

# Taxation Policy Position Paper



**Calling for:** *A fair taxation regime that gives foresight to fleets and their customers by:*

## Not penalising company car drivers and businesses

- **Engage** with HM Treasury and parliamentarians to secure clarity on future BiK and VED rates
- **Use BVRLA research and communications** to demonstrate the impact that a rising BiK and VED burden will have on drivers and members' businesses
- **Collaborate** with members and other stakeholders to strengthen campaign messages ahead of the Comprehensive Spending Review and fiscal events

## Facilitating the upgrade towards zero emission vehicles and new mobility models

- **Engage** with government officials to ensure the tax system incentivises the transition for all segments of fleet and is flexible enough to respond to changes in the market
- **Provide thought leadership** for how the taxation system can be reformed to create the right incentives for decarbonisation and behaviour change

## Setting out a fiscal roadmap that supports the deployment of increasingly connected, autonomous, shared and electric vehicles

- **Collaborate** with relevant stakeholders to influence HM Treasury to set out the future of motoring taxes
- **Producer research and thought leadership** that helps inform long term motor taxation policy
- **Engage** with Government to ensure fleets are at the centre of long-term motor tax policy thinking

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## Key messages

- Fleets are leading the charge to decarbonise road transport if current incentives continue and our 'Plug-in Pledge' will see the sector registering 400,000 battery electric vehicles (BEVs) per year by 2025, making it responsible for 80% of new battery electric car and van sales.
- Industry needs clarity and Government needs to set out their short, medium and long term motor taxation strategies so the industry has the clarity needed to decarbonise.
- HM Treasury must work with other departments to align transport policy, industrial strategy and taxation measures to ensure our sector can continue to drive the zero emission vehicle transition.
- It is too early to roll back support for zero emission vehicles.
- Government need to ensure their motoring taxation policies work for new low-carbon mobility options. The leasing and rental sectors must be central to this thinking on transport taxation.

## Key asks

- The Government must work with industry to review VED and make it fair for fleet.
- The Plug-in Grant and low BiK rates for BEVs must be maintained for as long as they are needed for the transition.
- Foresight of BiK rates must be set out for at least five years.
- Government should zero the VAT on the hire of BEVs and PHEVs through rental or car clubs.
- Leasing and rental must not be excluded from super deductions and first year allowances for ZEVs.
- Reform the AER to work for fleets and their customers.
- Reform BiK so that it does not inhibit new mobility options and behaviour change.
- Work with industry to develop a road map for the future of motoring taxes and any move to road pricing.