

VEHICLE EXCISE DUTY 2018

Vehicle Excise Duty (VED) - formerly known as road tax, car tax and road fund license - is a levy which must be paid for most types of vehicles to be used or parked on public roads in the UK.

This guide explains what VED is and what the 2018 rates are, as well as any new changes to the system. Any vehicles ordered with us that are delivered on 1st April or after are subject to the new tax rates.

VEHICLE EXCISE DUTY EXPLAINED

With VED, the driver pays a first year rate based on the CO₂ and fuel type of their vehicle and then pay a standard flat rate of £140 in subsequent years, with a few exceptions:

- Vehicles with zero emission (0g/km CO₂) will be exempt from the first year road fund license. From Year 2 onwards, all vehicles have an increased VED Standard Rate of £140, with the exception of pure electric vehicles.
- Alternative fuel cars pay £10 less than the equivalent rate for petrol below.
- Vehicles with a P11D value of £40,000 or more will pay an additional £310 on top of their standard rate, for five years before reverting to the standard rate.

From the 1st April 2018, the first-year VED tax rate for new diesel cars is one band higher than for the equivalent petrol car, as per the table below. This change will not affect diesel vans or next-generation diesel cars that meet emissions limits in real driving conditions (known as the Real Driving Emissions Step 2 standards).

CARS REGISTERED ON OR AFTER 1st APRIL 2018

CO ₂ EMISSIONS (g/km)	FIRST YEAR RATE		STANDARD RATE (£)	PREMIUM RATE* (£)
	Diesel	Petrol		
0	0	0	0	310
1-50	25	10	140	450
51-75	105	25	140	450
76-90	125	105	140	450
91-100	145	125	140	450
101-110	165	145	140	450
111-130	205	165	140	450
131-150	515	205	140	450
151-170	830	515	140	450
171-190	1240	830	140	450
191-225	1760	1240	140	450
226-255	2070	1760	140	450
Over 225	2070	2070	140	450

*Standard rate plus £310 premium for vehicle costing £40,000 or more, for the first 5 years in which the standard rate is paid.