

Budget 2015 – Wednesday 18 March 2015

Company Car tax

- In 2017-18, the appropriate percentage of list price subject to tax will increase by 2% for cars with emissions above 75 gCO₂/km, to a maximum of 37%. This will remain through 2018-19
- In 2017-18, there will be a 4% differential between the 0-50 and 51-75g CO₂/ km bands, and between the 51-75 and 76-94g CO₂/ km bands. In 2018-19, this will be reduced to 3%
- In 2019-20, the appropriate percentage of list price will increase by 3% for cars with emissions above 75g CO₂/ km, up to a maximum of 37%

BVRLA comment: We welcome the announcement that company car tax on Ultra-Low Emission Vehicles will increase slower than previously announced. However, we are disappointed that the Chancellor has decided not to go further in helping support the uptake of greener business cars.

To view our fact sheet please [click here](#).

Fuel Benefit Charge

- From 6 April 2016 the Fuel Benefit Charge multiplier for both cars and vans will increase by RPI.
- From 6 April 2016 the main Van Benefit Charge (VBC) will increase by RPI.
- As announced at Budget 2014, the government will extend VBC support for zero emission vans to 5 April 2020 on a tapered basis.

To view our fact sheet please [click here](#).

Fuel duty

The Chancellor announced that the 0.54 pence per litre increase in fuel duty, which had been planned to be introduced at September's Autumn Statement, has been cancelled.

BVRLA comment: The BVRLA welcomes the extension of the freeze in fuel duty (in effect guaranteeing an ongoing freeze in fuel duty until next year's Budget). This is good news for motorists, and will provide an invaluable assistance for our members across the sector.

To view our fact sheet please [click here](#).

Vehicle Excise Duty – rates and bands

- From 1 April 2015, VED rates for cars, vans, motorcycles and motorcycle trade licences will increase by RPI. So increases in VED will be applied to the following tax classes: First licence rates of graduated VED – bands H, I, J, K, L, M; Standard rates of graduated VED – bands K, L, M; Motorcycles; Tricycles and trade licences for both motorcycles and tricycles.
- For Heavy Goods Vehicles, both VED and Road User Levy rates will be frozen from 1 April 2015 until 1 April 2016.

- Classic vehicles will continue to be exempt from paying VED, with the exemption date being extended from 1 April 2015 to include all vehicles (except those used commercially) manufactured before 1 January 1975.

BVRLA comment: We welcome the Government taking a responsible view on vehicle taxation. We particularly endorse the freeze in VED on HGVs, which will be of significant benefit to operators of commercial vehicles.

To view our fact sheet please [click here](#).

Capital Allowances

- Enhanced Capital Allowance for zero emission goods vehicles will be extended to 31 March 2018, as announced at Budget 2014.
- The Government will also introduce legislation to clarify the effect of capital allowances rules where there are transactions between connected parties or sale and leaseback transactions

To view our fact sheet please [click here](#).

Corporation Tax

The Chancellor confirmed the Government will publish legislation to cut the rate of Corporation Tax to 20% for the financial year beginning 1 April 2016. This will make Corporation Tax identical between companies paying both the main and lower rates.

BVRLA comment: The BVRLA welcomes the further cut in Corporation Tax to 20%, which will make the UK the lowest rate in the current G8. This provides greater incentive for our members' businesses and encourages investment.

Income Tax

- Personal Allowance will be increased to £10,800 for 2016 to 2017, and to £11,000 for 2017 to 2018.
- The basic rate limit will be increased to £31,900 for 2016 to 2017, and £32,300 for 2017 to 2018. As a result, the higher rate threshold will be £42,700 in 2016 to 2017 and £43,300 in 2017 to 2018.
- From 2016 to 2017, there will be one Income Tax personal allowance regardless of an individual's date of birth.

National Insurance

- The National Insurance upper earnings and upper profits limits will be increased to remain in line with the higher rate threshold.
- From 1 April 2015, employers will no longer have to make (Class 1A) National Insurance contributions for employees under the age of 21.

- From 1 April 2016, Class 1A National Insurance contributions for young apprentices will also be abolished

Car clubs

- The Budget will facilitate new solutions for government employees to book transport and accommodation through the sharing economy when travelling on official business (when this represent value for money).
- The Government will also encourage Local Authorities to use their business rates discretionary relief powers to support the sharing economy, including car clubs.
- Two pilot schemes will be launched in 2015-16 in the Leeds City region and Greater Manchester, to trial initiatives in shared transport, as well as shared public space and health and social care.

Intelligent Mobility

The Chancellor also announced £100 million of government funding for Research and Development into Intelligent Mobility, which will focus on developing driverless car technology and the systems required to implement this.

Highways Agency

As set out in the Infrastructure Act 2015, on 1 April 2015 the Highways Agency will become a private company, Highways England (with the single share owned by the Transport Secretary). Highways England will publish its Delivery Plan, setting out further detail on how the roads investment programme will be allocated and managed between 2015-20, with a consultation to follow.

Northern Transport Strategy

Continuing the theme of developing a “Northern powerhouse”, the Chancellor announced that the interim report of the Northern Transport Strategy would be published shortly by the Government and Transport for the North. This will set out the strategic options for future transport investment in north England.

Road haulage

The Government will review the current speed with which Heavy Goods Vehicle (HGV) driving tests and driver medical assessments currently take place, and consider options to accelerate both to address the current shortage of qualified HGV drivers.

Air Passenger Duty (APD)

APD rates will increase by RPI from 1 April 2016. However, an exemption from reduced rates of APD will be introduced from 1 May 2015 for children under 12, and from 1 March 2016 for children under 16.



To view the full 2015 Budget document, please click here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/413949/47881_Budget_2015_Web_Accessible.pdf