



If you provided employees with company cars in 2022/23 and you did not payroll the benefit, you will need to supply HMRC with details of your employees' cars on their P11D by 6 July 2023. It is important that you use the correct key letter to let HMRC know if the car is a petrol or diesel car, and for diesel cars, whether the 4% supplement applies.

Key dates

You must file your P11Ds and your P11D(b) for 2022/23 online by 6 July 2023. You must also provide your employees with a copy of their P11D or details of their taxable benefits by the same day. Your Class 1A National Insurance must be paid by 22 July 2023 if you make your payment electronically, and by 19 July 2023 if you pay by cheque.

This note explains how to check that you are using the correct key letter when reporting diesel company cars to HMRC.

Reporting company cars on the P11D

If you need to tell HMRC about a company car provided to an employee on their P11D, you will need to supply the following information:

1. Make and model of the car.
2. Date that the car was first registered.
3. Approved CO2 emissions for a car first registered on or after 1 January 1998.

4. For cars with CO2 emissions of between 1 and 50g/km, the approved zero emission mileage.
5. The engine size of the car, if applicable.
6. Type of fuel or power used.
7. The dates for which the car was available during the 2022/23 tax year.

If the car does not have a CO2 emissions figure, this must be indicated.

This information must be provided for each car that was made available to the employee in the 2022/23 tax year.

Fuel type key letter

Company cars are taxed on a percentage of their list price (and that of optional accessories). The percentage – the appropriate percentage – depends on the car's CO2 emission. The percentage is set for petrol cars. However, a supplement of 4 percentage points is added to diesel cars not meeting the Euro 6d (RDE 2) emissions standards (subject to a maximum charge of 37%). The taxable amount is adjusted to reflect any capital contributions, any private use contributions and any qualifying periods of unavailability.

To ensure that the correct appropriate percentage is used, it important to know whether the car is a petrol or diesel car, and for diesel cars, whether the supplement applies.

The fuel type of the car is indicated on the P11D by means of a key letter. The letters are shown in the table below.

Key Letter	Car Type
F	Diesel cars which meet Euro 6d (RDE 2) standard
D	All other diesel cars
A	All other cars

Using the correct key letter for diesel cars

Where an employee has a diesel company car, it is important that the correct key letter is used as this will indicate whether the 4% supplement applies or not. The 4% diesel supplement does not apply to cars that meet the Euro 6d (RDE2) emission standard. Such cars should be identified as type F. Where a car is reported as type F, the obligation is on the employer to check that the car actually does meet the emission standard. This can be done by checking the car's vehicle log book (V5C), which will have an RDE of 2 recorded where the standard is met. You can also check the RDE status of a car by visiting the DVLA webpage (www.gov.uk/get-vehicle-information-from-dvla).

All new cars registered from January 2021 should meet the Euro 6d emissions standard. HMRC accept that all diesel cars registered on or after 1 March 2021 meet the standard. Where a car was first registered on or after this date, you do not need to check that it meets the emission standard.

Broadcast

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Diesel cars that do not meet the Euro 6d emission standard should be identified using the key letter 'D'. The 4% supplement will apply to these cars.

We can help

If you have any questions in relation to any of the issues raised in this Broadcast, please call us on **01753 888 211** or email **info@nhllp.com**