



House of Commons
Transport Committee

**Taxes and charges on
road users:
Government response
to the Committee's
Sixth Report of Session
2008–09**

**Sixth Special Report of Session
2008–09**

*Ordered by The House of Commons
to be printed 14 October 2009*

HC 995
Published on 27 October 2009
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

The Transport Committee

The Transport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Transport and its associated public bodies.

Current membership

Mrs Louise Ellman MP (Labour/Co-operative, Liverpool Riverside) (Chairman)
Mr David Clelland MP (Labour, Tyne Bridge)
Mr Philip Hollobone MP (Conservative, Kettering)
Mr John Leech MP (Liberal Democrat, Manchester, Withington)
Mr Eric Martlew MP (Labour, Carlisle)
Mark Pritchard MP (Conservative, The Wrekin)
Ms Angela C Smith MP (Labour, Sheffield, Hillsborough)
Sir Peter Soulsby MP (Labour, Leicester South)
Graham Stringer MP (Labour, Manchester Blackley)
Mr David Wilshire MP (Conservative, Spelthorne)
Sammy Wilson MP (Democratic Unionist, East Antrim)

The following were also members of the Committee during the period covered by this report:

Clive Efford MP (Labour, *Eltham*)
David Simpson MP (Democratic Unionist, *Upper Bann*)

Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via www.parliament.uk.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/transcom.

Committee staff

The current staff of the Committee are Annette Toft (Clerk), Adrian Jenner (Second Clerk), David Davies (Committee Specialist), Marek Kubala (Inquiry Manager), Alison Mara (Senior Committee Assistant), Jacqueline Cooksey (Committee Assistant), Stewart McIlvenna (Committee Support Assistant) and Hannah Pearce (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Transport Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 6263; the Committee's email address is transcom@parliament.uk.

Sixth Special Report

The Committee published its Sixth Report of Session 2008–09, *Taxes and charges on road users*, on 24 July 2009. The response from the Department for Transport was received in the form of a memorandum dated 5 October 2009, and is published as an Appendix to this report.

Appendix – Department for Transport response

This paper sets out the Government's response to the Transport Select Committee's report, *Taxes and Charges on Road Users*, published 24 July 2009. This is a joint response from both Her Majesty's Treasury (HMT) and the Department for Transport (DfT).

Introduction

The Government welcomes the Committee's inquiry into the taxes and charges on road users, and appreciates this opportunity to respond to their report.

National transport taxes primarily serve to support the public finances and raise revenue to provide funds for essential public services. Motoring taxes also have an important role in meeting the Government's environmental objectives, by incentivising more fuel-efficient driving and the uptake and use of less polluting vehicles on the roads. Fuel duty also has a role in reducing congestion.

As part of the Government's plans for securing the public finances in the medium term, therefore, the Government will use motoring taxes to ensure that the burden of taxation falls in such a way as to support and encourage the transition to a low-carbon economy—as set out in Budget 2008.

It is important to recognise that motorists are not only motorists, but also users of the whole range of public services as well as taxpayers who pay the whole range of taxes. It can be misleading, therefore, to focus solely on the impact of motoring taxes to the exclusion of the rest of the tax system. Overall, the UK tax burden compares favourably with those of other advanced economies.

As the evidence set out by the Committee in their report demonstrates, congestion already poses a serious challenge to the UK's prosperity and all the indications are that this challenge will become more severe in the future.

Congestion is a profoundly complex challenge to address because it flows from millions of individual choices; tackling it therefore means understanding both the motivations behind those choices and having a clear sense of the effectiveness of the many different policy options that have potential to impact on congestion levels.

The Government remains committed to tackling the problems of congestion and crowding. This challenge goes hand-in-hand with DfT's main strategic objectives to

