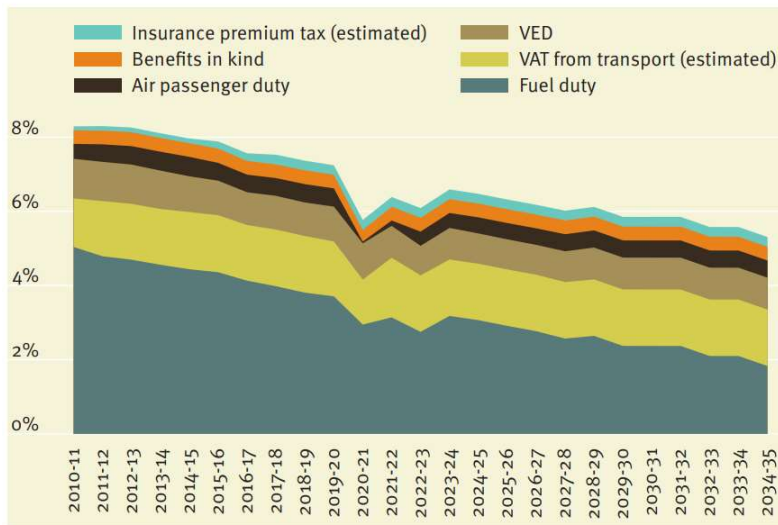


# Road user charging

Johann Beckford, policy adviser  
February 2024

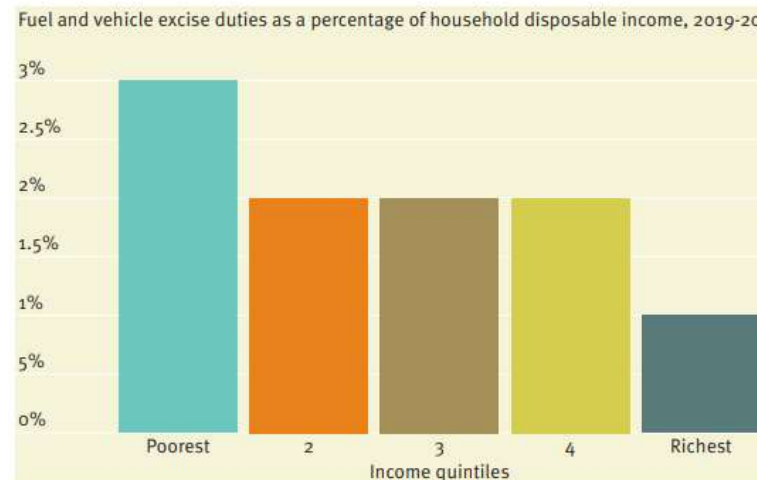
# Why care about road taxes?

Estimated annual transport taxes as a percentage of total taxes



1. Safeguard future tax revenue
2. Taxes should be green
3. Reduce existing unfairness

Transport taxes affect poorer people more<sup>16</sup>



# Rates

## Flat rate user charging (£/mile)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Cars	0.02	0.02	0.02	0.03	0.03	0.03	0.04	0.04	0.04	0.05	0.06
LGVs	0.02	0.02	0.03	0.04	0.04	0.05	0.05	0.05	0.06	0.06	0.07
HGVs	0.08	0.10	0.12	0.15	0.15	0.18	0.19	0.19	0.24	0.25	0.31

## Emissions varied 'top up' charge (£/mile)\*

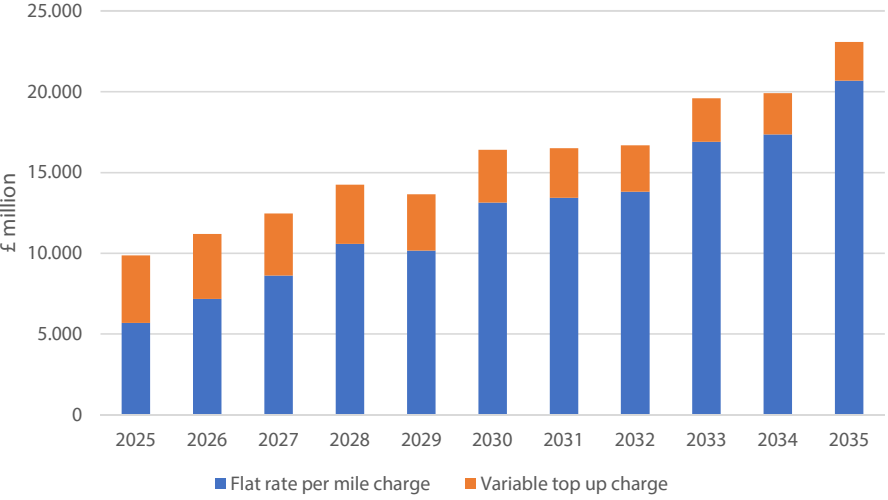
	ICE	PHEV	EV
2500 -5000 miles	0.02	0.01	0.01
5000 miles	0.03	0.02	0.01

\* Top up charges only apply to cars and vans

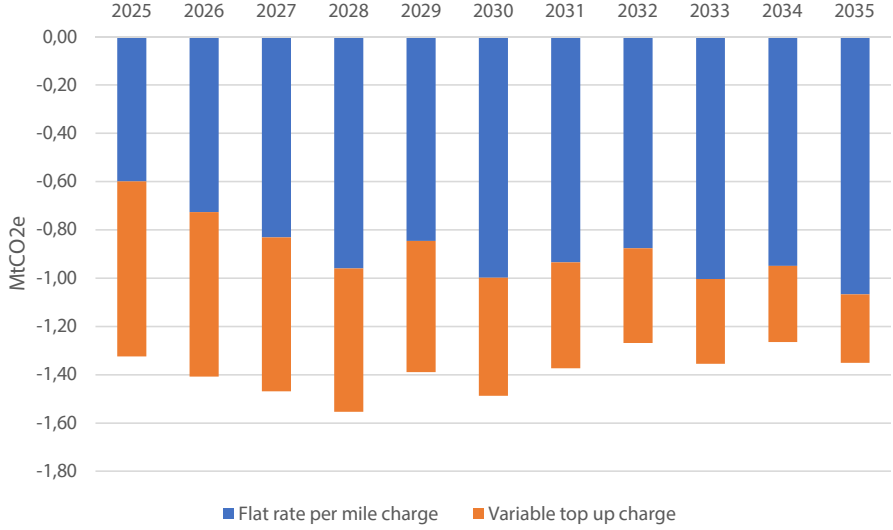
# Impacts



Revenue generated



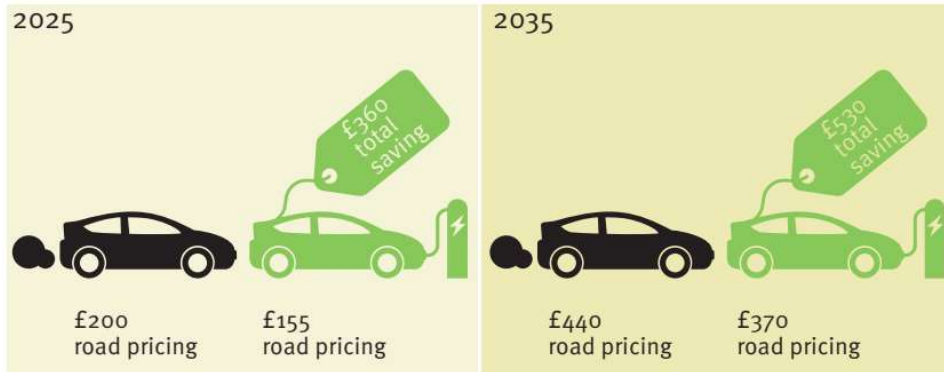
Emissions savings



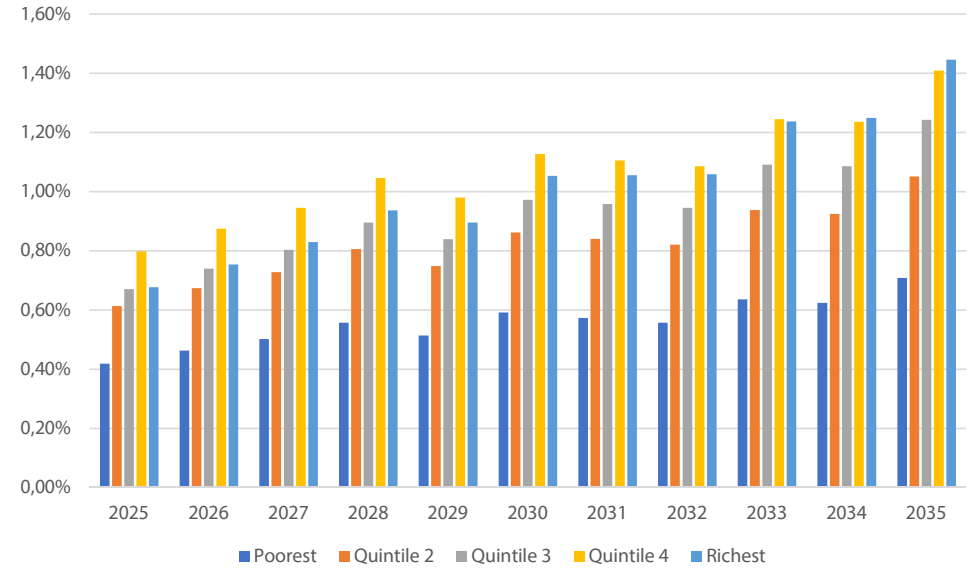
# Impacts on households



The cost of 'fair share' road pricing would change over time



Road pricing impact on household income



# Making road user charging happen

- Iceland currently the only European country with road user charging
- Paralysed by politics
- Independent commission on road user charging
- Without action, falling revenues will bite