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## David Beckman & Co Ltd

Chartered Accountants & Chartered Tax Advisers

### Double Cab Pickups (DCPU) – Significant tax Changes

- **The 2024 Autumn Budget will legislate to treat Double Cab Pick Ups as CARS not VANS for corporation tax and income tax purposes.**
- **DEFINITION of a DCPU**  
According to [the employment income manual](#) (EIM23150), a double-cab pickup vehicle has:
  - a front passenger cab that contains a second row of seats and is capable of seating about four passengers, plus the driver; and
  - four doors capable of being opened independently, whether the rear doors are hinged at the front or the rear (two door versions are normally accepted to be vans); and / or
  - an uncovered pickup area behind the passenger cab.
- **From 1<sup>st</sup> April 2025** for corporation tax and 6<sup>th</sup> April 2025 for income tax, **newly acquired DCPU**s with a payload of 1 tonne or more **will be treated as cars for the purposes of benefits in kind and allowances for the cost price that can be deducted from business profits.**
- **HOWEVER**, if you already own a DCPU or buy one before 6<sup>th</sup> April 2025, the existing treatment as a van, not a car and **the ability to claim 100% allowances for the cost of the DCPU** will continue to be available until the earliest of:
  - Disposal; or
  - Lease expiry; or
  - **5<sup>th</sup> April 2029.**
- **Currently, double cab pick-ups do not give rise to a taxable benefit on the driver where private use is insignificant.** However, under the new classification as a car, a taxable benefit will arise if the vehicle is available for any level of private use, regardless of how minimal it is. By the 2029/30 tax year, this reclassification could result in a benefit charge for private use of up to 39% of the vehicle's list price.
- **VAT Treatment – GOOD NEWS** - these changes do not change the VAT treatment of DCPU's. If the payload exceeds 1 tonne, then your business will still be able to claim back the VAT on the purchase. This assumes of course that your business is VAT registered and fully able to recover all VAT on costs.



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**ADVICE:**

1. You will need to buy a DCPU before 6 April 2025 if you wish to avail of the tax advantages of the vehicle being treated as a van, not a car, and to get a 100% deduction of the cost price.
2. With CO2 emissions high on these vehicles, after April 2025 businesses should only really buy a DCPU if it really essential for business reasons. Otherwise, the tax charges for you and the business will be high.

For any advice, do call us on 01737 844 322

For David Beckman & Co Ltd

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***Making Business More Profitable & Life Less Taxing***