XXX XXX MP

House of Commons

Westminster

London

SW1A 0AA

[Date]

Dear [MP’s name],

**Re: More years of benefit-in-kind tax certainty to achieve zero emission motoring**

I am writing to you on behalf of [your company name], as an employer based in your constituency. We operate a [company car and/or a salary sacrifice] scheme for our employees.

However, we are increasingly concerned about the lack of foresight on benefit-in-kind (BiK) taxation rates beyond 2025, despite the Government’s phase out date of internal combustion engine (ICE) vehicles by the year 2030.

The single biggest driver fuelling the uptake of battery electric vehicles (BEVs) in the UK is their current low BiK rates, which have made them affordable options compared to traditional petrol and diesel cars for company car and salary sacrifice drivers. Recent figures from the British Vehicle Rental and Leasing Association (BVRLA) show that the salary sacrifice vehicle parc is 22% BEV and business lease sector 8%, compared to the general vehicle parc which is less than 1%[[1]](#footnote-1). The momentum in this market can be attributed to the five years of foresight provided in 2020 and has enabled salary sacrifice and company car users to lead the way.

We are [trying to transition our company car drivers to BEVs and or have offered a salary sacrifice scheme to our employees to enable them to access zero emission motoring] but we need more years of foresight to do it. This will allow us and our drivers to manage the lifetime cost of the cars and have confidence to make the switch. Company car and salary sacrifice fleets could be 100% zero emission by the end of the decade with an attractive BiK rate and adequate certainty.

For the rapid electrification of these vehicle markets to continue, the Government must:

* Publish as many years of BiK rate foresight up to 2031/32 as possible
* Pledge that BEV BiK rates will not rise above 10% before 2031/32
* Commit to a BEV BiK escalator that increases rates by less than 3% a year

I would be extremely grateful if you could raise these issues with the Chancellor and request that he support our industry by considering these vital measures for the electric vehicle transition to ensure transport decarbonisation can be delivered by 2030. Please do keep me informed of any progress made.

Thank you for your help with this matter and I look forward to your response.

Yours sincerely,

[Your name]

[Your contact details:]

1. Fleet Sustainability Credentials - <https://www.bvrla.co.uk/resource/fleet-sustainability-credentials-2021.html> [↑](#footnote-ref-1)