News story: Thinking of changing your car? New tax rates may apply

On 1 April 2017 vehicle tax rates changed.

New rates were introduced for all cars and some motorhomes first registered on or after 1 April.

If you're thinking of changing your car, you'll need to find out if these rates affect you. You can check the <u>vehicle tax rate</u> to make sure you know what you need to pay.

The rates explained

The first vehicle tax rate is based on CO2 emissions.

When the first vehicle tax period has ended (this is either after 12 months or if the vehicle is sold or transferred within the first 12 months), the amount of tax that needs to be paid depends on the type of vehicle. The rates are:

- £140 a year for petrol or diesel vehicles
- £130 a year for alternative fuel vehicles (hybrids, bioethanol and LPG)
- £0 a year for vehicles with zero CO2 emissions

Vehicles with an original list price of more than £40,000

If a vehicle has an original list price (the published price before any discounts) of more than £40,000, the rate of tax is based on CO2 for the first time it is taxed.

When the first vehicle tax period has ended (this is after 12 months or if the vehicle is sold or transferred), the rate that needs to be paid depends on the type of vehicle (petrol, diesel, alternative fuel or zero emissions) plus an additional rate of £310 a year for the next 5 years.

After those 5 years, the vehicle will then be taxed at one of the standard rates (£140, £130, or £0, depending on vehicle type). These rates apply even if the vehicle changes hands within the 5 year period.

Check your vehicle tax rate now.

Follow the story

Drivers can follow DVLA on <u>Twitter</u> or <u>Facebook</u>, or sign up to our <u>email</u> <u>alerts</u> to keep up-to-date with the changes to vehicle tax.