



## Green measures

### Fuel Duty

The Chancellor announced that the reduction in pump prices means the 2p per litre increase on fuel duty will take effect from 1 December 2008. Further increases of 1.84p per litre from 1 April 2009 and 0.5p per litre above indexation from 1 April 2010 will go ahead, as planned.

#### *Comment*

*The Government appears to be returning to their planned regular increases in fuel duty, although this was linked in the speech to the reduction in VAT.*

### Vehicle Excise Duty

Six new bands of VED will be introduced in 2009, the Chancellor announced, taking the total to 13. By 2010 the rate bands will start to separate out, with increases of up to £30 that year. Also due in 2010 is the First-Year Rate – the new higher Year One VED rate for new cars.

#### *Comment*

*The Government are determined to follow through with this measure in the 2008 Budget although responding to pressure from the backbenches the increases will not be significant until 2010.*

### Air Passenger Duty

New air passenger duty rates will apply from 1 November 2009, based on four distance bands, and increase from 1 November 2010, when the maximum standard rate will stand at £170.

#### *Comment*

*The new bands are set by reference to the distance from London to the capital city of your destination country at intervals of 2,000 miles. The increase in 2010 is a doubling of the new rates that particularly affect journeys of more than 4,000 miles.*

**For more information, contact**

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