



# Trio of Tax Changes

BVRLA Webinar – 26<sup>th</sup> February 2025

# Competition Law Do's and Don'ts



## DO NOT

- Discuss individual company prices, price changes, terms of sale and profit margins.
- Discuss information as to future plans of individual companies, production, distribution or marketing plans, including proposed new territories or customers.
- Discuss matters relating to individual suppliers or customers or any commercially sensitive information.



## BE WARY

### YOU MUST SEEK ADVICE IF:

- You receive information from another competitor, or are asked to provide information, that you believe is confidential or commercially sensitive.

### ALWAYS:

- Ensure a detailed agenda is circulated in advance and are followed closely and minutes of the meeting are recorded and kept.
- Begin the meeting with the reminder that the attendees should not discuss commercially sensitive information under any circumstances.
- Be prepared to halt a meeting if conversations cross into potentially unlawful territory.



## NO PROBLEM

- Discussion on any matter relating to the aims and objectives of the committee – for example issues of law and policy affecting the industry.
- Discussing BVRLA policies, lobbying tactics & strategies, and other BVRLA activities.
- Discussing information about industry activities obtained from third parties or other media sources provided the availability of the information has not been arranged with a competitor.
- Discussion with other trade bodies or organisations which will be of general benefit to the industry.

# Agenda | 09:30 – 10:15

- Double cab pick-ups
- VED
- PHEV Utility factors
- Q&A

The purpose of this webinar is to provide general guidance and information only. Although every effort is made to ensure that the content is accurate, the BVRLA cannot accept any liability whatsoever for any inaccuracy contained within it, nor for any damage or loss, direct or indirect, which may be suffered as a result of any reliance placed upon the information provided, whether arising in contract, tort or in any other way. Advice should always be obtained from your own professional advisers before committing to a specific action







## **Double Cab Pick Ups**

# Double Cab Pick Ups

## Context / timeline



## How do HMRC define a Double-cab?

- HMRC manuals (EIM23150) describe double cab pickups as a vehicle that normally has
  - A front passenger cab that contains a second row of seats and can carry about 4 passengers+driver
  - 4 doors, whether rear doors are hinged at the front or back AND
  - An uncovered pickup area behind the passenger cab
- From April 2002, the tax treatment of a vehicle followed the VAT definitions of a car or van i.e.
  - A DCPU with **a payload of > 1 tonne is accepted as a van** for benefit-in-kind purposes
- It was a pragmatic way of classifying DCPUs

# Double Cab Pick Ups

What has changed and what hasn't changed?

Employment Taxes and  
Capital Allowances



Coca-Cola case clarified  
'primary suitability' test  
needs to assess the vehicle  
as a whole



From 6.4.2025, DCPUs will  
be classified as cars

VAT and VED legislation  
have NOT changed.



VED is based on type  
approval at the time the  
vehicle is first registered

# Double Cab Pick Ups

## When do the changes take effect?

- Transitional arrangements apply for employers that have purchased, leased or ordered a DCPU before **6 April 2025**. A DCPU can continue to be treated as a van for BiK until the earlier of:



## Transition relief – who it helps

- Relief is designed to prevent employees from being caught with an unexpected higher tax bill for a vehicle that their employer is already providing ***which cannot be changed***
- Any DCPUs ordered before 5 April 2025 will benefit from the old treatment, even if delivered after April
- Any leases extended before 5 April 2025 will benefit from the old treatment, until expiry / April 2029
- Short-term rentals will not receive any additional relief

## If an employer has a genuine legitimate chance to change the vehicle the transitional relief will end

- Where there are 'Edge cases' or unique circumstances, contact HMRC who may ask for documentary evidence such as photos, evidence of orders
- The key contract for the transition rules is between the rental/leasing company and their customer (the employer) not between the employer and employee; so changing employee driver doesn't end the transitional relief

**After April, all DCPUs, new or used, will be taxed as a car unless the transitional relief applies**

# Double Cab Pick Ups

## Key take-aways

VED rules and employment tax rules are different – no changes to the VED rules

From April, DCPUs will be taxed as cars for income tax unless transitional rules apply

If in doubt, contact HMRC (or BVRLA)





## **Vehicle Excise Duty**

# VED Changes for EVs

- New zero emission cars registered on or after 1 April 2025 will be liable to pay the lowest first year rate of VED currently £10 a year.
- From the second year of registration onwards, they will move to the standard rate, currently £195 a year
- Zero emission cars first registered between 1 April 2017 and 31 March 2025 will also pay the standard rate
- New zero emission cars registered **on or after** 1 April 2025 will be liable for the expensive car supplement.
- EVs registered **before** 1 April 2025 will continue to be exempt from the Expensive Car Supplement.
- Zero emission vans will move to the rate for petrol and diesel light goods vehicles, currently £345 a year for most vans
- Rates for Alternative Fuel Vehicles and hybrids will also be equalised



TAXI

# VED Changes for EVs – Practical Steps

- Make sure your vehicles, NHS vehicles for example, are in the correct tax class
- Make sure your quotes take into account the VED increases
- Issue clear communications to your customers, especially around the expensive car supplement
- Consider the “Martin Lewis” impact
- Bulk taxation of EVs will be available from June 2025



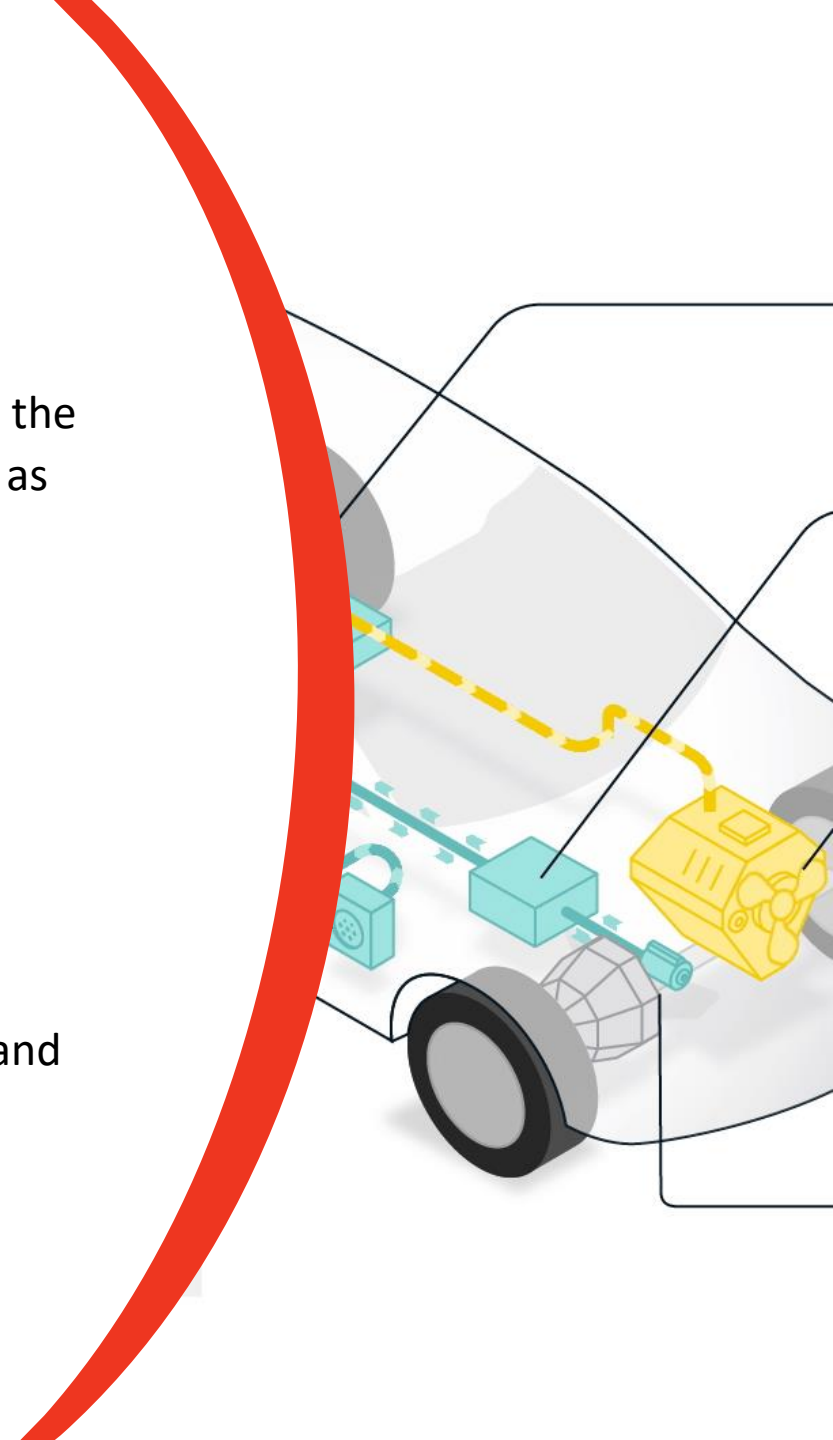




## **Hybrid Utility Factors**

# Hybrid Utility Factors – What's changing?

- Plug-in hybrid electric vehicles (PHEVs) have their CO<sub>2</sub> emissions calculated through the Worldwide harmonised Light vehicle Test Procedure (WLTP) using a variable known as the utility factor (UF).
- The UF represents the assumed share of driving done by PHEVs in electric mode compared to driving done using the internal combustion engine.
- In the real world PHEVs tend to be driven much more in petrol/diesel mode, which causes real-world PHEV CO<sub>2</sub> emissions to be higher than as determined by the UF calculations.
- Globally-recognised performance gap between PHEV official type-approval figures and real-world CO<sub>2</sub> emissions
- Regulations have been updated to close the gap





# Hybrid Utility Factors – Implications

- Northern Ireland – New UF will apply to **new models** brought out by manufacturers in 2025 and all **new** vehicle registrations in 2026.
- GB – Some new models may also be affected as manufacturers currently have a choice between using the old and new UFs.
- The UK Government is planning to consult in 2025 on a proposal to mandate the new UF in Great Britain for all new vehicle registrations from 2026.
- **There is no retrospective application**, so vehicles already registered or models already in circulation in 2025 will not be impacted.

## POINTS FOR CONSIDERATION


1. Communication with your customers
2. Check with the manufacturers on their plans for new models in the UK this year



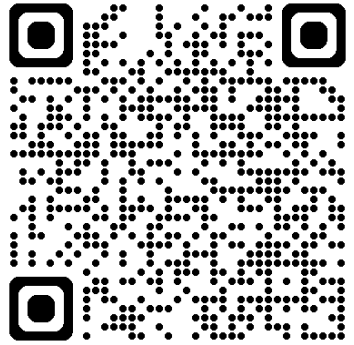
# Q&A

## Corresponding factsheets

 VED Road Tax

 Company Van and Fuel  
Taxation (Double Cab Pick Ups)

 Emissions Testing of Plug-in  
Hybrid Vehicles





# Fleets in Charge 2025 Conference

## Wednesday 2 July