XXX XXX MP

House of Commons

Westminster

London

SW1A 0AA

XXXX 2018

Dear Mr/Ms XXX MP

I am writing to raise concerns about company car tax rates. I wanted to make you aware of the impact this is having on me and would appreciate it if you could raise these concerns with Treasury ministers ahead of the Budget on 29th October please.

I read about the Prime Minister’s speech in Birmingham in September and understand the Government is keen to encourage all of us to drive greener vehicles. Having a company car allows me to use a more environmentally friendly option than I otherwise might be able to secure for myself.

I am, however, concerned about the increasing tax I’m facing for driving a company car. If the costs keep going up at this rate it will push me into giving up my company car in favour of a cash allowance to go towards my own vehicle, which in turn will make it harder for me to drive such an environmentally friendly car.

If I continue driving a company car, I’m concerned that I’ll now be penalised because of the move to WLTP – the new fuel testing scheme – which will be used for tax purposes from April 2020. I’m worried that this has caused an unintended tax rise because the new testing procedure produces higher CO₂ emissions figures – possibly as much as 25% higher. If this happened the benefit-in-kind (BIK) tax I pay would increase significantly.

I also don’t know what my BIK tax costs will be for driving my company car after 2020-21, because HM Treasury are yet to publish these rates. This puts me in a dilemma over what I should choose to drive for the next few years as I have no idea how much I’ll be paying in the future.

Together all this makes it harder for me to choose to remain a company car user. Please help by writing to the Chancellor and ask him to use his Budget to ensure drivers like me can continue to use a company car.

Yours sincerely,

XXX