



BIK burden soars for company cars

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Data experts cap hpi revealed the tax burden on company car drivers has soared over the last decade.

The study looked at the popular fleet vehicle the BMW 320d SE and found that while the list price of the vehicle had risen by 23%, the BIK had risen 105% since 2009. In the same period, real wages have only risen 20%.

The company is calling for the government to rethink its approach to taxing company car drivers ahead of the Budget on 29 October.

Commenting on the findings Matt Freeman, managing consultant at cap hpi consulting said, "The fleet sector is hugely important to the motor industry and in most years accounts for around half of all new car sales. Successive governments have continued to ramp up taxes on company car drivers to the point where it has become punitive.

"Under WLTP rules the industry is seeing CO2 levels rise on many models and it will have a real impact under the current tax regime. Hitting the company car driver will not help the UK meet its environmental targets. These drivers are usually in new, technologically advanced and fuel-efficient vehicles. A more balanced approach is needed to protect both the industry and the environment."