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CC: Rt Hon Ed Miliband MP, Rt Hon Heidi Alexander MP, Keir Mather MP, Lillian Greenwood MP, Dan Tomlinson MP

Joint letter: Call for weight based tax for cars in Autumn Budget

As representatives across civil society, we are calling for the introduction of a new weight based supplement to be added to Vehicle Excise Duty for the largest and heaviest vehicles in the Autumn Budget. Such an addition could raise almost £2 billion annually, which could support public services and be reinvested in the UK's transport system and infrastructure by fairly taxing oversized luxury SUVs.

Cars across the UK are getting bigger. SUVs now make up two thirds (66%) of sales compared to only half (51%) in 2021.¹ The bonnet height of new cars in the UK is increasing by half a centimetre a year on average² and cars are also getting 1cm wider every two years - a phenomenon known as 'Carspreading'.³ This upwards trend is squeezing space in communities and damaging local environments.

Large SUVs cause greater damage to our roads and diminish space in our communities.⁴ A two-tonne SUV causes 16 times more road damage than a one-tonne car, directly costing the taxpayer by increasing necessary spend on filling potholes and road maintenance. The growing number of larger cars on the road also means cyclists have less space to manoeuvre, and the increased parking space they take up causes encroachment onto pavements, narrowing pedestrian routes. The tallest cars pose a direct safety risk to children - with analysis finding that drivers in the tallest cars could not see children as old as nine when they were in front of the vehicle.

They are also more polluting - on average, SUVs consume around 20% more fuel than an average medium-size non-SUV car.⁵ 77% of new SUV registrations in the first half of this year were petrol, diesel, hybrid, or PHEV - impacting air quality and locking in higher emissions for more than a decade.⁶ Local authorities are now recognising the impacts of these vehicles on

¹ T&E analysis of Dataforce. SUVs make up two thirds of sales in H1 2025.

² T&E (2025) [Ever-higher: the rise of bonnet height, and the case to cap it](#)

³ T&E (2024) [Ever-wider: why large SUVs don't fit, and what to do about it | T&E](#)

⁴ T&E UK (2025) [The Large Vehicle Levy - Briefing](#)

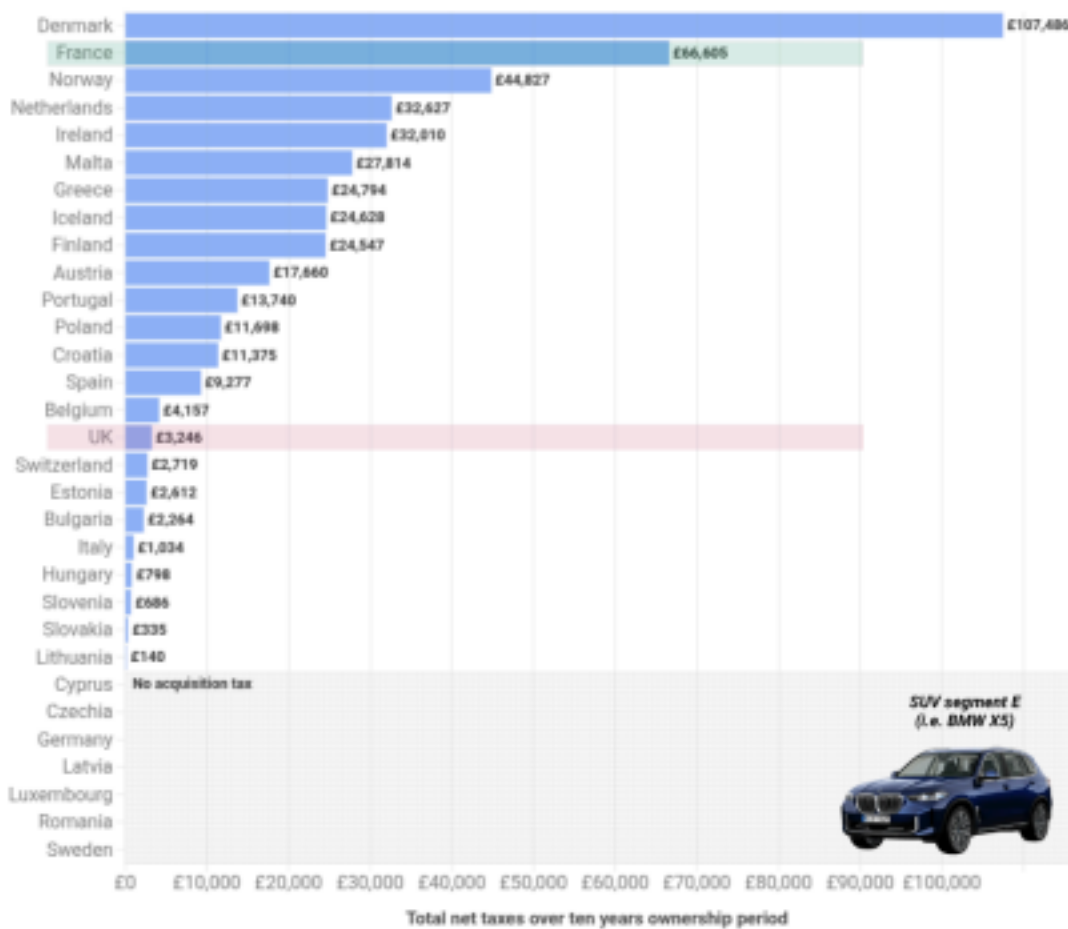
⁵ T&E UK (2025) [The Large Vehicle Levy - Briefing](#)

⁶ T&E analysis of Dataforce

their communities and taking action: Cardiff Council recently approved a proposal to introduce a weight-based parking surcharge in the city⁷, while the London Assembly has agreed to a motion, proposed by Labour members, to increase taxes and parking fees on SUVs.⁸ However, it is crucial that national policy is implemented to fairly tax these vehicles across the whole of the UK.

VED doesn't currently reflect the true impact of large vehicles on our roads. The UK acts as a tax haven for these cars, with the UK ranking 16th among European countries for tax paid on the purchase of a big SUV.⁹ Under the current system, a buyer in the UK would pay up to twenty times less tax for the same luxury large SUV than they would in France.

The UK VED tax is twenty times lower than in France for the purchase of a big SUV



Source: T&E analysis based on national fiscal sources as of April 2025.

Note: Figures have been converted from euros to pounds using exchange rates from the European Central Bank.



⁷ BBC News (2025) [Cardiff's SUV parking premium wins approval](#)

⁸ BBC News (2025) [London mayor urged to raise SUV parking fees](#)

⁹ T&E UK (2025) [The Large Vehicle Levy - Briefing](#)

Together, we call on the Government to take action to introduce tax fairness to UK roads by introducing a Large Vehicle Levy in the Autumn Budget. This would **raise almost £2 billion**

annually, which could fund measures such as fixing potholes caused by these large vehicles and supporting the EV transition through measures to help lower income households access electric vehicles.

The Large Vehicle Levy would apply an additional amount to first year VED of £10 per kilogram for every kilo above 1,600 kg. The average weight of segment C ICE vehicles, which includes recognisable family cars such as the VW Golf and Ford Focus, falls under this threshold at 1500kg.¹⁰ This ensures the levy would almost exclusively affect the largest and most luxurious vehicles on the UK market. To reflect the added weight of batteries, new electric models would get a 400 kg allowance, meaning only electric vehicles that weigh more than 2,000 kg would be subject to the tax. This offers a fair means to tax large EVs, without disincentivising the vital transition of the UK fleet to electric.

For example, under the new system, traditional family cars such as the Ford Puma and small battery electric vehicles such as the Nissan Leaf and Mini One would not be subject to the levy, as they fall under the starting weight. By contrast, the Nissan Ariya, a battery electric SUV weighing 2,120kg, would pay £1,200 extra in VED, and a BMW X5 PHEV weighing 2,505kg would pay £9,050 extra.¹¹

While raising significant revenue, the tax is less than drivers often pay for optional extras such as upgraded wheel rims. For example, the BMW X5 ICE, weighing 2249kg, would pay only 9 per cent of the starting price in weight tax - around half the average price of optional equipment in this segment (18 per cent of retail price).¹² This demonstrates the feasibility of the levy as a revenue raising mechanism to tackle the oversized impact of SUVs on our roads.

This approach offers a fair starting point for generating revenue from electric vehicles without discouraging the adoption of BEVs for most drivers. It maintains strong incentives for smaller battery-electric cars, which are central to the green transition, while raising almost £2 billion a year - more than other proposed EV tax options. The measure could also be quickly adopted as early as next year.

With significant revenue needed to be found in the upcoming budget, a Large Vehicle Levy for new cars would put the weight on those with the broadest shoulders to pay more for the increased damage oversized vehicles cause to our roads and the environment. We hope that the government will seize this opportunity and we remain available for further exchange on the topic.

¹⁰ T&E UK (2025) [The Large Vehicle Levy - Briefing](#)

¹¹ T&E UK (2025) [The Large Vehicle Levy - Briefing](#)

¹² T&E UK (2025) [The Large Vehicle Levy - Briefing](#)

Yours sincerely,

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