

Car Tax Increases since 2022

The tables below show the increase in car tax since 2022 compared to the new figures in place from April 2024.

Tax bands for cars registered after March 2001 and before April 2017

VED road tax rates for cars first registered after March 2001 and before April 2017 are split across 13 bands depending on the CO2 emissions of the vehicle. In basic terms, the lower the CO2, the lower the tax band. (ref RAC webpage “Car Tax Explained”).

Tax bands for petrol cars (class 48) and diesel cars (class 49) registered after March 2001 and before April 2017:

VED band	CO2 emissions	2022 Annual rate	2024 Annual rate
A	Up to 100g/km	£0	£0
B	101-110g/km	£20	£20
C	111-120g/km	£30	£35
D	121-130g/km	£135	£160
E	131-140g/km	£165	£190
F	141-150g/km	£180	£210
G	151-165g/km	£220	£255
H	166-175g/km	£265	£305
I	176-185g/km	£290	£335
J	186-200g/km	£330	£385
K	201-225g/km	£360	£415
L	226-255g/km	£615	£710
M	Over 255g/km	£630	£735

Tax bands for cars registered after April 2017

On 1 April 2017, the system for taxing a new car in the UK changed. The CO2-based VED system was replaced with three new road tax bands - zero, standard and premium.

The changes only affect cars first registered after April 2017 and introduced in direct response to falling CO2 emissions levels, meaning many motorists in the UK were paying little or no VED. This cost the Treasury millions of pounds in lost revenue, prompting the Government to make important changes to the way road tax is calculated.

Cars first registered after April 2017 are still liable for the first-year ‘showroom tax’, with the first year rate based on the vehicle’s CO2 emissions. From year two, the

APPENDIX D

standard rate is applied and drivers are required to pay £180 per year. Only zero emission vehicles qualify for free VED while new cars with a list price of more than £40,000 pay an additional £390 for the first five years the standard rate is applied.

The road tax system will change again in a 2025 when electric cars will be charged VED for the first time. New electric cars will be subject to the standard rate of VED and the £40,000 premium car tax fee, EVs will also be subject to the first-year showroom tax (which applies to vehicles with CO2 emissions 1 to 50g/km) currently £10 a year. (ref RAC webpage "Car Tax Explained")

Broadly speaking the standard rate of tax for petrol and diesel cars has increased by 15% from £165 in 2022 to £180 currently.

Tax bands for cars registered after April 2017 price comparison:

CO2 emissions (g/km)	2022 First year rate	2022 Standard rate	2024 First year rate	2024 Standard rate
0	£0	0	£0	£0
1-50	£10	£165	£10	£190
51 - 75	£25	£165	£30	£190
76 - 90	£120	£165	£135	£190
91 - 100	£150	£165	£175	£190
101 - 110	£170	£165	£195	£190
111 - 130	£190	£165	£220	£190
131 - 150	£230	£165	£270	£190
151 - 170	£585	£165	£680	£190
171 - 190	£945	£165	£1,095	£190
191 - 225	£1,420	£165	£1,650	£190
226 - 255	£2,015	£165	£2,340	£190
Over 255	£2,365	£165	£2,745	£190

Source: GOV.UK vehicle tax rates: <https://www.gov.uk/vehicle-tax-rate-tables>