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More Clarity Needed on Electric Vehicle Tax, says Dan Reavley, Head of Motor Finance at Anglo Scottish Asset Finance

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San Reavley, Head of Motor Finance at Anglo Scottish Asset Finance.

Anglo Scottish Finance

(<https://www.angloscottishfinance.co.uk/asset-finance/>) tells us...

(Photograph and all words from Anglo Scottish Finance).

A new pay-per-mile tax on electric vehicles was announced as part of the new Budget announced on Wednesday, with EV and plug-in hybrid drivers to face new taxes from the beginning of 2028 – but the new tax raises a host of questions.

Dan Reavley, Head of Motor Finance at Anglo Scottish **Asset Finance**, comments:

“The new tax on electric vehicles feels fair to a certain extent. Electric vehicles use the road too and are just as responsible for its upkeep as traditional fuel-powered cars. There’s still an incentive for people to buy electric vehicles, with the new tax thought to be roughly half of what petrol car drivers will pay each year.

However, we need more clarity on how electric drivers will report their mileage, given that the tax will be paid on a per-mile basis. The plan is for mileage to be reported from your car’s odometer at its annual MOT – as it is already.

But, now given that many Brits will already be feeling the squeeze come 2028, following the Personal Tax Threshold Freeze, the government need to come up with a solution to prevent drivers from ‘clocking’ their odometers in order to reduce the visible mileage.

While the additional tax will be a burden for personal drivers, business fleet managers must be aware of the affect this will have on their bottom line, particularly for vehicles recording higher annual mileages.”