

FAMILIES FACE £200 RISE IN BUDGET ROAD TAX RAID

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Typical family cars are forecast to be worst hit for tax in the Budget

MOTORISTS face a car tax clobbering in next week's Budget after experts warned last night that it could rise by £200.

Drivers of family cars would be worst hit as the Chancellor targets lower-emission vehicles to boost Treasury takings.

Over the past three years Government coffers have received less money from car tax because of measures introduced to kick-start the struggling motoring industry during the recession.

With the number of tax exemptions increased to tempt the public into buying cars, the duty collected decreased.

Now motoring experts and economists say that a rise in vehicle excise duty could be a quick and easy way to increase tax revenue.

In 2007, then Chancellor Gordon Brown said the tax on the most polluting cars would double. When Alistair Darling took over later that year, he shelved the increase.

Dan Harrison, of motoring website honestjohn.co.uk, said it seemed likely that Chancellor George Osborne would now increase the tax on B and K cars, such as the Ford Focus or Vauxhall Zafira, by £190 in next Wednesday's budget. This would mean drivers paying £435, up from £245.

He added that cars in the lower, more energy-efficient bands, could also face a massive hike in duty to take into account the increased number of greener cars.

When Band A, the most energy-efficient category attracting the lowest tax, was first announced in 2006, there were fewer than 1,000 cars that qualified. By the end of last year, there were over 37,000.

There was also an increase of 139,000 and 335,000 for Bands B and C respectively.

Mr Harrison said: "Over the last few years we've seen a growth in lower emission cars."

He added: "This is bad news for the Government's tax coffers, so we're expecting a rise in road tax that will hit families hard. All those borderline low-emission vehicles could be in the Chancellor's sights, making what has already become a phenomenally expensive year for motorists even more difficult."

Economist Jonathan Davis said that changing the road tax system would "logistically be very easy".

Peter Roberts, chief executive of the Drivers' Alliance said: "It is just unacceptable for the Government to continue to clobber people who drive a car and it has got to stop."