



Finance Act 2023

2023 CHAPTER 1

Taxation of vehicles

11 Taxable benefits: appropriate percentage for cars with a CO₂ emissions figure

- (1) In the Income Tax (Earnings and Pensions) Act 2003, in section 139 (cars with a CO₂ emissions figure: the appropriate percentage), for the table in subsection (1) substitute—

<i>“Car</i>	<i>Appropriate percentage</i>
Car with CO ₂ emissions figure of 0	3%
Car with CO ₂ emissions figure of 1–50	<i>As follows</i>
<i>Car with electric range figure of 130 or more</i>	3%
<i>Car with electric range figure of 70–129</i>	6%
<i>Car with electric range figure of 40–69</i>	9%
<i>Car with electric range figure of 30–39</i>	13%
<i>Car with electric range figure of less than 30</i>	15%
Car with CO ₂ emissions figure of 51–54	16%
Car with CO ₂ emissions figure of 55–59	17%
Car with CO ₂ emissions figure of 60–64	18%
Car with CO ₂ emissions figure of 65–69	19%
Car with CO ₂ emissions figure of 70–74	20%”

- (2) The amendment made by [subsection \(1\)](#) has effect for the tax year 2025-26.
- (3) In that Act, in that section, in subsection (3)(a) for “20%” substitute “21%”.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2023, Section 11. (See end of Document for details)

- (4) The amendment made by [subsection \(3\)](#) has effect for the tax year 2025-26 and subsequent tax years.
- (5) In that Act, in that section, for the table in subsection (1) of that section (as substituted by [subsection \(1\)](#)) substitute—

<i>“Car</i>	<i>Appropriate percentage</i>
Car with CO ₂ emissions figure of 0	4%
Car with CO ₂ emissions figure of 1–50	<i>As follows</i>
<i>Car with electric range figure of 130 or more</i>	4%
<i>Car with electric range figure of 70–129</i>	7%
<i>Car with electric range figure of 40–69</i>	10%
<i>Car with electric range figure of 30–39</i>	14%
<i>Car with electric range figure of less than 30</i>	16%
Car with CO ₂ emissions figure of 51–54	17%
Car with CO ₂ emissions figure of 55–59	18%
Car with CO ₂ emissions figure of 60–64	19%
Car with CO ₂ emissions figure of 65–69	20%
Car with CO ₂ emissions figure of 70–74	21%”

- (6) The amendment made by [subsection \(5\)](#) has effect for the tax year 2026-27.
- (7) In that Act, in that section, for the table in subsection (1) of that section (as substituted by [subsection \(5\)](#)) substitute—

<i>“Car</i>	<i>Appropriate percentage</i>
Car with CO ₂ emissions figure of 0	5%
Car with CO ₂ emissions figure of 1–50	<i>As follows</i>
<i>Car with electric range figure of 130 or more</i>	5%
<i>Car with electric range figure of 70–129</i>	8%
<i>Car with electric range figure of 40–69</i>	11%
<i>Car with electric range figure of 30–39</i>	15%
<i>Car with electric range figure of less than 30</i>	17%
Car with CO ₂ emissions figure of 51–54	18%
Car with CO ₂ emissions figure of 55–59	19%
Car with CO ₂ emissions figure of 60–64	20%

Changes to legislation: There are currently no known outstanding effects
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<i>“Car</i>	<i>Appropriate percentage</i>
Car with CO ₂ emissions figure of 65–69	21%
Car with CO ₂ emissions figure of 70–74	21%”

- (8) The amendment made by [subsection \(7\)](#) has effect for the tax year 2027-28 and subsequent tax years.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2023, Section 11.