

## Double Cab Pick Up's - Tax Changes from 1 July 2024 No longer to be classed as a commercial vehicle

From 1 July 2024, HMRC is going to reclassify double cab pick-ups as 'cars' for employment benefit purposes. Pick-ups owned, ordered or leased before 1 July will continue to be treated as vans until 5 April 2028.

### What is a double cab pick-up?

Typically, a double cab pick-up has:

- *A front passenger cab containing two rows of seats capable of seating three or four passengers, plus the driver.*
- *Four doors in addition to any rear door that are capable of being opened independently.*
- *A load-bearing pickup area behind the cab.*

### Previous treatment

- *Historically, for the purposes of [Benefits In Kind \(BIKs\)](#), HMRC have interpreted the meaning of 'car' and 'van' in line with the definitions used for [VAT purposes](#).*
- *This meant that HMRC accepted double cab pick-ups with a payload of 1,000kg or more as vans, not cars.*

### New policy from July 2024

HMRC have just revised their Employment Income Manual to state that from 1 July 2024, the meaning of 'car' and 'van' will no longer be interpreted in line with the definitions used for VAT purposes in respect of double cab pick-ups.

They say that adopting the VAT interpretation was a pragmatic method of classifying double cab pick-ups, but this was at odds with the Court of Appeal (CoA) judgement in [Payne & Ors v HMRC \[2020\] EWCA Civ 889](#) ('the Coca-Cola case').

Although the CoA judgment sets the law from the date of the decision in 2020 (whereas HMRC's manual just presents HMRC's interpretation of the law), HMRC is not forcing employers into making any changes until 1 July 2024. After that HMRC's classification of double cab pick-ups for BIK purposes will be based on an assessment of the specific vehicle, at the time it is made available to the employee, to determine whether its construction is primarily suited for the conveyance of goods or burden of any description.

HMRC anticipate that **“From 1 July 2024, most, if not all, double cab pickups will be classified as cars when calculating the benefit charge. This is because typically these vehicles are equally suited to convey passengers and goods and have no predominant suitability”**. HMRC also contradict that statement by also stating that **“two-door versions are normally accepted to be vans”**.

Where employers have purchased, leased, or ordered a double cab pick-up before 1 July 2024, transitional arrangements will apply. In such cases, employers can rely upon HMRC's previous treatment until the earlier of disposal, lease expiry, or 5 April 2028.

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