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RAC supports Bill calling for tax transparency for motorists at the pumps

The RAC is renewing its call for the amount of money generated by fuel duty at each forecourt fill-up to be shown clearly on receipts by throwing its weight behind the Vehicle Fuel (Publication of Tax Information) Bill being introduced by Peter Aldous MP today.

The changes outlined in the bill, which is promoted by FairFuelUK, would enable motorists to see just how much tax they are paying to the Treasury in both fuel duty and VAT every time they buy fuel.

At the current price of 120p for a litre of unleaded, 57.95p is fuel duty and 20p is VAT, making the cost of the fuel itself, including oil company costs and retailer margin, just 42p. This means the total tax take per fill-up stands at 65%. However, when fuel prices were lower this time last year, the proportion paid in taxation was even greater at around 75%.

Fuel duty currently raises more than £27bn** for the Treasury, and with VAT on top of this, the total tax burden on the motorist is closer to £35bn**.

Even though prices at the pumps are considerably lower than the highs of 142p a litre for unleaded and 147p for diesel in April 2012, the price of fuel continues to be an issue of major concern to motorists. Research from the RAC's latest Report on Motoring* found that 1 in 4 (24%) motorists still see the price of fuel as a significant concern.

At the beginning of 2016 petrol and diesel were both widely available for under £1 a litre – levels not seen since 2009. Now however, the average price of a litre of unleaded has risen to 120.05p with diesel higher at 122.27p, which means it now costs motorists around £10 more to fill up a typical 55-litre family car with petrol and £12 extra for diesel car drivers. A motorist buying 55 litres of petrol would pay a total of £66.03 – £23.15 for the fuel, £31.87 in duty and £11 in VAT.

RAC fuel spokesman Simon Williams said: "We have been calling for some time for fuel receipts to show how much of each fill-up goes to the Treasury so we wholeheartedly support the bill being put forward today by Peter Aldous MP.

"Motorists know how much Vehicle Excise Duty they have to pay to keep their vehicle on the road so it seems ridiculous they have no idea how much duty they are paying to the Treasury when they fill their vehicles with fuel. This Bill really shouldn't be controversial, it is just a long overdue form of transparency that everyone who drives a vehicle ought to be entitled to see.

"We would hope that MPs from all sides of the House will show their support by allowing this Bill to progress and that the Government takes notice of just how popular this measure would be with motorists."

Notes to Editors

- * The RAC Report on Motoring 2016 is based on a large-scale internet survey carried out by Quadrangle on behalf of the RAC. In total, Quadrangle interviewed 1,714 British motorists (i.e. those who hold a current driving licence and drive at least once a month).
- ** Figures based on RAC submission to Autumn Statement.

About the RAC

With more than eight million members, the RAC is one of the UK's most progressive motoring organisations, providing services for both private and business motorists. Whether it's roadside assistance, insurance, buying a used car, vehicle inspections and checks, legal services or up-to-the-minute traffic and travel information – the RAC offers a solution for all motoring needs. The RAC is committed to making motoring easier, safer, more affordable and more enjoyable for drivers and road users.

The RAC is the motorist's champion and campaigns to support the interests of its members and UK motorists at a national level, including advancing levels of road safety, supporting the needs of young drivers and voicing concerns about the increasing cost of motoring. The RAC's annual Report on Motoring – first published in 1989 – provides a clear insight into the concerns and issues facing today's motorists.

For the very latest news on UK fuel prices, check <u>RAC Fuel Watch</u> or follow <u>#racfuelwatch on Twitter</u>. This is a comprehensive guide to the latest UK unleaded petrol and diesel prices – both at the wholesale level and at the pump. RAC Fuel Watch analyses how prices changed through the previous month and compares the most recent prices with those from three, six and 12 months before.

Key facts:

- RAC patrols fix four out of five vehicles at the roadside and on average within 30 minutes
- RAC vans carry more than 500 parts and tools to get members'

- vehicles going again
- 92% of members would recommend RAC Rescue to their friends and family

Contacts



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