

Car and Van Benefit-in-Kind

Tax Year 2024/25

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Introduction

At the start of each tax year, payroll and bookkeeping professionals have many changes of rates and allowances to familiarise themselves with. ICB has already consolidated many of these into one document and this will relate to all professionals.

This document relates only to the following benefits-in-kind in respect of company cars and vans and details:

- Company car appropriate percentages
- Company car fuel benefit (the multiplier), and
- Van and van fuel benefit

Note that this is a collation of data that is widely and publicly available from sources such as Gov.UK and the following are good sources of guidance:

- [Expenses and benefits: company cars and fuel](#)
- [Expenses and benefits: company vans and fuel](#)
- [Calculate tax on employees' company cars](#)
- [Check a car's CO2 emissions](#)
- [Company Car and Car Fuel Benefit Calculator](#)
- [Annex A Rates and Allowances 2024.25](#)

Company Cars

Diesel

Where the company car is fueled by diesel, the below appropriate percentages are increased by 4% known as the diesel supplement. This is capped at a maximum appropriate percentage of 37%.

The supplement does not apply to cars that meet the Real Driving Emissions Step 2 (RDE2) standard.

Appropriate Percentages General

All company cars are treated as a Benefit-in-Kind.

Where a company car is made available to an employee, the list price (including standard accessories, VAT, number plates and delivery) is multiplied by the appropriate percentage to obtain the benefit-in-kind value. The next step is to determine the car's CO₂ emissions.

There is a single set of appropriate percentages relevant to the car's CO₂ emissions. This applies regardless of the date the car was registered.

Zero-Emitting Cars (Fully Electric)

There is still a liability to company car benefit-in-kind even if the car is incapable of emitting CO₂, for example, cars that are powered solely by electricity.

Hybrid Cars

Where the car has CO₂ emissions between 1 – 50, there is the obligation to obtain the '*electric range*' of a vehicle. This is defined as the number of miles that a car can travel in zero-emission mode.

There are 5 sub-bands:

1. 1 - 50 CO₂ where the car can travel 130 miles or more in zero-emission mode (the electric range)
2. 1 – 50 CO₂ where the electric range is between 70 and 129 miles
3. 1 – 50 CO₂ where the electric range is between 40 and 69 miles
4. 1 – 50 CO₂ where the electric range is between 30 and 39 miles
5. 1 – 50 CO₂ where the electric range is less than 30 miles

Appropriate Percentages Tax Year 2024/25

The appropriate percentages for tax year 2024/25 are frozen at 2023/24 levels. There are two common themes:

1. The maximum appropriate percentage is 37%, and
2. Diesel cars that are not RDE2 attract a 4% supplement (to a maximum of 37%)

CO ₂ emissions (g/km)	Electric Range	Appropriate Percentage (%)
0	N/A	2
1 – 50	>130	2
1 – 50	70 – 129	5
1 – 50	40 – 69	8
1 – 50	30 – 39	12
1 – 50	<30	14
51 – 54		15
55 – 59		16
60 – 64		17
65 – 69		18
70 – 74		19
75 – 79		20
80 – 84		21
85 – 89		22
90 – 94		23
95 – 99		24
100 – 104		25
105 – 109		26
110 – 114		27
115 – 119		28
120 – 124		29
125 – 129		30
130 – 134		31
135 – 139		32
140 – 144		33
145 – 149		34
150 – 154		35
155 – 159		36
160 and over		37

Company Car Fuel Benefit

Where fuel is provided, there is an obligation to take the appropriate percentage (above) and apply this to the fuel '*multiplier*'. Autumn Statement 2023 froze the 2023/24 value for the 2024/25 tax year, so the Van Benefit and Car and Van Fuel Benefit Order 2022 rates still apply:

Charge	2023/24	2024/25
	£	£
Car fuel benefit charge multiplier	27,800	27,800

So, for example, where a car has an appropriate percentage of 36% and fuel is provided, the car fuel charge for 2024/25 is £27,800 x 36% = £10,008.

Company Vans

There is no benefit-in-kind charge on an employer-provided company van where both of the following are met:

1. The van is made available to the employee mainly for business travel and commuting use, and
2. Private use is insignificant.

Benefit Charge

There is no benefit-in-kind charge on zero-emission vans.

Where there is a benefit-in-kind charge, regardless of the van's CO₂ emissions, the value is calculated with reference to the van benefit charge. Autumn Statement 2023 froze the 2023/24 value for the 2024/25 tax year, so the Van Benefit and Car and Van Fuel Benefit Order 2022 rates still apply:

Charge	2023/24	2024/25
	£	£
Van benefit charge	3,960	3,960

Fuel

Where fuel is provided, the value is calculated with reference to the van fuel benefit charge. Autumn Statement 2023 froze the 2023/24 value for the 2024/25 tax year, so the Van Benefit and Car and Van Fuel Benefit Order 2022 rates still apply:

Charge	2023/24	2024/25
	£	£
Van fuel benefit charge	757	757