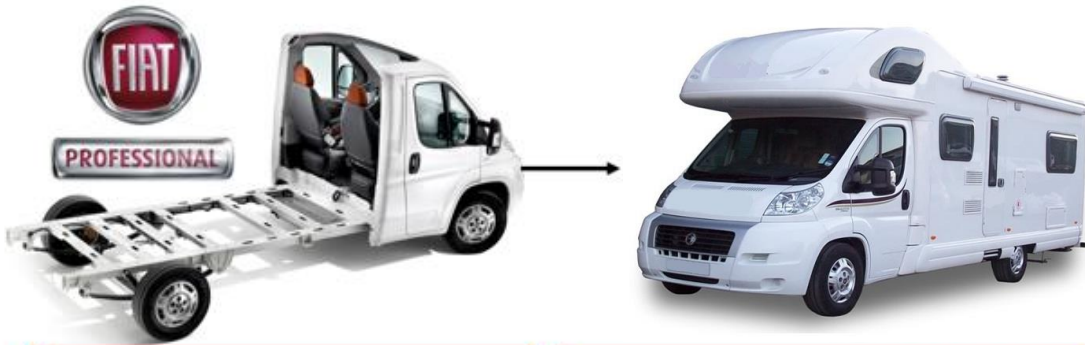


Reclassification of motorhome Vehicle Excise Duty (VED) - Key Points

1. UK motorhomes are built using a light commercial chassis as the base vehicle, fitted with a commercial engine. These base vehicles are constructed by commercial vehicle manufacturers and converted into motorhomes by many UK-based motorhome manufacturers.
2. Motorhomes are currently taxed as private light goods commercial vehicles (PLG- 3,500 kg and below), or private heavy goods commercial vehicles (PHG – over 3,500kg).
3. There are very different emission taxation bands for commercial vehicles and cars in the UK (much higher taxation for cars).
4. From 1 September 2019 new emission regulations (WTLP) require the CO2 emissions for all vans and cars to be stated on the approval paperwork.
5. Whilst a motorhome uses a commercial vehicle as its base, it has a unique vehicle classification (M1-SA). This means that a new motorhome registered with DVLA will, (for the purposes of VED), move out of the commercial vehicle tax bands (private lights goods PLG/PHG) and will now be taxed as a car.
6. The VED for a new motorhome will increase from £265 (PLG rate) to £2,135 – a **705% increase** - plus there will be significant higher ongoing yearly tax costs for a further five years.
7. The new emission regulations are important, and it is right that the taxation system encourages new *car* owners to choose cleaner, more efficient engines from the numerous ranges of engines and models available.
8. As motorhomes have commercial engines, new owners do not have this choice and because of their unique classification, motorhomes will now attract the highest car tax, even if the cleanest most efficient engine is installed.
9. Motorhomes, unlike cars, are used for holidays and short breaks – on average 5,000 miles per year - with many owners being retired. Whereas a light commercial van can do circa 50,000 miles per year, using the same base vehicle emitting the same CO2 per mile and will enjoy the lower VED.
10. Motorhome owners are typically thrifty and live simply to fund their passion to travel. They see motorhomes as a more affordable way of holidaying in the UK/EU as they don't have the disposable income to afford expensive holidays abroad and want to holiday with cross-generational family. Motorhomers who are not retired tend to have families and typically work in professions where school holidays are crucial.

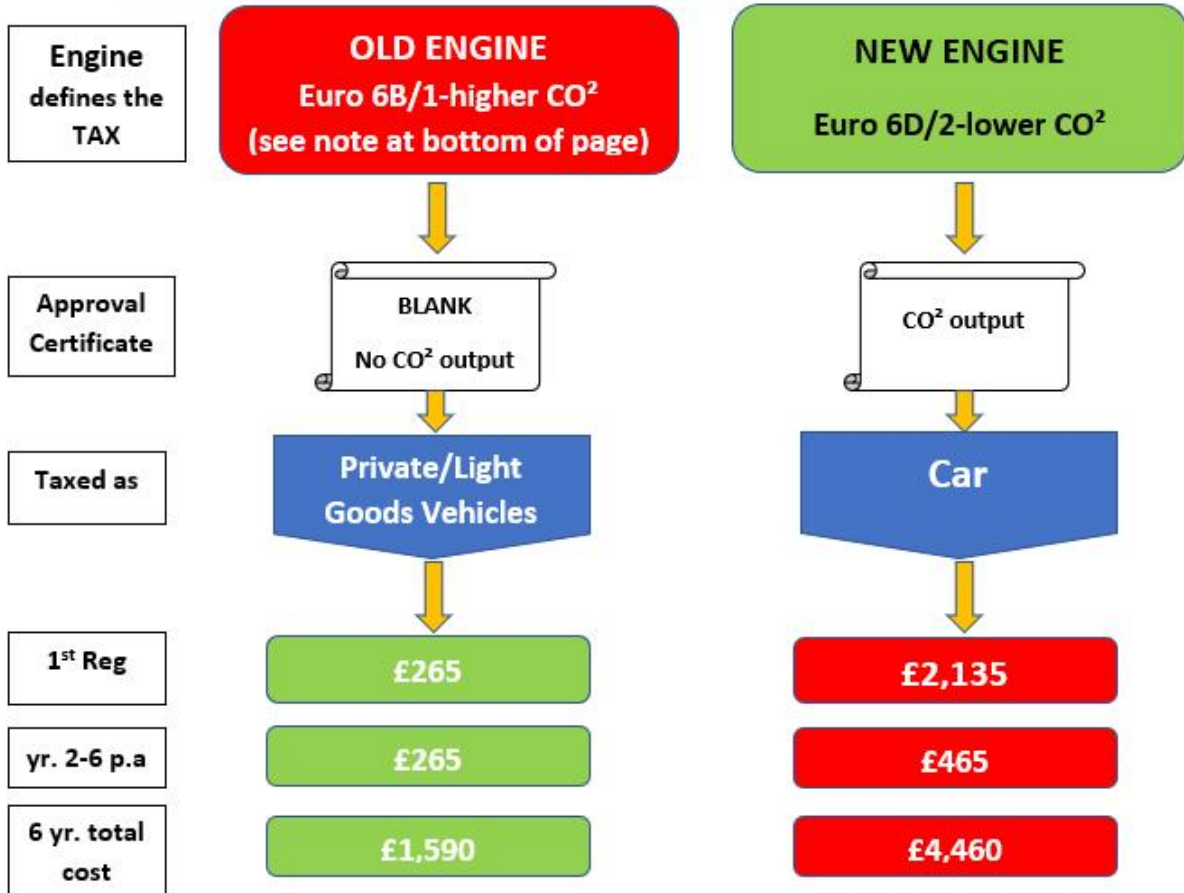
The UK motorhome industry is asking for an urgent minor amendment to the Finance Bill to reclassify motorhomes as commercial vehicles for VED and avoid a catastrophic reduction in sales, a drop off in production, impact upon UK staycations and job losses within the sector.

VED increase for motorhomes with Euro 6D/2 Engines - from 01/09/19



Motorhome manufacturer buys in the commercial base vehicle with engine installed

Motorhome manufacturer builds body and interior
 No control over engine specification



Note – All motorhomes with Euro 6B/2 engines will continue to be registered as Private/Light Goods vehicles and not as cars after 01/09/19 whilst stocks last