

Technology

BIK and tax rates for company cars

Changing your company car over to fully electric has significant tax benefits, which we will illustrate below.

The highest BIK figures do not only apply to expensive luxury cars but now for many common company cars as well:

Example Vehicle	List Price	CO2	BIK %	Car BIK	Fuel BIK	Total BIK
Ford Mondeo 2.0 diesel Titanium auto	£29,625	152	35%	£10,369	£8,855	£19,224
MG5 EV Long range SE	£30,995	0	2%	£620	£0	£620
Porsche Panamera Turbo S	£141,020	280	37%	£52,177	£9,361	£61,538
Porsche Taycan 4 Sport Turismo	£141,055	0	2%	£2,821	£0	£2,821

The BIK tax costs and savings for the example cars:

Tax Rate	Ford Mondeo	MG5 EV	Saving	Porsche Panamera	Porsche Taycan	Saving
21%	£4,037	£130	£3,907	£12,923	£592	£12,331
41%	£7,882	£254	£7,628	£25,231	£1,157	£24,074
46%	£8,843	£285	£8,558	£28,308	£1,298	£27,010
ER NIC 15.05%	£2,893	£93	£2,800	£9,262	£425	£8,837

100% Capital Allowances are also available on the purchase cost of new electric vehicles.

Using the examples above, this would give a Corporation Tax saving of £5,889 on purchase of the MG or £26,800 on purchase of the Porsche Taycan.

If you wish to find out more about the BIK values or potential tax savings for company vehicles, please contact our EQ Technology team on technology@eqaccountants.co.uk.



Want more information? Talk to EQ today.