

LAWRENCE ROSE LTD CHARTERED ACCOUNTANTS

Newsletter 5
March 2007

Company car tax 10% band for lower CO₂ emission cars

A new 10% band for cars with CO₂ figures of 120g/km or less will take effect from 6th April 2008. This may make it beneficial, tax wise, for some directors to bring their car into their company if they do very low business mileage.

Tax on Company Vans

The tax on company vans has been minimal since 6th April 2005 allowing "insignificant" private travel and even if there is significant private travel the benefit has been based on only £500 per annum. From 6th April 2007 this increases to £3,000 but it may still be beneficial for a van with low business mileage to be owned by your company.

Mileage changes

These rates apply to all journeys where the vehicle is owned by the business on or after 1 February 2007 until further notice:

	Petrol	Diesel	LPG
Up to 1400cc	9p	9p	6p
1401cc - 2000cc	11p	9p	7p
Over 2000cc	16p	12p	10p

Petrol hybrid cars are treated as petrol cars for this purpose.

Health & Safety on cars

In the next issue I will highlight the risks employers now face when their employees drive on company business with regard to vehicle maintenance, something which will affect thousands of businesses in the UK.

