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RAC response to 2015 Summer Budget: changes to Vehicle Excise Duty (VED)

RAC chief engineer David Bizley said: “Today’s budget announcement on Vehicle Excise Duty marks a return to the days when road tax was collected and used to fund improvements in the road network. As new cars become more efficient, VED was always destined to bring in less and less money for the Treasury. For the first time, motorists will be able to see for themselves how the money they pay benefits the road network that they use – although it is a pity that we will have to wait five years for the Roads Fund to take effect.

“The devil, of course, will be in the detail but this new transparency has to be a good thing; indeed the RAC has previously called for ring-fencing of funds in this way. The changes to VED will guarantee a minimum level of spending on the roads and this, combined with the Road investment Strategy, suggest that the critical role that road transport plays both in our economy and in motorists’ everyday lives has finally been given the attention it deserves.

“A big question mark remains however over how the new changes will affect people’s inclination to buy low carbon dioxide emitting, fuel efficient vehicles. For the first year of ownership of a new vehicle, incentives will still exist to select low emitting vehicles but thereafter, a flat rate will apply to most vehicles. We hope the new regime doesn’t undermine the major progress that we are making in reducing carbon dioxide emissions.”

The press office email address is press.office@rac.co.uk and media centre is at media.rac.co.uk. **Please note:** the press office is unable to help with individual customer enquiries - please visit the [RAC contacts page](#) to find the right contact.

About the RAC

The RAC, an iconic UK brand, provides complete peace of mind to nearly 14 million UK private and business drivers, whatever their motoring needs. As well as its premium nationwide breakdown assistance service – with an expert branded patrol workforce attending more than two million breakdowns every year – it offers a wide range of market-leading products across insurance, legal services, vehicle inspections and service, maintenance and repair. Included in this is the first-of-its-kind nationwide Mobile Mechanics service which brings the garage to homes and workplaces.

At the forefront of new solutions for business fleets and consumers, the RAC’s breakdown service is electric-ready with mobile EV charging technology and can be called on using [myRAC](#) – the all-in-one route planner, fuel finder and breakdown reporting app.

Visit the [RAC website](#).

Contacts



RAC Press Office

Press Contact

press.office@rac.co.uk

Emails monitored during normal office hours. For breakdown queries, call 0330 159 0740

ISDN number on request