

Vehicle Registration Tax

1. Vehicle Registration Tax (VRT) is an important source of revenue for the Exchequer, providing 2.9% of the total net tax receipts for 2005. It is therefore a valuable source of funds in view of the Government's strategy of reducing other taxes such as Income Tax and Corporation Tax. The yield from VRT in 2005 was €1.15bn compared with €0.95bn in 2004. The estimated yield for 2006 is €1.3bn.

VRT structure

2. The main categories within the VRT structure are as follows.

Main elements of the VRT structure

Category	Rate
A - Private Cars	
A1 Cars up to 1,400 ccs	22.5% of Open Market Selling Price (OMSP)
A2 Cars 1,401 to 1,900 ccs	25% of OMSP
A3 Cars 1,901 and over	30% of OMSP,
Category B – Car Derived Vans and some Jeeps	13.3% of OMSP
Category C - Trucks, Large Vans, Pick-ups, Tractors and Buses	€50 flat rate

3. The number of cars purchased and VRT yield in 2005 in Category A are as follows

	Category A1 [Cars up to 1400 cc]		Category A2 [Cars 1401-1900 cc]		Category A3 [Cars over 1900 cc]		Total [A1, A2 and A3]	
	Reg.	€ m	Reg.	€m	Reg.	€m	Reg.	€m
New	74,625	263.7	66,878	394.7	30,378	369.6	171,881	1,028.0
Used Imports	11,306	10.6	17,173	39.2	13,322	50.8	41,801	100.6
Total	85,931	274.3	84,051	433.9	43,700	420.4	213,682	1,128.6

In the new car market A1 accounted for 43% of cars and 25.7% of VRT yield; A2 accounted for 38.9% of cars and 38.4% of yield; and A3 accounted for 17.7% of cars and 36% of yield. In the used imported car market A1 accounted for 27.1% of cars and 10.3% of VRT yield; A2 accounted for 41.1% of cars and 39% of yield; and A3 accounted for 31.9% of cars and 50.6% of yield. Consequently used imported cars are considerably more concentrated in the higher A3 category than is the case for new cars.

The VRT yields from Category B at €13.5m (5,800 vehicles) and Category C at €3.3m (46,000 vehicles) are relatively small.

Why consider changing VRT, particularly in relation to CO2 Emissions?

4. There are a number of publications which may influence the future direction of the VRT system. These include The Green Paper on Sustainable Energy (1999); The National Climate Change Strategy Ireland (2000); and the Agreed Programme for Government (2002) which states “*We will rebalance the VRT and motor tax regimes to favour vehicles with lower carbon dioxide emissions.*”. The European Commission draft directive Proposal for a Council Directive on passenger car related taxes (COM/205/261/Final) which was presented in July 2005, started discussions of policy options at national and EU level for the taxation of passenger cars. Lastly, the Kyoto Protocol Agreement, under which, Ireland agreed to limit the growth in greenhouse gas emissions by 13% above 1990 levels in 2008-2012.

5. The EU Commission’s draft directive provides for the following:

- The **gradual abolition of Vehicle Registration Tax** over a transitional period of 5 to 10 years (abolished by 1 January 2016) – in order to avoid an excessive tax burden on those car users who have bought a car and paid a high registration tax and then have to pay a higher ACT (annual circulation tax – equivalent to Ireland’s motor tax) and fuel taxes. Time is given to MSs applying high VRT to fulfil the structural changes to their car tax systems and cover transition costs, taking into account the specific conditions of the particular car market.
- The **establishment of a VRT refund system** for cars that having been registered in a MS are subsequently exported or permanently transferred to another MS. This is to avoid double payment, and also to seek to charge VRT according to the use of the car in the MS concerned. According to the proposal, this would promote the establishment of transparent and objective criteria to establish the real residual value of used cars, and a fairer basis of calculating residual RT on such cars. It incorporates criteria set out by jurisprudence of the ECJ. A similar refund system is proposed for annual motor tax, calculated in proportion to the time spent in each MS.
- The **restructuring of MSs’ ACT** (motor tax) tax base in order to apply ACT partially or totally **based on the carbon dioxide emissions** of each car by 2010. A CO2 based element to be inserted into **VRT** by same means whilst proceeding with its abolition. By 1 December 2008, at least 25% of total revenue from VRT and ACT respectively to originate in the CO2 based element of each tax. By 31 December 2010, at least 50% (pending VRT abolition). It will be for MSs to fix the level of tax per g CO2 per km.

6. The overall aim of the proposal, as stated, is to improve the functioning of the Internal Market and contribute to the Community’s strategy to reduce CO2 emissions from passenger cars.

Ireland’s response to Commission’s proposal

7. The Minister has stated, in answer to parliamentary questions, that Ireland is willing to enter into the debate with the European Commission and other Member States of the EU about the merits or otherwise of the proposal. However, from Ireland’s perspective, VRT

provides significant revenue to the Exchequer which is used to fund vital public services. The collection of this tax is also very cost efficient, with the large majority of transactions now being done online. To change the system to say a hybrid system, which could include a CO2 element, would complicate the existing system which is regarded as relatively simple to administer.

8. While VRT is not a popular tax, it has not stifled the growth in the numbers of car sales in the State in recent years. Latest data also shows a 3.5% increase in new registrations to end-September 2006 compared with the same period last year. In addition, strong sales are expected next year (with a possible SSIA effect).

9 The Government regards VRT as a national tax that falls within the national competence. Quite simply, the mix of taxes, their levels and rates are a matter for EU Member States based on legitimate choices. However, the Government *are* open to considering environmental based measures. It is accepted that the Commission in its proposal is attempting to design a structure which ideally would go somewhat towards incentivising behaviour that reduces carbon emissions and as discussions commence the Minister has said that we would be interested in the further views of the Commission in this area in conjunction with the views of other Member States.

10. If it was decided to abolish VRT and recouping the yield through motor tax along the lines suggested by the Commission, it would shift the initial burden of VRT for ownership of a vehicle to taxation over the lifetime of the vehicle. It would result in a large increase in the average rate motor tax, requiring it to be more than doubled for example from €400 to over €950 per annum. If the yield was to be recouped fully through increasing the excise rates on petrol and diesel, these rates would be required to be increased by some 30 cent per litre in 2006 terms.

11. Due to its adverse impact, among other reasons, on the car market, and especially the second hand car market, any moves to abolish VRT would have to be phased over at least ten years. This is the line SIMI wish to be adopted and has advised against a too rapid decrease or abolition of VRT, while that still remains SIMI's final aim.

12. The Commission's draft Directive proposals were discussed at one officials' meeting in late 2005. There was little support expressed for the proposals by Member States, especially as a number of Member States, including Ireland, regard VRT and road tax as national taxes that fall within the national competence. XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
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Action is required to reduce CO2 Emissions

13. If no action is taken the total quantity of CO2 emissions relating to private car transport will increase significantly due to the likely increase in car numbers in Ireland (due to population and income increases, and the catch-up in cars ownership rates relative to other countries) and the continuing tendency to purchase larger cars. The ongoing technical

improvement in new cars will not be sufficient to overcome that trend; indeed the purchase of larger cars on its own is sufficient to offset the technical improvements affect.

14. The quantified indicative reductions (based on CO2 emissions levels from road transport in 1998) proposed for 2010 in the *National Climate Change Strategy* (2000) for the Transport sector are as follows:

Vehicle efficiency Improvements	0.77 Mt CO2
Fuel Measures (displace fuel tourism ¹)	0.9 Mt CO2
VRT, Taxes	0.5 Mt CO2
Labelling	0.1 Mt CO2
Public Transport Measures	0.2 Mt CO2
Freight	0.05 Mt CO2
Total	2.67 Mt CO2 per annum

15. The targets in the *National Climate Change Strategy* were amended in *Determining the Share of National Greenhouse Gas Emissions for Emissions Trading in Ireland 2008-2012 (March 2006)*. The quantified indicative reductions for 2010, based on already announced measures, in that Report in respect of the Transport sector include:

Vehicle efficiency Improvements	0.47 Mt CO2
Fuel Measures (displace fuel tourism)	0.0 Mt CO2
VRT ² , Taxes, Labelling	0.050 Mt CO2
Port Tunnel	0.100 Mt CO2
Public Transport Measures	0.170 Mt CO2

16. If the target of 0.5Mt CO2 in the *National Climate Change Strategy* (2000) for ‘VRT and Taxes’ is increased to take account of the projected CO2 emissions level from road transport of 13.03Mt in the period 2008-2012, it would increase the target for ‘VRT and taxes’ to 1.427Mt. To purchase this amount of CO2 permits could cost around €23m per annum (assuming a CO2 permit price of €16.15 per tonne). Nevertheless, if other targets are not achieved, the Exchequer may be required to raise additional funds through increasing VRT, excise (including VAT) and Motor Tax or other measures to purchase CO2 permits.

17. The average emissions of new petrol and new diesel cars entering the National fleet in 2005 were for new petrol vehicles 166g CO2 per km or approximately 3% (five grams) less than for diesel vehicles at 171g CO2 per km. The average for new cars, petrol and diesel combined was 167g CO2 per km. It must be noted that there is significant variation in the emissions of similar engine sized cars. For a given engine size, diesel cars tend to produce

¹ Fuel that is bought in the State but used outside the State. The international practice is that national sales of fuel are used as the basis for calculating CO2 emissions from Transport. It is estimated that around 10% of petrol and 25% of diesel sold in the State in 2004 was consumed outside the State.

² The target stated here, in respect of already announced measures, is likely to include the change announced to the entry point to the A3 category in Budget 2003, which reduced the entry point for engine size from over 2000cc to cars with engine size of over 1900cc.

less CO₂ than petrol cars³. Although diesel cars may produce less CO₂ than similar sized petrol cars, they produce higher emissions in other areas.

Issues to be taken into account in considering moving to a more CO₂ emissions related VRT system

18. In considering moving to a more CO₂ emissions related VRT system, either partly or fully, there are a number of issues that have to be taken into account, including reasons for making such a move on a phased basis over a period of years.

- Too rapid a move would adversely affect especially the second hand car market.
- Given the yield from VRT it would be very unwise to put such a level of revenue at risk, even if the risk is rather limited, all at the one time.
- Cars result in costs and have adverse effects on society beyond those arising from CO₂ emissions and consequently there is a strong case to be made for not having VRT, and indeed motor tax, even in the long term, set solely in relation to CO₂ emissions.
- Unless it is planned to abolish VRT, or reduce significantly the yield from VRT, the changes made should be broadly revenue neutral, at least in the short term.
- Success in reducing CO₂ emissions will reduce revenue over time.
- Any new or revised VRT system must be able to be applied to second hand imports as well as to new cars.
- Any short term, or immediate, changes being made should be such that they do not prevent further progress being made or predetermine the longer-term structure and for the VRT system.
- The changes should be such that they facilitate, if so desired, the ongoing progress towards making VRT ever more CO₂ emissions related.
- Any more CO₂ emissions related VRT system should take account of the Emissions Labelling system the Department of Environment, Heritage and Local Government are considering rather than adopting a different approach.
- VRT is effectively a self-assessment tax and the VRT system should be as easy as possible to understand, apply and administer.
- Any new VRT system should be internally balanced and consistent as a tax.
- Introducing an partly or fully CO₂ emissions related system across all new and second hand cars would take 6 to 8 months to technically implement. (Changes in existing rates and bands or adding an extra band could be technically implemented at fairly short notice.)
- SIMI have also stressed that, as their members, order cars well in advance, they would need reasonable advanced notice of any significant changes being made.

³ Sustainable Energy Ireland comments “Diesel has a higher energy content per litre than petrol by approximately 10%. For a given engine size, diesel is also approximately 5 to 10% more efficient than petrol and so have lower CO₂ emissions. Diesel cars however, tend to be heavier than their petrol counterparts and are favoured in the larger engine capacity ranges.”

Action being taken by the Department of Environment, Heritage and Local Government

19. The Department of Environment, Heritage and Local Government have expressed their support for a restructuring of VRT in order to impact on greenhouse gas emissions. That Department are presently looking at the feasibility of placing motor tax on a more related CO2 basis. In this regard one of the possibilities they are considering is the feasibility of having two elements to motor tax, one relating to engine size and the second to CO2 emissions bands. Such a system if introduced from January 2008 would apply only to new vehicles. The existing motor tax system would continue to be applied to existing registered vehicles.

20. The Department of the Environment are also devising a new CO2 Emissions Labelling system whereby all new cars would have a clear and distinctive label showing its CO2 Emissions level. The Bands, which have not yet been determined, may be some what on the lines indicated in the following Table. Using information relating to the CO2 emissions of **new** cars registered in 2005, the last row of the Table also show, for information, the distribution of **new** cars registered in 2005 between the various CO2 Emission Bands.

CO2 Emissions Bands	A	B	C	D	E	F	G
gCO2/km	0-125g	126-145g	146-155g	156-170g	171-190 g	191-225g	Over 225g
New Cars in Band (2005)	6,570	31,003	24,537	52,964	32,294	15,097	8,342

Some Possible Options for Adjusting VRT

Option 1

Amend VRT and recover yield by increased excise on fuels to make the polluter pay for their contribution of CO2 emissions from road transport

21. Reduce VRT for all Category A vehicles by 2.5 percentage points, along the lines suggested by SIMI, would cost approximately €127m in a full year. Given the strong demand for cars, and the possible costs of meeting the Kyoto Protocol, there is no case for a loss in VRT yield without seeking to recoup the yield by other means from the motorist. If this reduction in revenue was to be recouped by increasing the excise rates, the excise rate for petrol and diesel would need to increase by around 3 cent per litre.

22. In terms of equity, a reduction of 2.5% in VRT rate would reduce the price for cars by a greater value for expensive larger vehicles. Reductions would be lowest for cheaper cars, which would tend to be vehicles under 1.4 litres. There would also be an impact on the residual value of existing cars. A small decrease in VRT would impact by lowering somewhat the resale value of existing cars in the fleet.

23. Increases in excise on fuel, would be likely to create a reaction amongst the public. There could be protests against the price rises, this may be from those in rural areas dependent on private cars for travel, or the disabled, as well as members of the general

(d) New Bands for both large and small engine cars

28. Introducing two additional bands for example (i) VRT rate of 15% for vehicles up to 1200 cc and (ii) VRT rate of 35% for vehicles with engine size of over 2500cc, would lead to increased revenue of around €10m. We would then have a five band rather than the current three band VRT system.

29. There are endless other combinations of possible changes that could be made, including changing where the existing engine size band levels apply, e.g. move the A1 band cut off point from 1400cc to 1300cc (26% of new cars and 15% of used imports are in that band), the A2 band cut off point from 1900cc to 1800cc (7% of new cars and 17% of used imports are in that band) etc. Such moves would however affect a large number of cars purchased increasing their VRT rate by 2.5% and 5% respectively.

Option 3. Realign VRT on a CO2 emissions basis

30. VRT is a tax on the initial registration of a vehicle. If one analyses the CO2 emissions data with regard to new passenger vehicles (Category A) entering the fleet in 2005, and it is assumed that each of these vehicles travels one km, it is possible to estimate an approximate yield per gram. The yield from new Category A vehicles in 2005 is apportioned by the notional CO2 emissions produced if each car travelled the notional distance. After a number of necessary readjustments are undertaken a notional cost of €40 per gram of CO2 emerges.

31. If this estimate is used to project the possible cost per vehicle of putting VRT on a CO2 emissions basis, it shows that for most vehicles in the A1 category the tax payable would increase. On the other hand, the tax payable by larger vehicles in the A3 class in general would decrease. Although this could be equitable in terms of charging per gram basis, this could create a situation where there would be increased demand for larger cars. In addition, it would not take into account the distance travelled by vehicles, or the maintenance or upkeep of the vehicle.

32. There are various possibilities which could be followed up that could impose a charge creating a link to CO2 emissions of a vehicle. These would include imposing a surcharge of VRT on vehicles which produce more than a given target. There are a huge number of possible options in this area. These would include options with regard to setting of the target:

- It could be set on the basis of charging a supplementary rate for vehicles which produce CO2 emissions (on a g per km basis) above the average of the new vehicles entering a fleet in the previous year.
- It could be set on the basis of charging a supplementary rate for vehicles which produce CO2 emissions (on a g per km basis) above the average of a particular VRT category in the previous year.

33. The type of surcharge could include the following range of options:

- A flat rate per gram. Charging a supplement in this manner would tend to have a bigger effect on smaller engine sized vehicles.
- A nominal flat rate (such as €500 or €1,000)
- As a percentage of the OMSP. This would create complications to the administration of the system.

Depending on where the CO2/km levels were set this could result a loss in revenue of up to 2-4% of VRT yield. This loss however could in part be off set by bringing in a high cc band at 35% for say vehicles over 2500cc. [Having both a decrease and increase depending on CO2 emissions levels within each band would result in no one actually paying the VRT rate for that band, e.g. in this case they pay 20% or 25% but not 22.5%].

42. The VRT rate structure might then look like the following, with a difficult to meet CO2 Emissions Labelling target set [For information on CO2 Emissions Labelling see Para 20 above]:

CC Bands	Normal VRT rate	VRT rate where the vehicle qualifies for the CO2 Emissions VRT reduction (2.5%)	CO2 Emissions Label to get VRT Reduction	Number of <u>new</u> cars in 2005 which would have benefited from CO2 VRT reduction
A1 (1400 and lower)	22.5%	20%	A	4,489
A2 (1401 – 1900)	25%	22.5%	B and lower	9,593
A3 (1901 – 2500)	30%	27.5%	C and lower	4,500 Est
A4 (2501 and higher)	35%	32.5%	D and lower	1,000 Est

If the CO2 Emissions Labelling target was made easier the following numbers of new cars could have benefited.

CC Bands	Normal VRT rate	VRT rate where the vehicle qualifies for the CO2 Emissions VRT reduction (2.5%)	CO2 Emissions Label to get VRT Reduction	Number of <u>new</u> cars in 2005 which would have benefited from CO2 VRT reduction
A1 (1400 and lower)	22.5%	20%	B and lower	27,545
A2 (1401 – 1900)	25%	22.5%	C and lower	14,673
A3 (1901 – 2500)	30%	27.5%	D and lower	6,000 Est
A4 (2501 and higher)	35%	32.5%	E and lower	2,300 Est

43. When such a system is introduced it would be difficult to advance it forward towards increasing the CO2 Emissions related element. It also effectively would influence people's decision only around one CO2 emissions point within each band and thereby may not be very effective in encouraging people to buy lower emissions cars.

Option 5: Keep the existing system of VRT but make a significant part of the VRT charge CO2 Emissions related

44. This option is more CO2 emissions related than Option 4. It is to reduce each of the current cc VRT bands by 5 percentage points to 17.5%, 20% and 25%. This would reduce the VRT revenue take by slightly under 20%. This would then be recouped by adding on to the new rates system a CO2 emissions related rate solely dependent on the CO2 emissions. This add-on could be as follows with a 1.5 to 2 percentage point increase for each increase in CO2 emissions band, with no extra increase in the case of the A Emissions band; this would be Emissions Band A= + 0%; B= +1.5%; C= +3%; D= + 4.5%; E= +6%; F= +8%; and G= +10%. Using the Department of Environment's CO2 Emissions Labelling bands the new VRT system (rates grid) would look as set out in the following Table.

Effective VRT Rates

CO2 Emissions	Bands	A	B	C	D	E	F	G
	gCO2/ km	0-125g	126- 145g	146- 155g	156- 170g	171- 190 g	191- 225g	Over 225g
CO2 Emissions VRT Addition	Related Rate	(+0%)	(+1.5%)	(+3%)	(+4.5%)	(+6%)	(+8%)	(+10%)
CC Bands	CC VRT rate	%	%	%	%	%	%	%
A1 (1400 and lower)	17.5%	17.5	19	20.5	22	23.5	25.5	27.5
A2 (1401 – 1900)	20%	20	21.5	23	24.5	26	28	30
A3 (1901 and higher)	25%	25	26.5	28	29.5	31	33	35

45 The system is not simple, with a grid of 21 rates, but having VRT related to CO2 emissions is not easy to do while also preserving revenue and some CC relationship. Depending on the VRT rates set and the CO2 Emissions Labelling bands adopted it could increase or reduce VRT yield. However only about a fifth of overall current VRT yield is put to any risk (and that is a low risk), in the introduction of the CO2 emissions related element. Instead of the current 7.5 percentage points difference between the bottom and top VRT rates, there would then be a difference of 17.5%. There would also be a CO2 emissions reduction incentive across all vehicles classes and not confined to one particular Label in each cc band as in Option 4. Details of the numbers of new vehicles that would fall into each category in this example are set out in Annex 1.

46. In this example, vehicles with CO2 emissions of Label C and lower have their VRT rates reduced by 2% to 5%. Vehicles with CO2 emissions of Label E and higher have their VRT rates increased by 1% to 5%. VRT for vehicles with CO2 emissions of Label D broadly remain the same. Detailed costings would be needed before the precise VRT rates are set.

47 If, in time, it was decided to increase the CO2 emissions related VRT element, a further reduction in the rates for the engine size cc related part could be made and increases made in the rates relating to the CO2 emissions element.

Other Issues

Sports Utility Vehicles (SUVs)

48. The question of imposing additional charges on SUVs as an environmental and congestion charge continues to feature in the media. The mechanism for such a charge in the existing VRT system would be difficult to administer principally due to definitional problems. SUVs, typically incur VRT at 30% (the top rate) as they would tend to be among the larger type of passenger vehicles sold. If it was considered desirable, an additional band at a VRT rate of 35% for vehicles with engine size of over 2500cc could be introduced. This would, as indicated above, lead to increased revenue of around €33.3m. In 2005 some 8,300 vehicles (new or used imports) with engine size over 2500 cc were purchased.

Hybrid electric vehicles

49. A remission/repayment scheme for certain hybrid electric vehicles was introduced in January 2001. The purpose of the scheme – which provides for a 50% reduction in the VRT charge – is to encourage the purchase of vehicles that use a combination of an internal combustion engine and an electric motor to derive motive power. This hybrid electric technology results in significantly lower pollutant emissions than similarly sized conventional vehicles powered exclusively by internal combustion engines. The scheme was extended until 31 December 2007, by the Finance Act 2006. Some 1,400 of such vehicles have been purchased to date.

Flexible Fuel Vehicles

50. Budget 2006 introduced a VRT relief for flexible fuel vehicles for a two year period. These cars can run on biofuels and may also run on petrol and diesel. It is possible, therefore, that there may be some abuse of the scheme – this is particularly likely in the interim as supplies of biofuel in the short term may be limited. There are various claims about the CO2 emissions of these vehicles, and debates over what elements to count when calculating their CO2. Some 55 such vehicles have been purchased this year to date.

Pre Budget Submission from SIMI

51. SIMI are pursuing the following changes in the VRT area in their pre-Budget submission:

- a reduction of 2.5% in the rates of VRT, as requested since 2001,
- the introduction of a VRT refund for used cars exported out of Ireland in light of the high and rapidly growing number of cars being imported into Ireland.
- Exclude safety elements from the VRT net, on cars complying with Euro 4 emission requirements [e.g. €1,500 VRT be deducted from all cars that have in excess of two airbags and comply with Euro 4 emissions standards (the later are essentially all passenger vehicles manufactured in the EU in 2006)]. and
- A new scrappage scheme of €1,500 for old passenger cars in excess of eight years being scrapped on the purchase of a new car.

52. Regarding SIMI's first proposal, reducing VRT for all Category A vehicles by 2.5% would cost approximately €127m in a full year. Given the strong demand for cars, and the possible costs of meeting the Kyoto Protocol, there is no case for a loss in VRT yield without seeking to recoup the yield by other means from the motorist. If this reduction in revenue was to be recouped by increasing the excise rates, the excise rate for petrol and diesel would need to increase by around 3 cent per litre. [See also Option 1 above para 21-23].

53. Regarding the introduction of a VRT refund for used cars exported out of Ireland, extrapolating figures is difficult here since we cannot be sure of the precise number and value for VRT purposes of used cars that might be exported, and the number of new cars that would be bought directly due to the introduction of this measure. XXXXXXXXXXXXXXXXXXXX
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was over €56m in 2005. The average benefit per person in the scheme per year is estimated to be over €5,500.

59. The Report of the Interdepartmental Review Group, which was published in July 2004, sets out in detail the genesis and development of the scheme, the current benefits, the Exchequer costs, the various requests to broaden the eligibility criteria and various recommendations for changes to the scheme. The Government has agreed that the Minister for Finance will consider the Report on an ongoing basis in the overall Budgetary context having regard to the existing and prospective cost of the Scheme. This consideration is undertaken on a regular basis.

60. The views of the TSG are invited.

Department of Finance
October 2006

Petrol New Cars sold per VRT Band and CO2 Emissions - 2005

CO2 Emissions		A	B	C	D	E	F	G
Bands	gCO2/km	0-125g	126-145g	146-155g	156-170g	171-190g	191-225g	Over 225g
CC Bands	VRT rate	(+0%)	(+1.5%)	(+3%)	(+4.5%)	(+6%)	(+8%)	(+10%)
A1 (1400 and lower)	17.5%	2,990	22483	14213	29953	2510	10	11
A2 (1401 – 1900)	20%	296	252	1072	20650	21810	5985	838
A3 (1901 and higher)	25%	44	5	35	54	2679	3640	3558
Total		3330	22740	15320	50657	26999	9635	4407

Diesel New Cars sold per VRT Band and CO2 Emissions - 2005

CO2 Emissions		A	B	C	D	E	F	G
Bands	gCO2/km	0-125g	126-145g	146-155g	156-170g	171-190g	191-225g	Over 225g
CC Bands	VRT rate	(+0%)	(+1.5%)	(+3%)	(+4.5%)	(+6%)	(+8%)	(+10%)
A1 (1400 and lower)	17.5%	1599	473	22	12	6	1	1
A2 (1401 – 1900)	20%	1553	7492	4008	528	1210	726	3
A3 (1901 and higher)	25%	88	298	5187	1767	4079	4735	3931
Total		3240	8263	9217	2307	5295	5462	3935

New Cars (Petrol + Diesel) sold per VRT Band and CO2 Emissions - 2005

CO2 Emissions		A	B	C	D	E	F	G
Bands	gCO2/km	0-125g	126-145g	146-155g	156-170g	171-190g	191-225g	Over 225g
CC Bands	VRT rate	(+0%)	(+1.5%)	(+3%)	(+4.5%)	(+6%)	(+8%)	(+10%)
A1 (1400 and lower)	17.5%	4589	22956	14235	29965	2516	11	12
A2 (1401 – 1900)	20%	1849	7744	5080	21178	23020	6711	841
A3 (1901 and higher)	25%	132	303	5222	1821	6758	8375	7489
Total		6,570	31,003	24,537	52,964	32,294	15,097	8,342