

# BENEFIT IN KIND AND LCVs

Unlike a company car, LCVs (including Vans) are taxed depending on how you use the vehicle.

You will pay no tax on the vehicle if you use it for work purposes and what's termed by HMRC as 'insignificant private use.' If the vehicle is used for 'private use', you will be required to pay Benefit-in-Kind company van tax at a fixed rate of £3170.

## HOW TO CALCULATE COMPANY CAR TAX

The company van tax amount is based on:

1. A set BIK rate of £3,170.
2. Multiplied by your personal tax rate, according to your salary (basic rate of 20% or higher amount of 40%).

This will give you the figure for the year you will need to pay.

## DOUBLE CAB AND CREW CAB PICK-UP TAX RULES

For these vehicles the same company van tax rules apply, subject to additional guidelines. To be classified as an LCV, any vehicle that has more than one row of seats, they must have a 1 tonne payload capability.

### DEFINITIONS

**Van/LCVs:** a vehicle that carries a burden or goods (not people), not exceeding 3,500kg when fully laden.

**Insignificant private use:** effectively commuting to and from work, with minor exceptions such as stopping at a shop on the way.

**Significant private use:** examples include regular trips in the van to do supermarket shopping, taking the van on holiday or using for social activities