



HM Revenue
& Customs



Ultra Low Emission Vehicles (ULEV) & Worldwide Harmonised Light Vehicle Test Procedure (WLTP)

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Contents

	Page
Legislative Changes	3-4
Changes to car benefit calculation	5
Calculation: Flow Chart & Ready Reckoner	6



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Legislative Change - ULEV

- This is an Autumn Budget 2017 measure. The Finance Act 2017 has made changes to the Company Car Tax on the benefit of ultra low emission vehicles.
- Changes to take effect for the tax year 2020-21 & subsequent tax years.
- Section 139 of the Income Tax (Earnings & Pensions) Act 2003 (ITEPA) sets out the basis for calculating the appropriate % for a car with CO2 emissions figure of less than 75g.
- From 6 April 2020, the graduated table of company car tax bands will now include a differential for cars with emissions of 1 to 50 gCO2 per km based on the electric range of the car.
- An “electric range figure” is the maximum distance in miles, for which the car can be driven in electric mode without recharging the battery.
- The miles is the kilometre equivalent Specified in an EC certificate of conformity, an EC type-approval certificate or UK approval certificate on the basis of which a car is registered.



Legislative Change - WLTP

- This measure was first announced at Autumn Budget 2017. Due to the late-running of the WLTP review, legislation will be included in Finance Act 2019 to make the relevant changes to the company car tax regime.
- Changes will take effect for the tax year 2020-21 & subsequent tax years.
- Legislation will introduce a second table of company car tax rates.
- The banding structure will be identical to the current system, but will have a different set of appropriate percentages based on the date the car was first registered - **before** 6 April 2020 or **from** 6 April 2020.
- The change in appropriate percentages reflects the changes needed to mitigate some of the impacts of adopting WLTP.



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Changes to car benefit calculation

- From 2020/2021 the way you calculate a company car's appropriate percentage is changing for car's registered on or after 1 January 1998 with an approved CO2 emissions figure. (Section 5a on P11d working sheet 2 and section 3a on P11d working sheet 2B will be updated later next year).
- ULEV is introducing additional rate bands in the ultra low emission range (less than 75g CO2 per km).
- The flow chart & ready reckoner slide shows how the new bands feed in for 2020/2021 calculations.
- Within the CO2 range 1-50 g/km are 5 new bands, which focus on a cars electric mileage or zero emission mileage.
- If a customer has a hybrid company car with a CO2 figure in the range 1-50 g/km (inclusive), they will now be required to provide the cars zero emission mileage figure. This is the maximum distance in miles that the car can be driven in electric mode without recharging the battery.
- WLTP is introducing a second table of appropriate percentages for cars registered from 6 April 2020, see ready reckoner columns 3 & 4 on the next slide.
- Cars registered before 6 April 2020 will continue to hold their CO2 figure under the old testing NEDC for the life of the car, see ready reckoner columns 1 & 2 on the next slide.



Calculation: Flow Chart & Ready Reckoner

Ready Reckoner - Appropriate Percentages %					
CO ₂ emissions (g/km)	Electric range (miles) Zero Emission	Column 1 (%)	Column 2 (%)	Column 3 (%)	Column 4 (%)
0-0		0	4	0	4
1-50*	130 and above	2	6	0	4
1-50*	70-129	5	9	3	7
1-50*	40-69	8	12	6	10
1-50*	30-39	12	16	10	14
1-50*	<30	14	18	12	16
51-54*		15	19	13	17
55		16	20	14	18
60		17	21	15	19
65		18	22	16	20
70		19	23	17	21
75		20	24	18	22
80		21	25	19	23
85		22	26	20	24
90		23	27	21	25
95		24	28	22	26
100		25	29	23	27
105		26	30	24	28
110		27	31	25	29
115		28	32	26	30
120		29	33	27	31
125		30	34	28	32
130		31	35	29	33
135		32	36	30	34
140		33	37	31	35
145		34	37	32	36
150		35	37	33	37
155		36	37	34	37
160		37	37	35	37
165		37	37	36	37
170** or more		37	37	37	37

* Unrounded
** This is the maximum CO2 value for which a different percentage applies

For car's registered on or after 1 January 1998 with an approved CO2 emissions figure

