\*\*\*\*\*\*\*\* MP

House of Commons

London SW1A 0AA

Dear

**Re: Campaign for a Fair Motorhome Tax**

I am writing to for your urgent support in relation to the unacceptable **705% increase** in road fund tax (VED) which is now applied to new generation motorhomes first registered on or after 1 September 2019. The cost of taxation has increased from £265 a year to up to £2,135 for the first year, and up to £465 each year for the next 5 years.

As a business actively involved in the motorhome sector and a constituent, I am asking you to support the Fair Motorhome Tax campaign and to press the Chancellor to **stop taxing new motorhomes and campervans as cars.**  These vehicles are not cars and should not be taxed as such. With your support, the measure can be reversed through an amendment to the VED taxation bands in the forthcoming Budget process so that new motorhomes are taxed fairly and correctly.

This is a complex issue but there are two key points that I would like you to stress in your letter to the Chancellor, which will help outline the impact this measure is having on our business:

1. Government has referred to ‘***using the VED system to encourage the take-up of vehicles with low carbon dioxide CO2 emissions to help meet our legally binding climate change targets’.***
The new emission regulations are important, and it is right that there is a fair and robust system that encourages buyers of new vehicles to make an informed choice. However, this is simply not possible for motorhome owners who cannot choose from a pool of ultra-low or zero emission models in the same way that car owners can.

The choice of base vehicles available to motorhome manufacturers/converters, however, is extremely limited. Currently, **97% of all UK motorhomes** are built on base vehicles providing only four engine choices. By comparison, just one model of car – Ford Focus – has four different engines with very different CO2 outputs.

Any tax incentive to help encourage motorhome buyers to purchase cleaner vehicles is irrelevant until there is a choice of low-emission commercial base vehicle options available to motorhome manufacturers/converters.

1. Government has stated that ‘***On first registration, zero emission models attract a £0 rate while those with CO2 emissions over 255g/km attract a VED rate of £2,135. From the second tax payment onwards, most light passenger vehicles move to a standard rate, currently set at £145’****.*
It is important to put these statements into context.

a) A motorhome is **derived from a commercial base vehicle (category N)** which is then converted into a motorhome (category M1 (special purpose)) at the final stage of their production.

Motorhome manufacturers have no control over the production of commercial base vehicles (which are sourced from commercial vehicle manufacturers) or their engine emissions.

In the absence of a new compliant VED system for commercial vehicles (such as vans), Government has applied the graduated VED scheme – currently only in place for cars. The result is that, ironically, new generation motorhomes – fitted with the new, cleaner greener engines – attract a considerably higher rate of VED in the first year, followed by a comparatively higher rate in the following 5 years because they have moved across into the car tax band. This is simply not correct **– *a motorhome is not a car and should not be taxed as such.***

b) Motorhomes are built as high-quality leisure accommodation vehicles and they:

i) are not produced in large volumes (compared to cars or light commercial vehicles (LCV)) – 14,691 (2018) -v- 2,367,147 cars

ii) do not have high mileages – average of 3,000 miles per annum over 31 days per year -v- 8,500 for cars or 12,800 for LCV

 iii) are not high polluting vehicles -0.2% -v- 76.47% for cars.

Because they are high quality vehicles (often bespoke and hand-built), they are also priced accordingly. For all vehicles with a first registered list price over £40,000, the second-year tax payment will ***not be at the standard rate,*** currently £145, but will attract an additional £320 for the next 5 years. This means that most motorhomes will pay **tax of £465 per year** from years 2- 6 (at the current rate).

 It should be noted that Government consulted on the impact of the new emissions test (WLTP) and VED on cars and vans in 2018. Government **has not consulted** on the impact of WLTP on motorhomes and the new higher tax was introduced immediately on 1 September 2019. Many MPs have been concerned with this lack of assessment by the Government.

1. Government has not fully considered the impact of this increase on businesses in this sector, **and especially on its consumer base.**
* Currently, there are 225,000 motorhomes in use across the UK.
* Approximately 81% of motorhome owners are over 55 years old and 55% are retired.
* Contrary to popular belief, 78% of these **purchases are drawn from savings or pension funds.**
* Owners are typically thrifty and to realise their passion to travel they see ownership of a motorhome as a more flexible and affordable way to holiday in the UK, thereby helping to boost domestic tourism.
* This popular leisure activity supports manufacturing with a value approaching £0.75bn per year. The caravanning, motorhome and caravan industry contributes £9.3bn in visitor expenditure (source: UKCCA research in 2018).

It is clear that this sector has been overlooked and added into a graduated taxation system for cars, which is totally inappropriate. On the face of it, all that this will achieve is to keep older vehicles on the road and increase pollution, reduce the tax revenue for Government through the loss of registrations, production and sales, and - as is now the case - put manufacturing and service industry jobs at risk across the country.

HM Treasury has stated publicly that it ***recognises the concerns* of the motorhome sector and *keeps all taxes including VED under review.***

Therefore, we are asking you to write to Treasury with this additional information and enclose a copy of the infographic sheet attached and ask them, as a matter of priority, to:

1. **re-think** their position regarding the introduction of WLTP as it relates to motorhomes and campervans in relation to Vehicle Excise Duty (VED)
2. **separate** motorhomes from the graduated VED system for cars
3. **grant a dispensation** for motorhomes so that they are taxed as a Private Light Goods (PLG) vehicle until the matter can be properly addressed

I hope I can rely on your support and if you require any further information please visit [www.fairmotorhometax.org](http://www.fairmotorhometax.org)

Yours sincerely