

27) ROAD TAX - The latest in a series of articles by Iain Gregory of Caithness CAB

On Friday night I found myself driving along a road in Caithness. The surface was in perfect condition, there wasn't a pothole in sight, there was no loose gravel ready to propel bikers and cyclists into the scenery, the white lines were sparkling, the roadside foliage had been trimmed back so there was a clear sight line across all the corners and everything was superbly maintained. On a series of bends I came up behind a couple of campervans, but I knew there was a good opportunity ahead and as I reached the apex of the final bend I had a clear overtake on the dead straight and deserted road. A final mirror and shoulder check, a sustained headlight flash and then several hundred horsepower did what comes naturally and seconds later I was safely tucked in and sitting on the speed limit. And the whole drive was like that. And then I woke up. On Saturday I had occasion to visit a few places and people and drove along the A9 from Thurso and turned up by Hilliclay. This is not a road. This is a cart track. An 18th C traveller would recognise it as such. I would recommend a careful inspection to see if there are any stagecoaches in the ditches. Weydale wasn't much better and by the time I nipped (or rather crawled) over the hill to Castletown and thence back to Thurso and up to Ormlie to buy some heavy duty polish to guard against stone chips my humour was a little thin - although not quite as thin as the roads budget apparently.

All of which brings me to today's topic which relates to what is now termed "vehicle tax". In 1888 (about the time that some of our local roads were probably in their best condition) the Government introduced a tax on road users and in 1920 it was changed to specifically cover motor vehicles. The money raised was ring-fenced and put into a "road fund". The plan was that the cash raised would be used to build, repair and maintain public roads and this lasted until 1937 when the funds became part of general taxation. Since then things have, it has to be said, deteriorated almost as badly as the roads and it would be interesting to know just how much of the vast income raised actually lands in Caithness. A few years ago HMG decided it was time to save the planet and a new vehicle tax regime was introduced encouraging us all to buy eco-friendly cars with a reward of suitably low rates of tax. It was quite possible to buy a diesel - engined vehicle and pay little or no tax at all. Predictably, two or three things have happened. Firstly the manufacturers have started producing cars with much more efficient engines and we have bought them, so the tax take has been badly affected. Secondly, the odd manufacturer may have been a little economical with the truth as regards the emissions of their vehicles and, thirdly, it now seems that diesel has become antisocial again. All of this has been addressed by a startling new tax regime which will apply to all new cars from the 1st of April 2017 and five minutes ago the Chancellor said that the money raised will "eventually" go into a new roads fund. I would not hold your breath on that one. According to DVLA this is the new setup:-

If you register a vehicle after that date the first years tax is based upon CO2 emissions.

CO2 emissions (g/km)	Petrol and diesel cars	Alternative fuel cars
0	£0	£0
1 - 50	£10	£0
51 - 75	£25	£15
76 - 90	£100	£90
91 - 100	£120	£110
101 - 110	£140	£130
111 - 130	£160	£150
131 - 150	£200	£190
151 - 170	£500	£490
171 - 190	£800	£790
191 - 225	£1,200	£1,190
226 - 255	£1,700	£1,690
Over 255	£2,000	£1,990

Yes. You did read those figures correctly. Remember, these are the figures for the first year only – in other words if you take delivery of your new vehicle on or after 1st April then your first years tax is going to be as above. From year two things change again. If you have an electric vehicle then you will pay £0. If you run on alternative fuel (LPG, Hybrids and bi-ethanol) then the annual tax will be £130 and petrol or diesel will cost £140. Now, there will, as always, be winners and losers (with the Exchequer no doubt falling into the former camp) but there is one area to watch very carefully. Vehicles costing over £40K will be subject – for unknown reasons – to a different rate. After year one you will pay a total of £310 if the vehicle is electric; £440 if you use alternative fuel and £450 if you have a diesel or petrol engine and this will apply for the first 5 years before changing to the standard rate. There is no doubt then that we are going to have to do some careful arithmetic before committing to a new buy and I can see the used prices of high-value cars taking a nasty hit shortly. Another point to watch is this – The “high-value” vehicle charge applies to the list price so if you buy a vehicle under that figure and add on a few extras then you will be subject to the tax.

So what about your current vehicle? Well, if it was on the road before the 1st of March 2001 then the tax rate is based upon engine size so if the cubic capacity was not over 1549cc then you will pay £145 and over that then the demand is for £235. After that date and up to 31st March 2017 we are back to CO2 output and I would strongly advise you to have a look at GOV.UK under “Vehicle Tax Rate Tables” because it gets a bit complicated but the way to get the answer is to check your Vehicle Registration Document and see what the CO2 emission figure is in g/km. We are assured that so long as you became the “Registered Keeper” before 1st April 2017 then you will continue to pay the existing rate – so if for example you have a vehicle in Band D (121/130 g/km) then the current rate of £110 pa will continue to apply to you and if you are in Band A (up to 100 g/km) then the band will still be £0 pa.

So there we have it – I have no doubt that there will be one or two additional points which are not yet obvious, but we will be monitoring things and can assist you if you have any queries.

And now I am going to go home and hope to have another happy dream – perhaps the “eventual” new roads fund will provide some cash for Caithness, although this will lead to a loss of revenue for local garages who I gather are having to change an awful lot of springs these days”.