

2009 Pre-Budget Report



PBRN29

9 December 2009

CARS AND VANS: CHANGES TO FUEL BENEFIT TAX

Who is likely to be affected?

1. Employees who receive free private fuel from their employers for company cars or vans and employers who bear Class 1A National Insurance Contributions (NICs) on the taxable benefit of provided fuel.

General description of the measure

2. The measure sets the fuel benefit charge for company cars and vans from 2010-11.

Operative date

3. The measure will have effect on and after 6 April 2010.

Current law and proposed revisions

4. Section 150(1) of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA) provides the figure to be used as the basis for calculating the benefit of private fuel received for a company car which is chargeable to tax and Class 1A NICs. This figure is currently set at £16,900 and will be increased to £18,000.
5. Similarly, section 161 of ITEPA provides the figure to be used as the basis for calculating the benefit of private fuel received for a company van which is chargeable to tax and Class 1A NICs. This figure is currently set at £500 and will be increased to £550.

Further advice

6. If you have any questions about this change, please contact the Employer Helpline on 0845 7143 143 or your local HMRC Enquiry Centre. Information about Pre-Budget Report measures is available on the HM Revenue & Customs website at www.hmrc.gov.uk