

CAR ALLOWANCES 2010/11

Further to the Chancellor of the Exchequer's announcement that VAT is to be increased from 17.5% to 20% with effect from 4 January 2011, the National Joint Council has produced a circular setting out the amended rates of VAT per mile in the petrol element that will apply from 4 January.

Please find below the relevant circular setting out the amended rates.

The table set out in Employment Briefing E03-10 will continue to apply until the above date.

This briefing was issued by Jane Moore, Solicitor

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National Employers for Local Government Services

**To: Chief Executives in England, Wales and N Ireland
 (additional copies for HR Director and Finance Director)
 Members of the National Employers' Organisation
 Regional Directors
 Secretaries of the Local Government Associations**

14 July 2010

Dear Chief Executive,

**NJC CAR ALLOWANCES 2010/11
 CHANGE TO VAT: 4 JANUARY 2011**

The Chancellor of the Exchequer announced in the Budget that VAT is to be increased from 17.5% to 20% with effect from 4 January 2011.

As a result, the amount of VAT per mile in the petrol element of the NJC Car Allowances will change. The new figures – applicable to the current NJC mileage rates until 31 March 2011 - are shown below, underlined in bold type.

	<u>451 - 999cc</u>	<u>1000 - 1199cc</u>	<u>1200 - 1450cc</u>
<u>Essential Users</u>			
Lump sum per annum	£846	£963	£1,239
Per mile first 8,500	36.9p	40.9p	50.5p
Per mile after 8,500	13.7p	14.4p	16.4p
Petrol Element	9.406p	10.366p	11.288p
Amount of VAT per mile in petrol element	<u>1.567p</u>	<u>1.727p</u>	<u>1.881p</u>
<u>Casual Users</u>			
Per mile first 8,500	46.9p	52.2p	65.0p
Per mile after 8,500	13.7p	14.4p	16.4p
Petrol Element	9.406p	10.366p	11.288p
Amount of VAT per mile in petrol element	<u>1.567p</u>	<u>1.727p</u>	<u>1.881p</u>

Yours sincerely,



Sarah Messenger
 Employers' Secretary