

Position Paper

Q4-2019 update



Taxation

BVRLA members own and operate over 5 million vehicles; that's 1-in-8 cars, 1-in-5 vans and 1-in-5 trucks on UK roads. The vehicle rental and leasing industry supports over 465,000 jobs, adds £7.6bn in tax revenues and contributes £49bn to the UK economy each year.

As a key part of the new vehicle supply chain, members buy 83% of all new vehicles made in the UK and sold to the domestic market, selling hundreds of thousands of relatively new vehicles each year.

By working with the BVRLA and its members, policymakers can affect change and deliver results far quicker.

What we are asking of policymakers:

- ✓ A fair and well-signposted motoring tax regime that recognises the role that BVRLA members can play in delivering cleaner, cheaper, safer and more reliable transport. The key focus will be to:
- ✓ Secure a fair deal for company car drivers and businesses
- ✓ Accelerate a change in transport behaviour towards zero emission
- ✓ Work with policymakers on the design of a new tax system fit for a zero-emission future

Top 5 key messages:

- **The Government must develop a clear medium to long term plan to modernise vehicle taxation policy and support a zero-emission environment. The BVRLA has produced a report with support from a high-profile coalition of stakeholders, to demonstrate the need for a fair and sustainable tax system that better reflects the changing way people travel and businesses operate.**
- **There is a disconnect between government policy on the environment, industrial strategy and HM Treasury's tax policy. Policy in these areas need to be more closely aligned to ensure that the tax system drives the right behaviour.**
- **The rental and leasing sectors play a vital role as a key purchaser of vehicles, parts and services and remarketer of used cars, vans and trucks. In 2017 the industry spent £5.4bn on 304,000 UK-assembled vehicles and was responsible for 83% of all UK-assembled vehicles sold domestically.**
- **The government should reward the use of ultra-low emission vehicles by focusing on demand-side incentives in order to accelerate the adoption of these vehicles. and support the rental and leasing industry**
- **The Government should protect fairness in the future tax environment by eliminating any Company Car or Fleet market distortion caused by the transition to the new WLTP emissions standard and use of correlated NEDC values for tax purposes.**

We are calling upon members to help with:

Giving us feedback on our messaging and activity

Sharing and promoting our messages and policy asks

Providing us with data to collate an industry picture

Coordinating engagement with policymakers & influencers

#LetsTalkTaxation

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The issue explained:

The government is pursuing an ambitious programme to reduce the nation's carbon emissions and improve local air quality (such as the road to zero by 2040).

At the same time, it is keen to protect the UK economy during Brexit negotiations and recognises the motor industry as a key pillar of the economy.

Meanwhile, the long-term sustainability of the UK's vehicle taxation system is under threat.

A simple, fair and well-signposted tax system will be key to achieving these ambitions and tackling these challenges.

As the owners and operators of over five million of the UK's cleanest and newest vehicles, the BVRLA is well placed to position itself as a constructive partner in helping the government achieve its carbon reduction and air quality targets, without eroding its tax base.

Latest BVRLA engagement activity Q2-2019:

NEW

- Commissioned Cambridge Econometrics to produce medium-term tax research
- Submitted recommendations to the Government's Spending Review
- Long term taxation steering group formed to guide policy position on issues such as road user charging
- BVRLA election manifesto includes multiple asks for the next government to support the fleet industry through a fairer, more transparent tax system
- Met with several environmental groups to seek their support for Budget and Elections asks.
- Engaged with SNP Leader, Ian Blackford, in Westminster, Shadow Business and Transport teams and Transport Minister of State, George Freeman
- Met with Treasury Motoring Tax and Automotive spending teams to discuss tax and incentives for EVs