

## Pre-Budget report – What does this mean to you as a motorist?

Last week in the Pre Budget report, Alistair Darling announced several points that could affect you.

### Company Car drivers

#### How could it help you?

- Electric cars will be made exempt from company car tax from April 2010 for 5 years.
- A 100% first-year capital allowance is to be introduced for electric vans, meaning buying such vans would be taxed as investment in the business, rather than a company vehicle. Currently there are very few electric vehicles available and suitable as company cars and vans. Contact us to find out manufacturers' 2010 plans for larger scale production of suitable electric vehicles.

#### One to watch

- Cars eligible for the 10% company car tax will be lowered from vehicles emitting 120g of CO<sub>2</sub> per km to 99g from 2012. We can help you work out which cars will be affected and suggest alternatives.

#### And remember.....

- The new tax legislation introduced in April 2009 encourages companies to buy or lease vehicles with a CO<sub>2</sub> g/km figure of less than 160g/km for the following reasons:
  - Cars with a CO<sub>2</sub> value of **less than 160 g/km** will be written down (if owned) at a 20% WDA (Writing Down Allowance)
  - Cars with a CO<sub>2</sub> value of **greater than 160 g/km** will be written down at a 10% WDA
  - Cars that are contract hired or leased with a CO<sub>2</sub> figure **greater than 160 g/km** will have a flat 15% of the lease rentals disallowed for tax purposes.

In summary it has become more expensive to run cars that have a CO<sub>2</sub> output figure greater than 160g/km.

### Private Car drivers

#### How could it help you?

- New cars have greater fuel efficiency than older models, meaning you can save money on your fuel bill

Simply; the lower the CO<sub>2</sub>, the less road tax you pay, the lower your running costs and the lower your carbon footprint.

#### One to watch

- The new Sales Room Tax comes in April 2010. This will hit cars emitting CO<sub>2</sub> emissions 131g/km and above. Such as, cars with CO<sub>2</sub> emissions over 255g/km will be taxed an additional £950.

## CONTACT US



T: 01844 20 23 68  
 M: 07976477251 | 07973623083  
 E: enquiries@fleetelite.co.uk  
 W: www.fleetelite.co.uk