

## He's no Darling to motorists

Alistair Darling has hit motorists hard in his first budget as chancellor and he is justifying his swingeing tax and fuel duty hikes as 'cracking down on pollution'.

Even though the chancellor delayed the 2 pence per litre increase in fuel duty due to be imposed in April until October, it is only temporary respite for motorists who have seen fuel prices soar in recent months. In addition to increasing running costs, many motorists face higher-than-inflation duty charges on their vehicles as Darling aims to penalise the highest polluting drivers.

The existing emission bands have been re-classified and the new highest - band M - will contain vehicles that emit over 255g of carbon dioxide per kilometre driven. From April next year, owners of vehicles in that band – so-called gas guzzlers - will pay £440 per year to tax their cars. To make matters worse for those drivers, from April 2010 purchasers of brand new band M vehicles will pay an increased first year duty of £950, which will then be reduced to £445 in subsequent years.

Of course, the flip side of such draconian tax increases means that if you are happy to pay the new duty, you will be able to pick up a bargain 4 x 4, as used car prices have literally tumbled overnight. Even those who don't have cash to burn may be tempted to say [yes to car credit](#) in order to secure a superb deal on a used 4 x 4, whose used car values dropped eight per cent in just 24 hours.

However, many motoring organisations have suggested the chancellor's claims that the increases are being imposed for 'green reasons' don't ring true. Their protests appear to be backed up by simply looking at the Treasury's revenue projections for duty; the chancellor is expecting to rake in £465m in 2009-10, rising to a staggering £735m the following year.

Those figures have prompted many to claim that the chancellor is all stick and no carrot, leading CBI director-general Richard Lambert to fiercely denounce the move. He points out that the so-called 'green measure' is a cynical exercise to raise revenues and that the majority of the UK public would see it as such.

Although the green lobby are applauding the chancellor's move, whether the majority of the public will see it as a necessary tax on the most polluting vehicles remains to be seen; but in the meantime chancellor Darling is certainly looking forward to counting his increased tax revenues.

### About the Author

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