

# Leigh Christou

---

---

---

## Modified Multi-Purpose Vehicles with Crew Cabs Update on Tax Position

Following a recent Court of Appeal Hearing, it has now been decided that certain types of modified crew cab vehicles are now to be treated as cars and not vans for tax purposes.

The case in question involved Coca Cola who provided three types of modified vehicles each based on a panel van design but with a second row of seats behind the driver – a so called ‘crew cab’ vehicle. The vehicles in question were VW Transporters, TS Kombie’s and Vauxhall Vivaro’s.

Unfortunately, the Court decided that such multi-purpose vehicles were to be treated as cars and not vans the consequence of which is that these are subject to Income Tax Benefit in Kind and taxed accordingly.

There is the possibility of an appeal but at this stage this case becomes binding.

HMRC’s guidelines state that for a vehicle to be treated as a van, it must be previously suited for carrying goods and that vehicles which have side windows behind the driver and which can be fitted with additional seating are unlikely to meet the specification of a van.

Therefore, if you have any such vehicles which are made available to employees and have available any private use, the position will need to be reviewed to ensure that correct tax treatment.

The consequences of this would be that an income tax benefit in kind would arise based on the company car rules (using list price and Co2 values) and not the van rules.

**NB:** Please note that this was an income tax case and will necessarily affect the VAT position.

**If you have any queries please do not hesitate to contact us or visit our website for further information.**

Leofric House, Binley Road  
Coventry, CV3 1JN  
Tel: +44 (0)24 7625 1333  
Fax: +44 (024) 7625 1777

Euston House, 12 Euston Place  
Leamington Spa, CV32 4BN  
Tel: +44 (0)1926 88 88 65  
[www.leigh-christou.co.uk](http://www.leigh-christou.co.uk)

**For information of users:** This material is published for the information of clients. It provides only an overview of the regulations in force at the date of publication, and no action should be taken without consulting the detailed legislation or seeking professional advice. Therefore no responsibility for loss occasioned by any person acting or refraining from action as a result of the material can be accepted by the authors or the firm.

Leigh Christou Ltd are registered as auditors in the UK and regulated for a range of investment business activities in the United Kingdom by the Association of Chartered Certified Accountants.