

Press Release

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LOW-EMISSION VOLVO DRIVE MODELS HELP COMPANY CAR DRIVERS AVOID FORTHCOMING TAX RISES

- Three new Volvo DRIVE models help company car drivers avoid planned tax rises
- BIK tax changes in April 2012 will see the lowest band emissions threshold cut from 120g/km to just 99g/km
- C30, S40 and V50 DRIVE models emit just 99g/km CO₂ so will remain in the lowest BIK tax band

Company car drivers choosing a new vehicle in the coming months need to consider planned tax rule changes if they are to avoid being left out of pocket, says James Shires, National Corporate Sales Operations Manager at Volvo Car UK.

Under current legislation, the lowest Benefit in Kind (BIK) tax band is available to cars that emit less than 120g/km CO₂. The new rules, set to be introduced from April 2012, will see that threshold cut to just 99g/km - increasing BIK tax costs for company car drivers.

The changes mean a driver opting for a car with sub-120g/km emissions over a typical three-year contract will be hit by a higher tax bill when the new legislation takes effect. For a driver getting a new car in the first quarter of 2011, that could potentially mean significantly higher costs in the second and third year with the vehicle.

However, three new 99g/km CO₂ DRIVE models from Volvo can help company car drivers avoid paying any more tax without sacrificing comfort, practicality or driving enjoyment. DRIVE versions of the C30 hatchback, S40 saloon and V50 sportswagon emit just 99g/km CO₂, and as such will remain in the lowest tax band for diesel models even after the tax changes.

Better still, following the announcement of new legislation, these DRIVE models will also be exempt from the London Congestion Charge from 4th January 2011 - a double saving for company car drivers spending time in the Capital.

James Shires, National Corporate Sales Operations Manager at Volvo Car UK, said: "Company car drivers making a decision about their next car now, need to consider these forthcoming BIK tax changes, or know that they could potentially be missing out financially over the life of the contract.

"The C30, S40 and V50 DRIVE will be unaffected by the new rules thanks to CO₂ emissions of just 99g/km, which ensure they will remain in the lowest tax band for diesel company car drivers." Better still, unlike some rival brands, choosing a DRIVE model doesn't mean sacrificing equipment levels, comfort or kerb appeal. Volvo offers its DRIVE cars in a range of trim levels - ensuring they appeal as much to the heart as to the head.

James added: "Choosing a low-emission car shouldn't be a compromise. With DRIVE, motorists can benefit from lower tax bills, while enjoying a spacious, practical car, and still specify luxury items like leather upholstery and a high-end stereo if they want to."

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Vehicle comparison - Volvo V50 DRIVE vs rivals:

Volvo S40 1.6D DRIVE SE Lux with Start/Stop (CO₂ emissions 99g/km)

Tax year to 5th April	2010/11	2011/12	2012/13
P11D value	£23,460	£23,460	£23,460
Percentage charge	13%	13%	13%
Benefit in kind	£3,049	£3,049	£3,049
Annual tax payable at 20%	£609	£609	£609
Annual tax payable at 40%	£1,219	£1,219	£1,219

No change in BIK tax once the new rules are introduced in April 2012

BMW 3-Series 318d SE (CO₂ emissions 119g/km)

Tax year to 5th April	2010/11	2011/12	2012/13
P11D value	£25,995	£25,995	£25,995
Percentage charge	13%	13%	17%
Benefit in kind	£3,379	£3,379	£4,419
Annual tax payable at 20%	£676	£676	£884
Annual tax payable at 40%	£1,352	£1,352	£1,768

Minimum £208 increase (£416 increase at 40% rate) in BIK tax once the new rules are introduced in April 2012 - costing the driver a minimum £17.33 extra per month.

Audi A4 2.0 TDI SE 136PS (CO₂ emissions 120g/km)

Tax year to 5th April	2010/11	2011/12	2012/13
P11D value	£25,752	£25,752	£25,752
Percentage charge	13%	13%	18%
Benefit in kind	£3,348	£3,348	£4,635
Annual tax payable at 20%	£670	£670	£927
Annual tax payable at 40%	£1,339	£1,339	£1,854

Minimum £257 increase (£515 increase at 40% rate) in BIK tax once the new rules are introduced in April 2012 - costing the driver a minimum of £21.41 extra per month.

Keywords:

S40, V50, C30, Press Releases, 2010, 2011

Descriptions and facts in this press material relate to Volvo Car UK's car range. Described features might be optional. All information is correct at time of going to press and may be altered without prior notification.

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