

Budget 2008



BN76

12 March 2008

VAT: CHANGES IN FUEL SCALE CHARGES

Who is likely to be affected?

1. Businesses which recover input tax on fuel used for private motoring.

General description of the measure

2. This measure will amend the VAT scale charges for taxing private use of road fuel, to reflect changes in fuel prices. It will also amend the table of CO₂ bands to maintain alignment with those used for direct tax purposes.

Operative date

3. The scale charges will be amended by secondary legislation which will come into force on 1 May 2008. Businesses must use the new scale charges from the start of their next prescribed accounting period beginning on or after 1 May 2008.

Current law and proposed revisions

4. The scale charges are set out in Table A in Section 57(3) of the Value Added Tax Act 1994. Secondary legislation will be laid before Parliament in March to replace the current table with a new table to reflect the changes to the scale charges.
5. The table below shows the revised scale charges and output tax payable in each accounting period, depending whether it is a 12 month, 3 month or 1 month accounting period.

6. VAT fuel scale charges for 12 month periods:

CO ₂ band, g/km	VAT fuel scale charge, 12 month period, £	VAT on 12 month charge, £	VAT exclusive 12 month charge, £
120 or less	555.00	82.66	472.34
125	830.00	123.62	706.38
130	830.00	123.62	706.38
135	830.00	123.62	706.38
140	885.00	131.81	753.19
145	940.00	140.00	800.00
150	995.00	148.19	846.81
155	1,050.00	156.38	893.62
160	1,105.00	164.57	940.43
165	1,160.00	172.77	987.23
170	1,215.00	180.96	1,034.04
175	1,270.00	189.15	1,080.85
180	1,325.00	197.34	1,127.66
185	1,380.00	205.53	1,174.47
190	1,435.00	213.72	1,221.28
195	1,490.00	221.91	1,268.09
200	1,545.00	230.11	1,314.89
205	1,605.00	239.04	1,365.96
210	1,660.00	247.23	1,412.77
215	1,715.00	255.43	1,459.57
220	1,770.00	263.62	1,506.38
225	1,825.00	271.81	1,553.19
230	1,880.00	280.00	1,600.00
235 or more	1,935.00	288.19	1,646.81

7. VAT fuel scale charges for 3 month periods:

CO ₂ band, g/km	VAT fuel scale charge, 3 month period, £	VAT on 3 month charge, £	VAT exclusive 3 month charge, £
120 or less	138.00	20.55	117.45
125	207.00	30.83	176.17
130	207.00	30.83	176.17
135	207.00	30.83	176.17
140	221.00	32.91	188.09
145	234.00	34.85	199.15
150	248.00	36.94	211.06
155	262.00	39.02	222.98
160	276.00	41.11	234.89
165	290.00	43.19	246.81
170	303.00	45.13	257.87
175	317.00	47.21	269.79
180	331.00	49.30	281.70
185	345.00	51.38	293.62
190	359.00	53.47	305.53
195	373.00	55.55	317.45
200	386.00	57.49	328.51
205	400.00	59.57	340.43
210	414.00	61.66	352.34
215	428.00	63.74	364.26
220	442.00	65.83	376.17
225	455.00	67.77	387.23
230	469.00	69.85	399.15
235 or more	483.00	71.94	411.06

8. VAT fuel scale charges for 1 month periods:

CO ₂ band, g/km	VAT fuel scale charge, 1 month period, £	VAT on 1 month charge, £	VAT exclusive 1 month charge, £
120 or less	46.00	6.85	39.15
125	69.00	10.28	58.72
130	69.00	10.28	58.72
135	69.00	10.28	58.72
140	73.00	10.87	62.13
145	78.00	11.62	66.38
150	82.00	12.21	69.79
155	87.00	12.96	74.04
160	92.00	13.70	78.30
165	96.00	14.30	81.70
170	101.00	15.04	85.96
175	105.00	15.64	89.36
180	110.00	16.38	93.62
185	115.00	17.13	97.87
190	119.00	17.72	101.28
195	124.00	18.47	105.53
200	128.00	19.06	108.94
205	133.00	19.81	113.19
210	138.00	20.55	117.45
215	142.00	21.15	120.85
220	147.00	21.89	125.11
225	151.00	22.49	128.51
230	156.00	23.23	132.77
235 or more	161.00	23.98	137.02

9. The scale charge for a particular vehicle is determined by its CO₂ emissions figure. Where the CO₂ emissions figure of a vehicle is not a multiple of five, the figure is rounded down to the next multiple of five to determine the level of charge. For a bi-fuel vehicle which has two CO₂ emissions figures, the lower of the two figures should be used. For cars which are too old to have a CO₂ emissions figure HM Revenue & Customs (HMRC) have prescribed a level of emissions by reference to the vehicle's engine capacity (cc).

10. An update to Notice 700/64 VAT: Motoring Expenses, including the revised figures for all categories of vehicle, will be available from the National Advice Service in due course.

Further advice

11. If you have any questions about this change, please contact the National Advice Service on 0845 010 9000. Information about Budget measures is available on the HM Revenue & Customs website at www.hmrc.gov.uk