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# Latest Car Tax Rates 2025/2026: How much is my road tax?



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# new VED Band prices and discover the latest road tax for your car.

If you've got a car, you need to know about Vehicle Excise Duty (VED), better known as car tax or road tax.

With a few exceptions (which we'll talk about below), you have to tax your car, even if you don't actually have to pay anything. And the rules are regularly shifting. In this article, we'll explain the basics of car tax, who has to pay what and why, and how things are changing in the future.

## How does car tax work in the UK?

To drive a car in the UK, you have to pay tax to the Government. This tax, known as Vehicle Excise Duty, is based on how polluting your car is – the more your car emits from its exhaust, the more you have to pay. (Broadly speaking. The rules have changed over the years and will continue to do so, but more on that shortly.) You can pay for your car tax annually, every six months or monthly.

The amount charged for car tax generally rises each year in line with inflation, as defined by the Retail Price Index (RPI). The last rise was on 1 April 2024. Things will change again on 1 April 2025 – and if you drive an [electric car](#), they'll change quite dramatically.

The money raised from VED goes into the general taxation pot to be spent on all sorts of things. It's not, as is commonly (but mistakenly) thought, ringfenced to spend on maintaining the road network.

## Key points for car owners and buyers from 1 April 2025

The Government's Autumn Budget in 2024 set out some big changes for VED from

**means you could have a £5500 road tax bill in the first year.**

- Electric car buyers will pay the lowest first year rate of just £10 – this is fixed until 2029-30 and replaces the previous zero rate.
- Low-emission cars (1-50g/km of CO<sub>2</sub>) will see rates increase from £10 to £110 – and this includes some hybrid cars.
- Cars emitting 51-75g/km CO<sub>2</sub> will see an increase in the first year rate of tax from £30 to £130.
- Cars emitting 76g/km CO<sub>2</sub> or more will see the first year rate of tax **double**. This will mean that if you buy a new car that emits 91-100g/km of CO<sub>2</sub>, the price will increase from £175 to £350.
- A car emitting 151-170g/km CO<sub>2</sub>, currently taxed at £680, will rise to £1360.
- Most significant is the increase for the highest emitting new cars, with models that emit 255g/km CO<sub>2</sub> seeing a first year tax rate increase from £2745 to a hefty £5490.

VED rates for cars, vans and motorcycles after the first year will also increase in line with RPI from April 1st 2025. This will see an increase of £5 from £190 to £195 from 1 April. In addition, the hybrid vehicle discount has been removed, and all vehicles will pay the same standard rate.

## Latest VED tax bands (2025/2026)

The table below shows you the car tax you'll need to pay up from the start of April 2025. There's a small increase in VED rates in line with RPI, but significant increases for first year tax rates.

CO <sub>2</sub> emissions	Standard
0 g/km	£195
1 to 50 g/km	£195
51 to 75 g/km	£195
76 to 90 g/km	£195
91 to 100 g/km	£195
101 to 110 g/km	£195
111 to 130 g/km	£195
131 to 150 g/km	£195
151 to 170 g/km	£195
171 to 190 g/km	£195
191 to 225 g/km	£195
226 to 255 g/km	£195
Over 255 g/km	£195

## How much is my car tax 2025/2026?

How much your car costs to tax in 2025 and 2026 will depend on the car and when it was first registered. Different rules apply to cars of different ages.

The most recent rule change was in April 2020, when a different method of measuring a car's emissions was introduced. It uses the Worldwide Harmonised Light Vehicle Test Procedure ([WLTP](#)), which is a standardised test intended to better reflect real-world results than previous methods of measurement.

Let's run through the various permutations.



When you buy a brand-new car, the first year's tax is included in the on-the-road (OTR) price. That means that you generally won't notice it, although it's worth noting how much it is. The amount is based on your car's carbon dioxide (CO2) emissions.

From 1 April 2025 the amount charged for the first-year ranges from £10 for zero-emissions cars (that's electric cars to you and me), up to a whopping £5490 for the most polluting models, with CO2 emissions of 255 grams per kilometre (g/km) or more.

## What brand-new cars are tax exempt?


At the start of 2025, if you buy a brand-new zero-emission car – i.e. an electric car – the first-year tax rate is £0.

However, that's set to change from 1 April, when electric cars will move to the lowest chargeable rate **for the first year**. That's currently £10.

## What about tax on a brand-new car after the first year?

After the first year, there's a flat rate of tax per year, which from 1 April 2025 is £195. However, if you have a car that had a list price of more than £40,000 when it was first registered, you have to pay a surcharge of £425 for the next five years, making a total of £620.

That £40,000 mark includes options, so keep a close eye on what was added to your car if you're buying used. Electric cars were previously exempt from the £40,000 surcharge, but won't be from April. Nor is there any discount for hybrid vehicles.



Yes, they will. New zero-emission (electric) cars registered from 1 April 2025 will incur the lowest first-year rate of VED, which is £10 . After that, they'll attract the standard rate of tax – £195 a year – unless they cost more than £40,000 when new. In that case, they'll have to pay the premium car surcharge for five years, which using current rates means an annual bill of £620, after which only the standard rate will be charged.

Existing electric cars, registered from April 2017 but before April 2025, will also be liable for the standard rate of VED. Zero and low-emissions cars registered between March 2001 and the end of March 2017 will move up a band, from Band A to Band B, which currently attracts a rate of £20 a year.

## Older cars registered between 2001 and 2017

If you drive an older car, the car tax rules are different. Here's how.

If your car was registered between 1 March 2001 and 31 March 2017, you don't pay a flat rate in the way that you would for a newer car. Instead, your tax is calculated based on your fuel type and its CO2 emissions rating, as per your car's V5C registration certificate (also known as the logbook). The emissions put it into a band, from A to M, which dictates what the annual fee is.

Band A was tax-free at one point, from but from 1 April 2025 Band A cars move to Band B, paying £20 a year.

Still, this could work out as being a lot cheaper than a newer car – something well worth considering when looking at used cars. Cars that were registered either side of the rule change could bring you very different tax bills, even if they're exactly the same.

Once again, you can pay annually, or every six months or monthly by Direct Debit for a 5% surcharge. Alternative fuel cars used to get a discount of £10, but that will be discontinued from 1 April.

# Car Tax for cars registered between 1 March 2001 and 31 March 2017

The below rates are for the 2025-2026 tax year

Vehicle Excise Duty Band	CO2
A	Up to
B	101 to
C	111 to
D	121 to
E	131 to
F	141 to
G	151 to
H	166 to
I	176 to
J	186 to
K*	201 to
L	226 to
M	Over 2

\* This includes cars emitting over 225g/km registered before 23 March 2006.

## What pre-2017 cars qualify for free car tax?

While newer cars only skip an annual payment if they're fully electric, older cars can sneak under the payment limit if they emit less than 100g/km of CO2 according to official figures.

These cars generally tend to be smaller vehicles with small capacity engines, but there are lots of them. You'll need to dig into the specifics of each model, as much depends on when they were made, exactly what engine and trim spec they have, and of course when they were registered. They range from versions of the [Ford Fiesta](#) through to the [Volkswagen Golf](#) and even the [Nissan Qashqai](#) SUV.

Hybrids and particularly plug-in hybrids can also fit into this category, such as the BMW 330e PHEV.

## Cars registered before 2001

If your car was registered before 1 March 2001, then the tax rules are completely different. Gone is the reliance on CO2 emissions, because the figures for cars this old aren't readily available. Instead, you'll be taxed solely on the size of the engine.

That makes things pretty straightforward. Engine under a 1.5-litre? That'll be £210 a year. Anything bigger will be £345.

(Actually, the lower category is not exactly 1.5 litres, it's specifically "not over 1549cc". So you'll have to check the minutiae of the engine specifications for the car you're looking for if it's marketed as a 1.5.).

## What cars are exempt from car tax?

While some cars – such as electric cars – don't need to pay car tax, they still need to be registered. However, some cars are completely exempt. They include:



applies to one vehicle though – if you have more than one car, you will need to pick one to be exempt.

- **Historic vehicles.** If your car was made before 1 January 1985, it's exempt from car tax from 1 April 2025=. This date moves forward by one year from April each year.
- **Cars used for agriculture, horticulture and forestry.** As well as tractors and agricultural engines, limited use vehicles that are used only for short journeys on a public road are exempt from car tax. However, the journeys must be between land owned by the same person.

## Your Car Tax questions answered

What older cars qualify for free car tax?



Do any new cars qualify for free car tax?



How do you qualify for free car tax?



How did the system change in 2017?



Do disabled drivers get free road tax?



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