

## Biggest ever road tax rise hits more than 4x4s

Drivers of 4x4s will not be the only car owners hit by the biggest-ever rise in vehicle excise duty (VED), says The AA Motoring Trust. People, including families, who choose to buy bigger versions of people carriers, family cars, as well as sports cars and even top-of-the-range superminis, will be paying an extra 45 a year.

Although the AA Trust welcomes the "freeze" on car fuel duty and the reduction in road tax for smaller cars, the 27 per cent increase in the new "superleague" VED band is a punitive measure rather than one designed to persuade owners, who often have good reason to run these types of vehicles, to switch to less polluting models. The new zero rate VED band applies to a mere 400 vehicles.

"The AA Motoring Trust was happy to accept a marginal increase in VED for cars above 250 g/km to encourage car owners to switch to cleaner versions, but people who need these types of vehicle, such as the rural communities and large families, will be hit by an extra 45 tax. These drivers already contribute more to the Treasury in fuel duty as their vehicles consume more," says Paul Watters, the AA Trusts head of roads and transport policy.

The AA Trust is disappointed to see that the continued 10 surcharge on diesel car owners, levied when toxic emissions from these cars were six times higher than now, is scant reward for reducing CO2 emissions by up to 20 per cent.

Drivers who volunteer use of their own car for work, such as district nurses, health visitors and voluntary workers, will continue to be out of pocket because the taxable mileage rate has stayed at 40 pence per mile and does not reflect the cost of running the vast majority of private cars.

"The failure to raise the taxable mileage rate for private cars used on business protects the employers of three million workers from rising car fuel prices while, in effect, docking the wages of their employees. This was realised in the United States and remedied at the start of 2006. Government needs to get a grip of this reality before people being cared for at home begin to lose out from a system under strain," Watters adds.

Notes to editors:

Tax bands (for cars registered since March 2001), the CO2 rate (g/km), new tax rates and number of cars in bands as at end-2004

A (100 and below) Petrol 0 Diesel 0 400

B (101 to 120) Petrol 40 Diesel 50 205,200

C (121 to 150) Petrol 100 Diesel 110 2,625,300

D (151 to 165) Petrol 125 Diesel 135 2,188,500

E (166 to 185) Petrol 150 Diesel 160 1,753,200

F (186 to 225) Petrol 190 Diesel 195 2,673,000

G (226 and above) Petrol 210 Diesel 215 for new cars registered from 23 March 2006