

Days Gazette

BUDGET SPECIAL - MARCH 2008 ISSUE 005



Capital tax on company cars reformed

WITH EFFECT FROM APRIL 1 2009 THE CAPITAL ALLOWANCE TREATMENT OF BUSINESS CARS WILL BE REFORMED.

Expenditure on cars with CO2 emissions above 160g/km will attract a 10 per cent writing-down allowance (WDA) and expenditure on cars with CO2 emissions of 160g/km or below will attract 20 per cent WDA.

The rules disallowing a proportion of car lease rental payments will also be reformed in line with the new capital allowance rules. The new disallowance will be 15 percent of the relevant payments, applied to cars dealt with in the 10 per cent special rate pool. The Government is considering the option of applying the disallowance only to the final business user in a chain of leases. This will be applicable for all agreements entered into after 1 April 2009.

100% First-Year Allowances for expenditure on cars with low carbon dioxide emissions

- The 100 per cent first year allowance (FYA) for expenditure on cars with CO2 emissions not exceeding 120g/km will be extended until 31 March 2013.
- After 2013 the FYA qualifying emissions be lowered to 110g/km; and
- A transitional rule to ensure that any leasing contracts entered into before 1 April 2008 involving cars which qualified as low emissions cars under the old rules are unaffected by the reduction of the qualifying CO2 emissions limit to 110g/km and below.

In essence, this means that by choosing fleet vehicles with emissions levels below 160g/km, you should be able to realise significant savings, (and of course play your part in saving the planet).

As with all legislation of this nature, it's highly complex so we'll be looking into it more closely to try and establish the full impact on businesses and drivers alike. We expect further clarification in the Autumn when HMRC publish more detailed information.

We will be keeping you up-to-date with our findings and advise you on the potential impact for your fleet and drivers accordingly.



AMAPs



Despite huge pressure, the Chancellor has decided not to amend the controversial AMAP* fuel rates

* Authorised Mileage Allowance Payment rates.

The Government will take decisions on whether to align the tax/National Insurance Contribution treatment of AMAPs in light of the outcome of the HMRC consultation on collecting tax on benefits in kind and expense payments: including benefits in kind and expense payments in the payroll – a fresh approach.

Budget Special

This special Budget supplement highlights some of the effects of the Chancellor's latest budget which was issued on 12th March.




DAYS
Contract Hire

Vehicle Excise Duty (VED)

CHANCELLOR ALISTAIR DARLING HAS CONFIRMED A REFORM OF THE VEHICLE EXCISE DUTY (VED) STRUCTURE.

From 1 April 2009, VED will be restructured so that there are financial incentives for choosing the greenest cars. This will include the introduction of six new bands including a new top Band M for the most polluting cars that emit more than 255g Co2 per km.

Meanwhile from 1 April 2010, there will be a new higher first year rate based on carbon dioxide emissions, this means cars that produce more than 254g/km will pay a first year VED rate of £950 where as those emitting less than 130g/km will pay no VED in the first year.

Days Contract Hire would like to remind customers that should any vehicles that you have on contract fall into a band with an increase, all future VED renewals will have a recharge element which will be invoiced accordingly.

Any vehicles that you currently have on order, which again fall into a tax band with an increase, the difference in VED will be invoiced once the vehicle has been delivered.

VED Band	Co2 emissions g/km	2008-09 standard rate	Co2 emissions g/km	2009-10 standard rate	2010-11	
					First year rate	Standard rate
A	Up to 100	0	Up to 100	0	0	0
B	101-120	35	101-110	20	0	20
C	121-150	120	111-120	30	0	35
D	151-165	145	121-130	90	0	95
E	166-185	170	131-140	110	115	115
F	Over 186	210	141-150	120	125	125
G	Over 226	400	151-160	150	155	155
H			161-170	175	250	180
I			171-180	205	300	210
J			181-200	260	425	270
K			201-225	300	550	310
L			226-255	415	750	430
M			Over 225	440	950	455

Days Contract Hire is one of the UK's leading fleet management companies and has been providing professional advice and services for many years. A Fleet News Magazine Top 30 company and one of the few independent Contract Hire companies in the country, Days Contract Hire is still family owned and run.



Next Issue:

OUR NEXT ISSUE WILL BE OUT IN THE SUMMER AND ALONG WITH THE USUAL SPECIAL OFFERS WILL CONTAIN MORE ARTICLES OF INTEREST.

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SPECIAL OFFERS
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Ford Focus Diesel Hatchback 1.6 Tdci Style 5Dr (110) (dpf) CO2 - 188

£188^{PM}



BMW 1 Series Diesel Hatchback 118d 5Dr CO2 - 119

£286^{PM}



Toyota Prius Hatchback 1.5 Vvti T3 Hybrid 5Dr CVT Auto CO2 - 104

£246^{PM}



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