Budget News – Diesel car owners to pay the price for their choice of vehicle…

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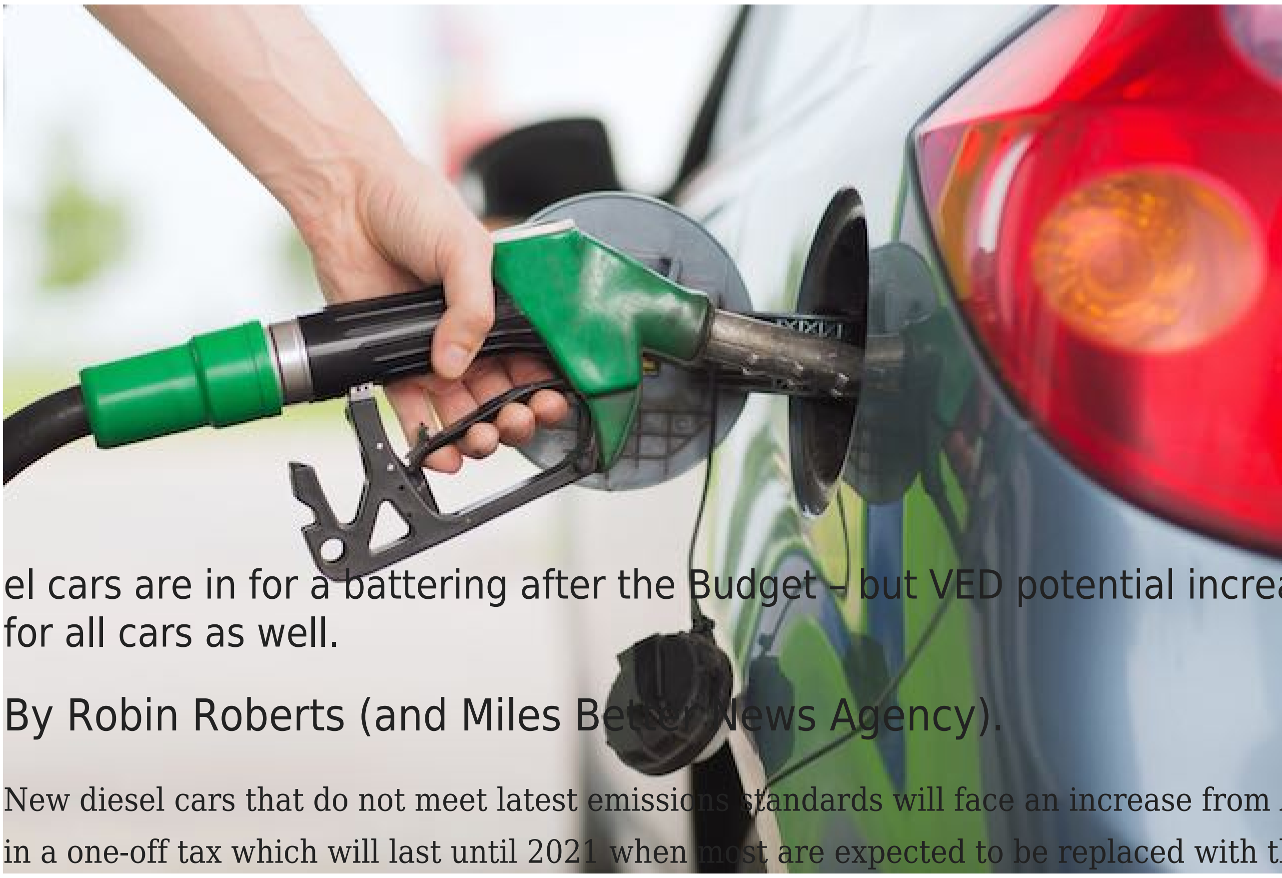

Diesel cars are in for a battering after the Budget – but VED potential increases for all cars as well.

By Robin Roberts (and Miles Better News Agency).

New diesel cars that do not meet latest emissions standards will face an increase from April in a one-off tax which will last until 2021 when most are expected to be replaced with the latest technology.

Affected models will be those which fail Real Driving Emissions Step 2 standards on emissions and that means most new diesels would be subject to the rise.

Chancellor Philip Hammond said the tax change would apply only to cars, and "white van man" was unaffected.

The tax rise will be levied according to a car's CO2 emissions band.

The BBC suggested a Ford Fiesta or Vauxhall Astra would see a one-off £20 rise and a Land Rover Discovery a £400 increase while cars such as a Porsche Cayenne, would be hit with a £500 tax.

The April deadline could dramatically lift sales over coming months when the industry expects a downturn, but it's not happy with the move.

The chancellor said: "Drivers buying a new car will be able to avoid this charge as soon as manufacturers bring forward the next-generation cleaner diesels that we all want to see."

In addition going through the Budget's fine-print today it has emerged that Vehicle Excise Duty (VED) – from April 1 2018, rates for cars, vans and motorcycles registered before April 2017 and the First-Year Rates for cars registered after April 2017 will increase in line with RPI (Retail Price Index).

The chancellor is keen to promote electric car sales but there are infrastructure issues to overcome and he's allocated funding to boost charging points as well as EV sales.

The chancellor unveiled a £220m Clean Air Fund, and £400m – split equally between the Treasury and motor industry – to improve the charging infrastructure for electric vehicles.

There will also be another £100m in subsidies to help persuade consumers to buy electric vehicles. Mike Hawes, SMMT Chief Executive responded to today's Autumn Budget and said it had positive and negative measures for the motor industry.

The Autumn Budget contains some positive measures and we are pleased to see a renewed commitment to new and future vehicle technology. The investment in charge points and new incentives to encourage the take up of electric cars is a positive step to boost buyer confidence, which will be essential to increasing market share. However it's disappointing that there is no additional funding for the incentivisation of plug-in hybrids.

UK Automotive has established itself as one of the biggest investors in research and development so the announcement of further fresh incentives along with an increase in R&D tax credit will give an additional boost to innovation.

"Our greatest concern is the continuing mixed messages around diesel which will only deter and confuse the public further," he said. "Diesel buyers will not face any additional taxation for the next six months, but thereafter, will face additional charges which will undermine fleet renewal efforts, which are the best and quickest way to address air quality concerns".

"Manufacturers are investing heavily in the latest low emission technology, however, it's unrealistic to think that we can fast-track the introduction of the next generation of clean diesel technology which takes years to develop, in just four months. This budget will also do nothing to remove the oldest, most polluting vehicles from our roads in the coming years."

"The Chancellor has chosen to be relatively light touch when it comes to taxing new diesel cars. Any new diesel car registered from 1 April 2018 will be hit with a higher first year tax rate unless they conform to the latest real world driving standards.

So current beleaguered owners of diesel cars can breathe a sigh of relief that they will not be heavily punished further by the Treasury – but they will need to keep their eyes on local authorities who may be introducing clean air zones in the near future.

The side effect of today's announcement however might be that there is a risk therefore that it might encourage some to stay with their older diesel vehicles.

His decision to increase the diesel surcharge on company car tax from 3 to 4% appears to be more about revenue-raising rather than using tax to encourage drivers to opt for a particular type of vehicle".

Driverless cars are coming – there is no doubt about that, but more than a third of drivers we spoke to (39%) told us that they would rather see the Government invest in improving the UK's existing road network. After all, a new generation of driverless cars will still depend on the roads we have today – which, in the case of local roads in particular, are plagued with potholes. A further 1 in 4 drivers would prefer to see public money spent on health or education.”