and resulting negative impacts on both drivers and passengers, including vulnerable passengers.

Some respondents argued that the government's analysis focussed too much on London and didn't sufficiently allow for different impacts in other areas. Overall, there was no consensus from respondents on what the impacts would be.

**2.5** Many respondents raised concerns about administrative requirements that could be imposed on drivers and PHVOs registering for, charging, and administering VAT. In particular, several respondents acknowledged the potential benefits of voluntary VAT registration by drivers but expressed concerns about VAT awareness and the administrative and compliance requirements of this approach – both real and perceived – which could make drivers reluctant to register even if they could benefit from doing so.

**2.6** Respondents, particularly PHVOs, have been impacted by the High Court judgments in different ways. Many PHVOs still consider drivers to be the principal supplier of PHV services, but while some operators have maintained their previous contractual arrangements, others have altered theirs in response to the High Court judgments.

**2.7** Many respondents raised concerns about legal uncertainty and the impact this has on the level playing field. One notable area of contention was the TOMS. Some PHVOs believe that the sector is and should be in scope of the TOMS, while some take the opposite view, and others believe that the sector should not be in scope of the TOMS but are concerned that not using the TOMS puts them at a disadvantage against competitors who do.

**2.8** There was widespread agreement among respondents regarding the proposed objectives for evaluating mitigation options. Many respondents emphasised the need to allow for genuine competition through a level playing field, alongside consideration of consumer impacts and impacts on the public finances. Respondents also proposed a range of other factors for the government to consider when evaluating policy options, including impacts on LAs and interactions with environmental policies.

## **Government Response**

**2.9** The government has carefully considered all representations made regarding the impacts of the 2021 High Court and 2023 High Court judgments. It is clear that there is a wide variety of views and that different stakeholders have been impacted, and expect to be impacted, in contrasting ways.

**2.10** The government has carefully considered representations made regarding the administrative impacts of VAT, particularly for unregistered drivers without prior VAT experience.

The government already invests substantial resources to support VAT awareness and make VAT administration as simple as possible – for example through online guidance and Making Tax Digital which allows HMRC to quickly provide targeted support to those who need it most, helping them to reduce errors and complete their returns on time. The government will continue to engage with the sector and consider what additional support would be helpful.

**2.11** The government acknowledges the concerns raised about the need for certainty and consistency on all aspects of VAT treatment, including between different business models and different parts of England and Wales, and regarding application of the TOMS. The decision to exclude suppliers of PHV and taxi services from the TOMS will lead to consistent regional VAT treatment.

**2.12** With regard to the TOMS, the Government will provide certainty and prevent firms from exploiting the scheme by legislating to exclude suppliers of PHV and taxi services from the scope of the TOMS, except where these are supplied in conjunction with certain other travel services. This change will be effective from 2 January 2026.

**2.13** The primary objectives as set out in the consultation were to support vulnerable consumers, maintain high standards in passenger safety and consumer protections, be cost effective and good value for taxpayers' money, and to promote fair competition in the PHV sector. The government considers that these objectives remain the right ones, and in assessing potential mitigations, the government is determined to find the right balance between these objectives. The government is also mindful of the crucial role that VAT receipts play in funding key public services. Mitigations must offer good value for money.

# Chapter 3

## Amending transport legislation in England

**3.1** One option the government has considered to mitigate the impacts of the High Court judgments is to amend PHV legislation in England, and potentially taxi legislation, so that the contract is between the driver and the passenger, rather than the PHVO and passenger. Questions 8-12 of the consultation sought views on this legislative option and the potential move to a single-tier system across the taxi and PHV sectors.

**3.2** Many respondents did not directly provide views on the option of allowing PHV drivers to contract with passengers as they considered that the current system already does this and that it had been common practice since licensing came into force. Many referenced the Court of Appeal's decision in respect of the Sefton case. Some respondents warned that eroding the distinction between taxis and PHVs would be detrimental to passenger safety and make enforcement of the current regime more problematic. Of those respondents who expressed a view on the compatibility of this option with the government's objectives, the overwhelming majority did not consider that amending legislation in this way met the objectives set out in the consultation document, particularly due to the impacts on passenger safety and consumer protections.

**3.3** On the possibility of amending legislation to allow PHV drivers to contract passengers as principal without this resulting in a single-tier system, some respondents pointed to the conflicting determinations by the High Court and the Court of Appeal and highlighted the latter's decision as to how this might be achieved. A small number of respondents suggested the contractual element was connected to the employment status of the driver: that if the driver was self-employed they were acting as principal, but if the driver was employed then the operator was principal. Some respondents also suggested that the principal was whoever was paid for the service. Many respondents suggested that it would not be possible to amend legislation in this way without it resulting in a single-tier system, or that it would be complex, disruptive, and would increase the compliance burden on licensing authorities.

**3.4** One respondent proposed a framework which would require an amendment to legislation to explicitly permit PHV drivers to contract with passengers but that drivers would then have to assume or replicate some of the duties that PHV operators must undertake e.g. keeping records of contracts, journeys. This proposal acknowledged that consumer protection laws would need to be strengthened to ensure passengers had recourse should there be issues with the service. Enforcement of these requirements would include regular inspection of operator and driver records and ‘mystery shopper’ exercises.

**3.5** With regard to the impact of this approach on the trade and passengers, particularly those with protected characteristics, most respondents considered that it would result in a single-tier system in practice, even if not in law, and that this would harm competition in the market. Respondents argued that if the single-tier was regulated as taxis, to enable all drivers to contract directly with passengers, this would reduce availability and increase prices as they would be subject to licensing requirements not typically considered necessary for PHVs, such as topographical knowledge tests. This could increase fares and reduce the number of licensed providers available, leading to increased use of unlicensed options. One respondent suggested that if PHV drivers were able to demand a regulated maximum price in the way taxis can, this would increase the number of wheelchair accessible vehicles used as PHVs. Overall, there was strong opposition to the prospect of moving to a single-tier system in England.

## **Government Response**

**3.6** As set out in chapter 1, since the consultation was launched the Court of Appeal has overturned the 2023 High Court judgment and the Supreme Court has subsequently upheld that decision. As such, the legislation that applies outside London does not require a PHVO to contract as principal. The 2021 High Court judgment still stands; it found that a PHVO licensed in London must contract as principal.

**3.7** The Government recognises that whilst the court cases are not tax cases, they impact on the VAT treatment of PHV services. The 2021 High Court judgment means a PHVO licensed in London must enter into a contractual obligation with the passenger to provide the journey which is the subject of the booking; as a consequence they would need to account for VAT as principal, while those in the rest of the England are not required to do so as a result of the 2024 Court of Appeal judgment (upheld by the 2025 Supreme Court judgement).

**3.8** The government will keep legislation relating to taxis and PHVs under review, in order to ensure that customer safety is prioritised alongside a fair market for firms of different types and in different places.

3.9 The Government is only responsible for policy on taxi and PHV services in England, whereas the application of VAT is reserved to the UK Government.

# Chapter 4

## Amending VAT legislation

4.1 The government considered amending the VAT Act to allow PHVOs to account for VAT as though they were agents for tax purposes, even when acting as principal for services to passengers.

4.2 The consultation set out some potential benefits and risks from this proposal and invited views on it, seeking to understand who would benefit, whether there could be additional unintended consequences not yet identified by the government, and whether it would meet the objectives the government had set out.

4.3 This proposal was met with mixed views. On one hand, there was widespread agreement from respondents that amending VAT legislation in this way could be beneficial, and that it would meet some of the government's objectives, including maintaining consumer protections and supporting competition in the sector by ensuring that VAT rules apply consistently.

4.4 Respondents identified potential benefits for PHVOs, who would have a consistent VAT position unaffected by the High Court judgments (or subsequent judgments), for drivers, who would typically be able to avoid the administrative requirements of VAT registration, and for passengers, whose fares would not be increased in the same way as otherwise estimated.

4.5 However, respondents also raised concerns with this proposal. Several respondents raised the issue of legal complexity and potential loopholes arising from having asymmetric transport and tax legislation, which could lead to further litigation and uncertainty. Several respondents also noted the potential impacts of this approach on Exchequer revenue, questioning whether it would be a good use of government funds.

### Government Response

4.6 The government has carefully considered representations made on this issue, alongside the other potential policy options considered in chapters 3 and 5.

4.7 It is clear that amending VAT legislation to allow PHVOs to act as agents for tax purposes in all cases would offer some benefits. However, the government is also mindful of some significant challenges presented by this approach. First, it would be in tension with the general principle that the VAT treatment of a given good or service is determined by the economic reality and the contractual arrangements in place. This type of approach must be deployed judiciously because it carries risks of uncertainty and can have unintended consequences which impact negatively on taxpayers and HMRC. While there is precedent for this type of approach, it is typically only done in circumstances where there is a clear and compelling rationale to tackle specific and significant compliance issues and to ensure that HMRC can collect tax that is legally due. Second, and most significantly, this approach would go further than simply reversing or avoiding the effects of the High Court judgment. It would apply to all PHV services including those unaffected by the judgments, such as “account work” (where a customer, typically a business customer, has a credit account with a PHVO allowing for payment on a regular basis), for which PHVOs have always accounted for VAT as principal. It would therefore, in effect, be an unjustified tax break for these services. This would not be cost effective and would not provide sufficient value for money.

4.8 On balance, taking all these issues into account, the government has concluded that amending VAT legislation is not the right approach.

# Chapter 5

## Mitigation options

**5.1** In the consultation, the government set out three broad potential changes to the VAT treatment of PHVs. The first two changes would involve changing the headline VAT rate for PHV services, from the standard rate (20%) to either a reduced rate of 5% or a zero rate. These options would help mitigate the impacts of the High Court judgments, but they would have significant Exchequer impacts, with costs at the time of the consultation estimated at £1 billion per year for a reduced rate and £1.5 billion per year for a zero rate.

**5.2** The third option considered in the consultation was a new margin scheme designed specifically for the PHV sector, which would allow PHVOs to account for VAT on the margin between the passenger fare and the driver's commission fee. This would work in a similar way to the TOMS – which, as set out above, was not designed for PHVs – but without the disadvantages associated with the TOMS, which is mandatory for sectors it applies to and involves complex administrative requirements. The estimated cost of a new margin scheme at the time of the consultation was £750m per year.

**5.3** Questions 16-19 of the consultation sought views on three broad changes to the VAT treatment of PHV services, asking respondents to consider how well these options would meet the government's objectives and whether they would present any benefits or unintended consequences beyond those set out in the consultation.

**5.4** Alongside the three broad VAT options described above, the government also considered targeted interventions aimed at supporting more vulnerable consumers. Options considered include:

- Legislating to zero rate demand responsive transport (DRT) services for VAT purposes.
- Broadening existing transport schemes such as the disabled person's bus pass, the bus service operators grant (BSOG) and community transport provision provided by local government and charities.

**5.5** Question 20 of the consultation sought views on these targeted interventions. Respondents were also invited to provide any views or comments on areas not covered by the other consultation questions.

**5.6** Responses to questions 16-19, regarding the three broad VAT options, indicated significant variation in views across the PHV sector. Some respondents strongly welcomed the prospect of a reduced rate or zero rate as compared to VAT applying to fares at the standard 20% rate. Several respondents who supported these options also suggested that the government's costings were too high, and that the cost to the Exchequer would be considerably lower.

**5.7** However other respondents, including PHVOs, argued that applying the standard 20% VAT rate on all PHV fares was the fairest outcome, and that the costs of a reduced or zero rate could not be justified. Some respondents also raised other concerns regarding the prospect of a reduced or zero rate, including the potential impact on competition across the whole sector, on the basis that these rates would give PHVs an unfair advantage over taxis, even though most taxi fares are not subject to VAT as drivers are typically under the VAT threshold.

**5.8** The proposal for a PHV margin scheme was a particular area of disagreement among respondents. Some argued that a margin scheme – either the existing TOMS, or a bespoke margin scheme designed specifically for PHVs – would be the best outcome, and some respondents in support of a margin scheme also suggested that the government's analysis overestimated the cost of this option. However, other respondents were firmly against a margin scheme. Some agreed with the government's position on the TOMS (that PHVs are not in scope), and some said that any margin scheme, whether the TOMS or a bespoke scheme, would be too complex to administer and would present too many compliance and competition risks. Even if a margin scheme applied to all PHVOs on a mandatory basis, ensuring consistent VAT treatment across the sector, respondents argued it would disproportionately benefit large PHVOs with greater resources to manage administration of the scheme.

**5.9** Among the respondents who answered question 20, there was general agreement that the government should consider options of this type, on the basis they could offer support for vulnerable passengers and those in rural areas. However, some respondents questioned the overall benefit of the specific measures proposed, suggesting they would only benefit a small number of passengers. Several respondents noted that the measures would be beneficial for those impacted, but that they would be insufficient by themselves to mitigate the impacts of the High Court judgments.

## **Government Response**

**5.10** The government has carefully considered the responses to the questions on mitigation options, many of which included detailed and thoughtful analysis.

It is clear that there are a wide range of views across the PHV sector, with strong advocates for a range of contrasting approaches, including which VAT rate should apply, and whether a margin scheme is necessary, useful or desirable.

**5.11** The government has considered the three broad VAT options against the objectives set out in the consultation, and in the light of the rich and varied responses received during the consultation period. The government has concluded that neither a reduced rate, a zero rate, nor a margin scheme can be justified, particularly in a context where the government needs to make difficult decisions regarding public finances. The government will continue to consider options for supporting vulnerable customers, in the context of the government's wider transport strategy and spending priorities.

### **The Tour Operators' Margin Scheme (TOMS)**

**5.12** While considering the case for broad VAT mitigations, including a bespoke margin scheme for the sector, the Government has also continued to consider the application of the TOMS. As set out above, some PHVOs have sought to use TOMS and have argued that the supplies they make are in scope of the relevant legislation. However, other PHVOs disagree on the legal position and/or do not think TOMS is appropriate. This has led to uncertainty and inconsistent VAT approaches within the sector.

**5.13** The TOMS is a VAT simplification scheme designed, as its name suggests, for tour operators. It is intended for tour operators involved in cross-border procurement of services, which are subsequently packaged and sold to UK consumers. Under typical circumstances, this process would entail complex VAT arrangements. It was never intended for PHV or taxi operators, and it is government policy that PHV supplies should not be accounted for under the TOMS. As a result, HMRC has been challenging its use by PHVOs in the courts. On 24 March, following an earlier First Tier Tribunal ruling in 2024, the Upper Tribunal ruled against HMRC. HMRC has been granted permission to appeal this decision, with a Court of Appeal hearing scheduled for May 2026.

**5.14** HMRC will publish legislation through the Finance Bill 2025-26 which excludes suppliers of PHV and taxi services from the TOMS, except where they are supplied in conjunction with certain other travel services. This change will apply equally to all PHVOs and taxi operators, providing much needed certainty and ensuring a level playing field for businesses operating across the sector. To ensure that businesses have time to adjust their accounting systems accordingly, this change will take effect from 2 January 2026.

**5.15** In taking the decision to end the inappropriate use of the TOMS by PHVOs, the Government has carefully considered a range of significant factors:

**5.15.1 Public finances.** Ensuring everyone makes fair contributions is the best way to protect our public services, including our record investment in the NHS, while getting debt down. The government has continued to refine its assessment of different VAT outcomes following the consultation, including through further engagement with PHVOs. The government's estimates, which have been certified by the independent Office for Budget Responsibility (OBR), show that ending the exploitation of the TOMS will secure revenue of around £700m per annum, money which will be used to support the public finances and fund important public services. Until recently, this revenue was being collected and accounted for in the OBR's fiscal forecast.

**5.15.2 Impacts on businesses.** Use of the TOMS is mandatory for businesses making supplies that are within its scope. Were the Upper Tribunal's decision to stand, it would likely follow that all PHVOs would be legally obliged to use the TOMS, regardless of whether it suits their circumstances. While the TOMS offers tax benefits, it is significantly more administratively burdensome than applying the normal VAT rules, particularly for smaller businesses. This could harm competition and cause significant distortions between different businesses based simply on their choice to use the scheme.

**5.15.3** For businesses currently accounting for VAT on the basis of TOMS applying, including those engaged in litigation with HMRC, this announcement will provide certainty regarding VAT treatment going forwards. These businesses will have until 2 January 2026 to prepare for this change, and there are options already available to significantly mitigate impacts, including voluntary driver registration and use of the VAT flat rate scheme.

**5.15.4 Impacts on consumers.** How the small number of PHVOs currently exploiting the TOMS respond is a matter for them. VAT charges are only one factor determining business pricing and PHVOs and PHV drivers can also use voluntary registration and the VAT flat rate scheme to significantly reduce their overall VAT costs.

**5.16** The Government considers that putting a stop to PHVOs using the TOMS to reduce their effective tax rate is the right approach. This decision will help raise revenue to support the public finances and fund essential public services, provide much needed certainty for businesses, and support fair and effective competition.

# Chapter 6

## Next Steps

6.1 The government would like to reiterate its thanks to those who contributed to this consultation process, and for ongoing constructive engagement with the PHV sector.

6.2 To summarise the outcome of the consultation:

- The government will not amend VAT legislation to allow PHVOs to act as agents for tax purposes in all cases.
- The 20% standard rate of VAT will continue to apply to PHV fares charged by VAT registered businesses. A large tax break for the sector, in the form of a reduced or zero rate or a bespoke margin scheme, cannot be justified in a context where the government needs to take difficult decisions to ensure that key public services can continue to be funded.

6.3 The government has reiterated its view that the TOMS does not apply to the PHV sector, and will shortly legislate to this effect.

6.4 The government will keep legislation relating to taxis and PHVs under review, in order to ensure that customer safety is prioritised alongside a fair market for firms of different types and in different places.

### **HM Treasury contacts**

This document can be downloaded from [www.gov.uk](http://www.gov.uk)

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

Tel: 020 7270 5000

Email: [public.enquiries@hmtreasury.gov.uk](mailto:public.enquiries@hmtreasury.gov.uk)