



Company Car Tax & Fuel Benefit Fact Sheet – December 2025

Introduction

The company car taxation system is based on a percentage of the car's list price graduated according to its CO₂ emissions.

Key Features

- The current minimum charge is 2% of the list price of the car and the maximum charge is 37% for cars with high emissions.
- Diesel engine vehicles are subject to a 4% supplement on the petrol percentages, currently capped at 37% until April 2028, 38% in tax year 2028 to 2029 and 39% in tax year 2029 to 2030.
- If the car reaches the Real Driving Emissions Step 2 (RDE2) standards no supplement is applicable.
- Plug-in Hybrid Electric Vehicles (PHEVs) first registered and made available from 1 January 2025 to 5 April 2028, under any emission standard other than Euro 6d-ISC-FCM or Euro 6e, have a deemed CO₂ emission of 1 g/km.

What is P11D?

The list price is the price published by the vehicle manufacturer, importer or distributor as the inclusive price for a single car of that type on an open market retail sale in the UK. The list price to be taken is that applying on the day immediately before the date of the car's first registration.

Cars without an actual list price will be taxed on a notional list price basis.

The following items are included in the list price:

- Delivery charges
- VAT
- Customs and import duties

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Advice should always be obtained from your own professional advisers before committing to a specific action.



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- Standard accessories fitted when the car was supplied
- Optional accessories fitted after the car was first supplied and which cost over £100
- Replacement accessories which are superior to the originals
- Basic number plates

The following items are not included in the list price:

- Running costs such as petrol, road tax, and breakdown cover, etc.
- Warranties
- Optional accessories costing less than £100 after the car was supplied.
- Replacement accessories of the same standard as the originals
- Accessories which have been replaced by accessories of a superior standard
- Adaptations for the disabled
- Any element of the list price or cost of accessories directly related to enabling the car to run on road fuel gases
- Personalised numbers plates
- Bluetooth hands free kits and Satellite Navigation (that are essential for the employee to carry out their duties)

The term 'Accessory' includes any type of equipment, but does not include an accessory necessarily provided for use in the performance of the duties of the employment.

The [benefits code: car and car fuel benefits](#) provides further information.

The list price may be reduced by up to £5000 if the employee makes a contribution to the capital cost.

The tax charge for a company car is reduced pro rata if the car is not available for the whole year. Periods of less than 30 days during which the car is unavailable (e.g. for repairs) are disregarded. The taxable value of a company car is reduced by any amount which the employee pays to the employer for the use of the car.

How car benefit is calculated for a car with an approved CO₂ emission figure

- The charge builds up from the minimum % of the car's list price
- The minimum charge applies to cars emitting CO₂ at or below a qualifying level measured in grams per kilometre (g/km)

Disabled Employees

If the only car that a disabled employee can drive is one with automatic transmission, the car benefit charge will be calculated using the approved CO₂ emissions of the closest manual equivalent.

Rental company employees

For those employees whose car changes frequently there are specific rules around calculating the company car tax payable. [These are available here](#).

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Car Benefit: meaning of a car

Further information on exactly when a vehicle qualifies as a car are available on the [HMRC website](#).

Example

The following examples show how to calculate the car benefit charge. The figure described as the basic car benefit charge in the example may be reduced if the employee has to pay for private use of the car, or if the car is unavailable for part of the tax year.

Example – Petrol Car Price of car is £25,000

- Approved figure of CO₂ emissions is 108g/km
- Look up the percentage of the car's price in ready reckoner (below)
- Percentage for 2024/25 is 26%
- Basic car benefit charge is £25,000 x 26% = £6,500.00

Example for a diesel car

- Price of the car is £30,000
- Approved figure of CO₂ emissions is 90g/km
- Percentage for 2024/25 is 23% add a supplement of 4%*
- Basic car benefit charge is £30,000 x 23% = £6,900.00

*RDE2 compliant vehicles will not pay the diesel supplement.

To calculate your own company car tax [HMRC provide a calculator which can be found here](#).

Where is the CO₂ emissions figure found?

The approved CO₂ emission figure for car benefit purposes is the figure which is recorded on the type approval certificate. The approved CO₂ emission figure is shown on the Vehicle Registration document (V5).

Fuel Benefit Charge

Fuel benefit charge tax applies where an employee is provided by their employer with fuel for use in a company car. It is calculated in the same way as company car tax.

Stopping employer provided fuel during the tax year

Where employer provided fuel ceases to be provided to an employee during the tax year, they will be entitled to pay only the proportion of the full annual tax charge related to the part of the year until free fuel stopped. The amount of Class 1A NICs due will be proportionally reduced to the same extent. However, receiving free fuel again later in the same tax year will prevent any apportionment for this reason.

Further information is available [here](#).

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Company Car Tax Tables

The company car tax rates have been published up to 2029-30.

Vehicle CO2 (g/km)	Electric range (miles)	Appropriate Percentage (%)					
		2024-25	2025-26	2026-2027	2027-2028	2028-2029	2029-30
0		2	3	4	5	7	9
1-50	130+	2	3	4	5	18	19
1-50	70-129	5	6	7	8	18	19
1-50	40-69	8	9	10	11	18	19
1-50	30-39	12	13	14	15	18	19
1-50	<30	14	15	16	17	18	19
51-54		15	16	17	18	19	20
55-59		16	17	18	19	20	21
60-64		17	18	19	20	21	22
65-69		18	19	20	21	22	23
70-74		19	20	21	22	23	24
75		20	21	22	23	24	25
76-79		20	21	21	21	25	26
80-84		21	22	22	22	26	27
85-89		22	23	23	23	27	28
90-94		23	24	24	24	28	29
95-99		24	25	25	25	29	30
100-104		25	26	26	26	30	31
105-109		26	27	27	27	31	32
110-114		27	28	28	28	32	33
115-119		28	29	29	29	33	34
120-124		29	30	30	30	34	35
125-129		30	31	31	31	35	36
130-134		31	32	32	32	36	37
135-139		32	33	33	33	37	38
140-144		33	34	34	34	38	39
145-149		34	35	35	35	38	39
150-154		35	36	36	36	38	39
155-159		36	37	37	37	38	39
160+		37	37	37	37	38	39

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