

Tax Changes to Impact New Car Buying Costs from 1 April

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[/EINPresswire.com/](https://www.einpresswire.com/) -- The introduction of the new '25' registration plates this month coincides with significant Vehicle Excise Duty (VED) changes taking effect on April 1, 2025. The tax modifications will impact all emissions categories, with certain models experiencing first-year rate increases of up to £3,015. Only buyers able to register their cars by the April 1 will avoid these additional taxes.

The new '25' registration plates became available on March 1. Vehicles registered after April 1 will be subject to revised VED rates across all categories—notably including electric vehicles, which will no longer be exempt from road tax.

The tax revisions will vary according to vehicles' CO₂ emissions. Vehicles with emissions exceeding 255g/km will see first-year tax increase from £2,475 to £5,490, representing a £3,015 difference. Vehicles with emissions below 100g/km will experience a first-year road tax increase from £175 to £350.

Electric vehicles will be subject to taxation for the first time. EVs registered after April 1 will incur a £10 charge in the first year, followed by an annual standard rate of £195 thereafter—matching the new standard rate for petrol and diesel vehicles, which is increasing from the current £165. Vehicles priced over £40,000 will additionally face a £425 annual supplement for five years.

Archie Harwood, CEO of [Harwoods](https://www.harwoods.co.uk/) Group, notes: "The April 1 tax changes represent a significant policy shift, especially for electric vehicle owners who previously enjoyed tax exemption and for higher emitting cars, which will now cost owner thousands more in the first year of ownership."



Land Rover Defender 110

UK vehicle registration plates are issued biannually in March and September. The '25' plate, introduced on March 1, 2025, will be followed by the '75' plate on September 1, 2025. British registration plates utilize a standard format: two letters indicating the registration region, two numbers denoting the registration year, and three random letters. The '25' signifies registration between March and August 2025, while the regional letters indicate the registration location (LA-LY for London, MA-MY for Manchester and Merseyside, etc.).

"Vehicles must be registered by March 31, 2025, to qualify under the current VED system and avoid paying extra tax," Harwood states.

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