

Company car tax for ultra-low emission cars

Severn Trent response

Katherine Hawker 20 October 2016

Severn Trent response to Company car tax for ultra-low emission cars

Question 1: Do you agree that company car tax bands should be refined from 2020-21 onwards in order to provide stronger incentives for ULEVs?

Yes, with consideration given to the fact cleaner vehicles are generally higher purchase price.

Question 2: Should CO2 emissions only be used as the basis for ULEV bands in the company car tax structure from 2020-21 onwards?

No, some ULEVs have very different capabilities in regards to zero emission miles, the CO2 rating doesn't always reflect this.

Question 3: If the new ULEV bands should not be based solely on CO2 emissions what additional factor should new ULEV bands in company car tax be based on?

A3a zero emission miles Zero emission miles (urban and normal).

Question 4: If new ULEV bands were introduced, should these be charged on the basis of a continuous narrower bands (e.g. X appropriate percentage per 5 gram of CO2 per km), or should there be fewer wider emission rate bands?

Continuous, narrower.

Question 5: If there should be fewer wider bands, how many should there be and where should the breakpoints between the bands be?

To account for the difference in ULEV it should start at 0-20 making these bands wider can give a false impression of fleet CO2 due to the zero emission miles.

Question 6: If zero emission miles should be used as well as CO2 emissions as the basis for new ULEV bands, how many zero emission miles bands should there be and where should the breakpoints between the bands be?

A6a There should be five zero emission bands

A6b The first breakpoint should be at 200 + zero emission miles and less than 20 CO2/km A6c Second breakpoint (if any) should be at 150 zero emission miles and 39 CO2/km A6d Third breakpoint (if any) should be at 90 zero emission miles and 69 CO2/km A6e other breakpoints (if any) at 70 and 129 CO2/km other breakpoints (if any) at 50 and 130 CO2/km