



BUDGET SUMMARY 2009



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BUDGET

22 April 2009

This was Chancellor Alistair Darling's second budget. He described it as a budget to continue to help people through this global recession and prepare Britain for the opportunities of the future.



KEY POINTS




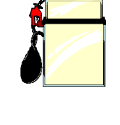
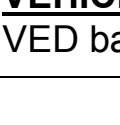
- ◆ **Introduction of 50% income tax rate**
- ◆ **Public borrowing to increase to £175bn this year**
- ◆ **Annual limit for tax-free ISA's to rise to £10,200**
- ◆ **Tax relief on pension contributions reduced for higher rate taxpayers**
- ◆ **Increase in tax relief on qualifying expenditure on plant and machinery above £50,000**

This booklet contains information announced by Mr Darling in his budget together with the associated press releases. It also includes details of the many tax changes announced by the Chancellor prior to budget day and incorporates some measures, which were announced in last year's budget. Some of the contents therein may change before the Finance Act 2009 becomes statute.

SUMMARY OF RATES AND ALLOWANCES

	<u>2009/10</u>	<u>2008/09</u>
Income Tax		
- Personal Allowance	£6,475	£6,035
- Basic Rate of Income Tax	20%	20%
- Higher Rate of Income Tax	40%	40%
- Higher Tax Rate Applies above	£37,400	£34,800
Capital Gains Tax (Individuals & trusts)		
- Rate of Tax	18%	18%
- Annual Exemption	£10,100	£9,600
Corporation Tax		
- Small Companies Rate	21%	21%
- Small Companies Profit Limit	300,000	300,000
- Full Rate	28%	28%
Inheritance Tax		
- Nil Rate Band	£325,000	£312,000
Value Added Tax		
- Registration Limit	£68,000	£67,000
Pensions		
- Annual Contribution Allowance	£245,000	£235,000
- Lifetime Allowance	£1.75m	£1.65m

EXCISE DUTIES (including VAT effect)

	Cigarettes	Increase 7p per packet of 20
	Cigars	Increase 3p per packet of 5 small cigars
	Tobacco (hand rolling)	Increase 7p per 25g pack
	Tobacco (other)	Increase 4p per 25g pack
	Beer	Increase 1p per pint
	Cider	Increase 1p per litre
	Spirits	Increase 13p per 70cl bottle
	Wine	Increase 4p per 75cl bottle
	Sparkling wine	Increase 5p per 75cl bottle
	Petrol/Diesel - Sulphur Free	Increase 2p per litre from 1.9.09
	Petrol/Diesel - Ultra Low Sulphur	Increase 2p per litre from 1.9.09

VEHICLE EXCISE DUTY (VED)

VED bands for cars registered on or after 1 March 2001

VED band	CO ₂ Emissions (g/km)	VED for cars registered on or after 1 March 2001		VED for brand new cars
		2009-10	2010-11	First year rate 2010-11
A	Up to 100	£0	£0	£0
B	101 to 110	£35	£20	£0
C	111 to 120	£35	£30	£0
D	121 to 130	£120	£90	£0
E	131 to 140	£120	£110	£110
F	141 to 150	£125	£125	£125
G	151 to 165	£150	£155	£155
H	166 to 175	£175	£180	£250
I	176 to 185	£175	£200	£300
J	186 to 200	£215	£235	£425
K*	201 to 225	£215	£245	£550
L**	226 to 255	£405	£425	£750
M**	Over 255**	£405	£435	£950

* Includes cars emitting over 225g/km registered between 1 March 2001 and 23 March 2006

** Only applicable to cars registered on or after 23 March 2006

Alternative fuel discount: 2009-10 A-I £20, J-M £15; 2010-11 £10 all cars

VED band for cars registered before 1 March 2001

Engine size	2009-10	2010-2011
1549cc and below	£125	£125
Above 1549cc	£190	£205

PERSONAL TAXATION

PERSONAL TAX ALLOWANCES

		<u>2009/10</u>	<u>Increase</u>	<u>2008/09</u>
		£	£	£
Personal Allowance	(aged 64 and under)	6,475	440	6,035
	(aged 65-74) *	9,490	460	9,030
	(aged 75 and over) *	9,640	460	9,180
Married Couples Allowance ***	(aged 73-74)*	N/A**	-	6,535
	(aged 75 and over)*	6,965	340	6,625
	Minimum amount	2,670	130	2,540
Blind Persons Allowance		1,890	90	1,800
Age Allowance Lower Income Limit		22,900	1,100	21,800

* Abatement of Relief for age allowance by £1 for every £2 over income limit.

** In 2009/10 all Married Couple's allowance claimants must be born before 6th April 1935 and will therefore be aged 75 or over by the end of the tax year

*** This allowance attracts relief at a rate of 10%.

INCOME TAX RATES

<u>Rate</u>	<u>2009/10</u>	<u>2008/09</u>
Basic rate: 20%	£0 - £37,400	£0 - £34,800
Higher rate: 40%	Over £37,400	Over £34,800

The 10% starting rate for savings income only increased from £2,320 to £2,440 for 2009/10. If an individual's taxable non-savings income is above this limit then the 10% savings rate will not be applicable, and the 20% rate is applied to the income up to the level of the basic rate band.

There is no change to the taxation treatment of dividends for 2009/10.

2010/11

From 2010/11 if an individual's gross income is above £100,000 the basic personal allowance will be reduced by £1 for every £2 above the income limit up to a maximum of the allowance.

In the November 2008 Pre-Budget Report it was announced that the claw back would be at two levels, one being at £100,000 and the balance at £140,000, so this is more stringent.

It was also announced that from 6 April 2010 income above £150,000 will be subject to a new higher rate of 50%.

The Pre-Budget Report had announced that this rate would be 45% and would not be introduced until 6 April 2011.

GH comment

The increase to 50% from 6 April 2010 was surprising given the government's commitment to not increasing the higher rate of tax during the lifetime of this Parliament.

Furthermore, the claw back of personal allowance between £100,000 and about £113,000 will lead to a marginal rate of 60%.

FURNISHED HOLIDAY LETTINGS

Tucked away in the Red Book was an announcement that the special rules relating to furnished holiday lettings is to be abolished from 6 April 2010.

From an Income Tax point of view any losses incurred on qualifying lets can currently be offset against other income. There are also favourable Inheritance Tax reliefs but for some reason no press release was issued and we can only assume these reliefs are withdrawn as well.

PENSION RELIEF

Legislation will be introduced from 6 April 2011 to ensure that relief is restricted for pension contributions made by taxpayers with income above £150,000.

Anti-avoidance rules are being introduced to stop taxpayers affected by the new rules making unusual enhanced contributions prior to 5 April 2011.

CAR BENEFIT

No significant changes were announced to the benefit structure for company cars.

Where a car is made available for an employee's private use, a taxable benefit arises.

Company car benefit is calculated by applying the Relevant Scale Percentage to the list price of the car. The percentage is based on the CO₂ emissions of the car and ranges from 10% to 35%. Most diesel cars attract a 3% supplement on petrol percentages (also capped at 35 per cent).

The only measures to be announced do not take effect until after 6 April 2011 and include the following:

- The new rates of company car tax for 2011-12 onwards were set, these reduce the lower threshold CO₂ emissions figure by 5g/km to 125g/km.
- The list price of a car is currently capped at £80,000 when calculating the cash equivalent of the car benefit charge, this has been abolished.
- Discounts given to cars which use various alternative fuels are to be abolished.

The car benefit tables for 2008/09, 2009/10 and 2010/11 are set out at the back of this booklet.

CAR FUEL BENEFIT

As above no changes were announced to the benefit structure for when private fuel is provided. The benefit still continues to be calculated by multiplying £16,900 by the Relevant Scale Percentage as utilised for calculating the car benefit above.

The fuel scale benefit does not apply if the employee makes good all the cost of fuel used for private use. Journeys between home and place of work are regarded as private motoring.

PRIVATE FUEL IN COMPANY CARS

Where an employee with a company car pays for all of their own fuel, an employer can reimburse at the following rate for business mileage.

Applicable from 1 January 2009	<u>Petrol</u> <u>per mile</u>	<u>Diesel</u> <u>per mile</u>
Under 1400 cc	10p	11p
1400 cc – 2000 cc	12p	11p
Over 2000 cc	17p	14p

The company car fuel rates are reviewed twice a year on, 1 January and 1 July or more often where there is a significant change in fuel prices.

AUTHORISED MILEAGE RATES

Authorised mileage rates are the amount an employer can pay if the employee uses their own car for business purposes.

Business Mileage

First 10,000 miles	40p per mile
Excess over 10,000 miles	25p per mile

Rates for other modes of transport:

Motor Cycles	24p per mile
Bicycles	20p per mile

If employers pay higher rates the amount paid in excess of the statutory rates will be liable to tax and National Insurance.

VAN BENEFIT

	<u>2009/10</u>	<u>2008/09</u>
	£	£
Company Vans used for private use	3,000	3,000
Fuel in vans for private use	500	500

For the purpose of the van benefit (but not for cars) commuting does not count as private use.

GH comment

Company cars can prove to be an expensive benefit for some employers and employees, therefore careful consideration of alternatives should be made to ensure the correct decision is made.

BUSINESS TAXATION

CORPORATION TAX

Corporation Tax rates are as follows:-

	<u>1 April 2010</u>	<u>1 April 2008 & 2009</u>
Profits up to £300,000	22%	21%
£300,001-£1,500,000	29.5%	29.75%
Then £1,500,001 onwards	28%	28%

The above profit rate bands need to be divided by the number of associated companies for tax purposes.

The planned increase in the Small Companies' Rate of corporation tax from 21% to 22% was deferred until 1 April 2010.

GH comment

As highlighted previously, with the introduction of a 50% tax rate, incorporation and company structures give opportunities for considerable tax savings

CAPITAL ALLOWANCES ON PLANT AND MACHINERY

A new temporary 40% first year allowance for expenditure on plant and machinery is to be introduced. This temporary first year allowance will apply to qualifying expenditure incurred in the twelve month period beginning on 1 April 2009 for the purpose of Corporation Tax and on 6 April 2009 for the purpose of Income Tax.

Since April 2008 businesses regardless of size have been able to claim the new 100% Annual Investment Allowance on the first £50,000 spent on plant or machinery. Businesses incurring expenditure in excess of the Annual Investment Allowance cap will now be able to claim a 40% first year allowance instead.

As with previous and existing first year allowances, there are exceptions where the expenditure will not qualify for the temporary first year allowance, the main exceptions include "special rate" expenditure (including long-life assets and integral features), expenditure on cars and on assets for leasing

MOTOR CARS

The new rules for cars announced in December 2008 have been confirmed. Qualifying expenditure incurred on cars on or after 1 or 6 April 2009 will be allocated to one of the two general plant and machinery pools, depending on the car's CO₂ emissions. Expenditure on cars with CO₂ emissions exceeding 160g/km will be dealt with in the special rate pool and attract writing down allowance at 10%. Expenditure on cars with CO₂ emissions of 160g/km or less will be added to the main rate pool and attract writing down allowance at 20% per annum.

Cars that have an element of non-business use will continue to be dealt with in single asset pools to enable the private use adjustments to be made but the rate of writing down allowance will still be determined by the car's CO₂ emissions.

From April 2009 the special rules that restrict the amount of car lease rental payments that can be deducted for tax purposes will be reformed. The restriction will be changed to a flat rate disallowance of 15% of relevant payments and will apply only in respect of cars with CO₂ emissions exceeding 160g/km.

INDUSTRIAL & AGRICULTURAL BUILDINGS ALLOWANCES

This is an allowance available for buildings used for manufacturing, agriculture and for hotels. The rate is being reduced as follows:

2008/09	3%	2010/11	1%
2009/10	2%	2011/12 onwards	0%

TRADING LOSSES

All companies and unincorporated businesses making trading losses will be able to carry back losses for up to 3 years.

The amount of trading losses that can be carried back to the preceding year remains unlimited. After carry back to the preceding year a maximum of £50,000 of unused losses will be available for carrying back to the earlier years.

For companies, the above apply where the accounting periods end between 24 November 2008 and 23 November 2010 and to trading losses made in the tax year 2008/09 and 2009/10 by unincorporated businesses.

FOREIGN EXCHANGE LOSSES

A number of tax avoidance schemes have been disclosed to H M Revenue & Customs that abuse the provision of foreign exchange matching. Two specific types of scheme are targeted. The first type – one way bets – involves arrangements that create an allowable foreign exchange loss if a foreign currency moves in one direction, but does not give rise to a taxable gain if the currency moves in the opposite direction. The second type tries to give a company a tax deduction for a forward premium on a forward currency contract – a loss dependent only on interest rates – without the counterparty being taxed on a corresponding profit.

The measure will apply to company accounting periods beginning on or after 22 April 2009. Where an accountancy period straddles 22 April 2009 it will apply only to exchange gains or losses arising between 22 April and the end of the period.

CORPORATE TRANSPARENCY

To ensure that the accounting system in operation within large companies liable to UK taxes and duties are adequate for the purpose of accurate tax reporting, legislation will be introduced in Finance Bill 2009 to require:

- Senior accountancy officers of such companies to take reasonable steps to establish and monitor accounting systems within their companies that are adequate for the purposes of accurate tax reporting.
- Senior accounting officers of such companies to:
 - certify annually that the accounting systems in operation are adequate for the purpose of accurate tax reporting; or
 - Specify the nature of any inadequacies and confirm that they have been notified to the company auditors.
- Such companies to notify H M Revenue & Customs of the identity of the senior accounting officer.

These new obligations will be supported by penalty charges on the senior accounting officer personally and on the company for a careless or deliberate failure.

These measures will apply only to returns due to be made for accounting reference periods beginning on or after the date that The Finance Bill 2009 receives Royal Assent.

VALUE ADDED TAX

STANDARD RATE

The 2008 Pre-Budget Report introduced a temporary reduction in the standard rate of VAT to 15% for a 13 month period to 31 December 2009.

From 1 January 2010 the Standard Rate will return to 17.5%.

Targeted legislation will be introduced to counter schemes that apply the 15% to goods and services supplied on or after the date that the rate returns to 17.5%.

REGISTRATION

The annual registration limit is being increased by £1,000 to £68,000 with effect from 1 May 2009. A trader is required to register if

- a) Turnover of £68,000 is expected within the next thirty days.
- or b) The trader at the end of any month has exceeded turnover of £68,000 in the past twelve months.

If at the end of any month a persons taxable turnover in the past twelve months or less exceeds £68,000, but Customs are satisfied that it will not exceed £66,000 in the next twelve months, that person will not have to be registered.

For those considering cancellation of their registration the turnover limit within the last 12 months is also increased by £1,000 to £66,000.

CASH ACCOUNTING SCHEME

No changes were made to the Cash Accounting Scheme. The annual turnover limit which businesses can start to use the scheme remains at £1.35million. The limit above which businesses must leave the scheme remains at £1.6million.

FUEL SCALE CHARGE

The VAT fuel scale charges apply where cars have private use and where input tax is claimed on fuel. The basis of calculating the charge is based on carbon dioxide emissions.

The car scale charge table is set out at the back of this booklet.

EXEMPTION FROM VAT FOR GAMING MACHINES AND OTHER MISCELLANEOUS AMENDMENTS

VAT on participation fees for playing bingo or gaming machines will be removed from 27 April 2009. At the same time Bingo duty will increase to 22%.

Prize money limits will increase from 1 June 2009 from £50 to £70.

PLACE OF SUPPLY OF SERVICES RULES

New rules will be introduced to ensure that, as far as possible, VAT is due in the country in which the service is consumed, e.g. where the customer is based, rather than where the supplier is established. The result for UK business customers is that they will have to account for UK VAT on most services provided by their overseas supplier under the reverse charge provisions rather than their supplier charging VAT. These changes are being phased in from 1 January 2010 and form part of a EU wide package of measures to counter fraud.

Other changes included the “Time of Supply” of service rules being amended for reverse charge transactions and accounting for VAT in the correct period. EC sales listings will also be amended so that where UK businesses supply services where the place of supply is the customer’s country, they will need to complete EC sales lists.

GH comment

VAT is a complex area of taxation and the timing and place of supply rules can be easily misinterpreted. For any business supplying goods or services abroad, or importing, advice should be sought to ensure compliance.

CHANGES TO VAT REFUND PROCEDURES THROUGHOUT THE EU

Where UK businesses incur VAT in other EU countries or an EU business incurs VAT in the UK new procedures are being introduced across the EU from 1 January 2010.

From the above date UK businesses will submit claims for overseas VAT electronically on a standardised form to H M Revenue & Customs rather than direct to the Member State where incurred.

The time limit for making these changes is now nine months from the end of the calendar year in which the VAT is incurred.

GH comment

Where businesses incur VAT in other EU countries the procedure for recovering this used to be time consuming and cumbersome applying to each Member State. This change should simplify the rules and make recovery easier.

CAPITAL GAINS TAX

ANNUAL EXEMPTION

The annual exemption for an individual will be increased by £500 to £10,100 (trusts £5,050) for the tax year 2009/10.

RATE FOR INDIVIDUALS & TRUSTEES

The rate of capital gains on disposals by individuals and trustees is 18%.

The gain is calculated as the selling price less the cost price (or its value at 31 March 1982 if held at that date).

RATE FOR COMPANIES

The rate of CGT for Companies depends on the company's rate of Corporation Tax. The gain is calculated as the selling price less the cost price (or 31 March 1982 value) with full adjustment for the change in the retail price index from acquisition (or 1982) to the date of sale.

ENTREPRENEUR RELIEF

On certain business disposals the effective rate of Capital Gain is 10% and applies to the first £1million of gain.

Qualifying disposals are:

- (a) Shares in a qualifying limited company
- (b) Sale of an unincorporated business
- (c) Sale of assets at the same time as "a" or "b" or on cessation.

GH comment

After last year's major changes to Capital Gains Tax the Chancellor has resisted further amendments.

INHERITANCE TAX

RATES

<u>Tax Rate on Death</u>	<u>2009/10</u>	<u>2008/09</u>
Nil	£ 0 – 325,000	£ 0 – 312,000
40%	over 325,000	over 312,000

The Government confirmed that they would be increasing the nil rate band to £350,000 from 6 April 2010.

Potentially Exempt Transfers are still available for most lifetime transfers. Lifetime chargeable transfers above the nil rate band to most trusts are taxed at 20%.

Annual gifts of capital not exceeding £3,000 or small gifts of £250 p.a. remain exempt.

The transferable allowances regime, where the unused nil rate band of the first deceased spouse can often be passed to the surviving spouse, gives an effective double nil rate band for most married couples.

GH comment

The Conservative Party have announced that they intend to raise the nil rate band to £1m, which will considerably reduce the number of estates affected by this tax. However, it is still important to ensure that a will is made in a tax efficient manner to cover both Inheritance Tax and other long term benefits.

MISCELLANEOUS

INDIVIDUAL SAVINGS ACCOUNTS (ISA'S)

The ISA limit will be raised to £10,200, up to £5,100 of which can be saved in cash. The new limits will apply to people aged 50 and over in 2009/10 and for all ISA investors from 2010/11 onwards.

STAMP DUTY LAND TAX

Rate

Zero	£0 - £125,000	Residential
	£0 - £150,000	Commercial & Residential in disadvantaged area
1%	£125,001- £250,000*	Residential
	£150,001 - £250,000	Commercial & Residential in disadvantaged area
3%	£250,001 - £500,000	All property
4%	Over £500,000	All property

*In September 2008 residential properties were exempted from SDLT where they were not more than £175,000. This measure applied until 2 September 2009. In the 2009 Budget this measure will be extended to transactions made up to 31 December 2009 inclusive. After that date the SDLT threshold will revert to the above.

LANDFILL TAX

The standard rate of landfill tax increased from £30 to £40 per tonne from 1 April 2009. This will increase to £48 per tonne to any standard rated disposal of waste made or treated as made on or after 1 April 2010.

REVENUE MEASURES

PENALTIES FOR LATE FILING OF RETURNS AND LATE PAYMENT OF TAX

Legislation is to be introduced to reform the penalty regimes from April 2010. The measures include applying penalties for the first time to all employers who are late in making monthly PAYE and NIC payments and companies paying Corporation Tax late.

Where taxpayers have agreed a time to pay arrangement with HM Revenue & Customs the penalties will generally be waived although if the taxpayer then defaults they have the power to re-impose penalties.

PAYMENTS

Changes in the current law will be introduced for voluntary managed payment plans (MPP's). These will allow taxpayers to ease their cash flow by agreeing with the Revenue a payment structure of Income Tax or Corporation Tax by allowing them to spread their payments over a number of instalments before and after the normal due dates.

Some small debts will be collected by the Revenue through the PAYE system.

Another change will require companies or other third parties to supply HM Revenue & Customs with contact details who are in debt and with whom the Revenue has lost contact.

REPAYMENTS

The time limits for claiming repayments is to be shortened from 1 April 2010 from the current six years to four years.

NATIONAL INSURANCE

Rates and thresholds are set out below.

	2009-10			2008-09		
Class 1	Weekly £	Monthly £	Yearly £	Weekly £	Monthly £	Yearly £
Lower Earnings Limit	95	412	4,940	90	390	4,680
Earnings threshold	110	476	5,715	105	455	5,460
Upper Earnings Limit (UEL)	844	3,656	43,875	770	3,337	40,040
	Employees' contributions	Employers' contributions		Employees' contributions	Employers' contributions	
Not contracted out						
Earnings between Earnings threshold and Upper Earnings Limit	11%		12.8%	11%		12.8%
Earnings above Upper Earnings Limit	1%		12.8%	1%		12.8%
Contracted out						
Earnings between Earnings threshold and Upper Earnings Limit	9.4%		12.8%	9.4%		12.8%
Earnings above Upper Earnings Limit	1%		12.8%	1%		12.8%

Class 1A (Employers)		
On Benefits in Kind	12.8%	12.8%

Class 2 (Self-employed)		
Flat rate	£2.40 per week	£2.30 per week
Small earnings exception	£5,075 per year	£4,825 per year

Class 3 (Voluntary)	£12.05 per week	£8.10 per week
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Class 4 (Self-employed)		
Lower Annual Profits Limit	£5,715	£5,435
Upper Annual Profits Limit	£43,875	£40,040
Profits between lower and upper limit	8%	8%
Profits above upper limit	1%	1%

GH comment

National Insurance is a tax by another name and should be considered with other tax planning

From 2011/12 the main rate of Class 1 and Class 4 NICs will be increased by 0.5% to 11.5% and 8.5% respectively. The Class 1 employer rate will also increase by 0.5% to 13.3% this will apply to Class 1A and Class 1B contributions. The additional rate increases from 1% to 1.5%.

TABLES

CO₂ EMISSIONS TABLE

CO ₂ emissions in grams per kilometre	CAR BENEFIT SCALE		FUEL BENEFIT SCALE			
	Percentage of car's list price taxed		Percentage applied to £16,900	Fuel Benefit £	Percentage applied to £16,900	Fuel Benefit £
	2008/09 & 2009/10	2010/11	2008/09 & 2009/10		2010/11	
120	10%	10%	10%	1,690	10%	1,690
130	15%	15%	15%	2,535	15%	2,535
135	15%	16%	15%	2,535	16%	2,704
140	16%	17%	16%	2,704	17%	2,873
145	17%	18%	17%	2,873	18%	3,042
150	18%	19%	18%	3,042	19%	3,211
155	19%	20%	19%	3,211	20%	3,380
160	20%	21%	20%	3,380	21%	3,549
165	21%	22%	21%	3,549	22%	3,718
170	22%	23%	22%	3,718	23%	3,887
175	23%	24%	23%	3,887	24%	4,056
180	24%	25%	24%	4,056	25%	4,225
185	25%	26%	25%	4,225	26%	4,394
190	26%	27%	26%	4,394	27%	4,563
195	27%	28%	27%	4,563	28%	4,732
200	28%	29%	28%	4,732	29%	4,901
205	29%	30%	29%	4,901	30%	5,070
210	30%	31%	30%	5,070	31%	5,239
215	31%	32%	31%	5,239	32%	5,408
220	32%	33%	32%	5,408	33%	5,577
225	33%	34%	33%	5,577	34%	5,746
230	34%	35%	34%	5,746	35%	5,915
235 or above	35%	35%	35%	5,915	35%	5,915

- Diesels attract a surcharge of 3% subject to a maximum of 35%. For Vehicles registered prior to 1 January 2006 which meet the Euro IV emissions standard no surcharge is applied, however from 2011-12 the surcharge will apply.
- CO₂ emissions are rounded down to the nearest 5 grams, except between 121-134 (2010/11: 121-129) in which case they are rounded up to 135g (2010/11: 130g).
- For cars which are too old to have CO₂ emissions figures, HMRC have prescribed a level of emissions by reference to the vehicle's engine capacity (c.c.)
- From 2011-12 the lower threshold will reduce by 5g/km to 125g/km and all other thresholds will reduce similarly

VAT FUEL SCALE CHARGES

CO ₂ emissions in grams per kilometre	VAT FUEL SCALE CHARGES			VAT FUEL SCALE CHARGES		
	For 3 month periods Return periods commencing on or after 1 May 2009			For 3 month periods Return periods commencing on or after 1 December 2008		
	VAT fuel scale charge £	VAT £	VAT exclusive £	VAT fuel scale charge £	VAT £	VAT exclusive £
120 or less	126.00	16.43	109.57	138.00	18.00	120.00
125	189.00	24.65	164.35	207.00	27.00	180.00
130	189.00	24.65	164.35	207.00	27.00	180.00
135	189.00	24.65	164.35	207.00	27.00	180.00
140	201.00	26.22	174.78	221.00	28.83	192.17
145	214.00	27.91	186.09	234.00	30.52	203.48
150	226.00	29.48	196.52	248.00	32.35	215.65
155	239.00	31.17	207.83	262.00	34.17	227.83
160	251.00	32.74	218.26	276.00	36.00	240.00
165	264.00	34.43	229.57	290.00	37.83	252.17
170	276.00	36.00	240.00	303.00	39.52	263.48
175	289.00	37.70	251.30	317.00	41.35	275.65
180	302.00	39.39	262.61	331.00	43.17	287.83
185	314.00	40.96	273.04	345.00	45.00	300.00
190	327.00	42.65	284.35	359.00	46.83	312.17
195	339.00	44.22	294.78	373.00	48.65	324.35
200	352.00	45.91	306.09	386.00	50.35	335.65
205	365.00	47.61	317.39	400.00	52.17	347.83
210	378.00	49.30	328.70	414.00	54.00	360.00
215	390.00	50.87	339.13	428.00	55.83	372.17
220	403.00	52.57	350.43	442.00	57.65	384.35
225	416.00	54.26	361.74	455.00	59.35	395.65
230	428.00	55.83	372.17	469.00	61.17	407.83
235 or above	441.00	57.52	383.48	483.00	63.00	420.00

- For Bi-fuel vehicles, which have two CO₂ emissions figures, the lower of the two figures is used for VAT purposes