



Car Tax (Abolition) Act 1992

1992 CHAPTER 58

An Act to abolish car tax. [3rd December 1992]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1. In section 1 of the Car Tax Act 1983 (charge to tax) the following subsection shall be inserted after subsection (2)—

Abolition: the basic rule.
1983 c. 53.

“(2A) Where (apart from this subsection) car tax on a vehicle would become due on or after 13th November 1992, it shall not become due and shall be deemed never to have been charged.”

2.—(1) The Car Tax Act 1983 shall also be amended as follows.

Consequential amendments.

(2) In section 4 (registration of makers and importers) the following subsection shall be inserted after subsection (1)—

“(1A) Subsection (1) above—

- (a) shall not make a person liable to be registered by reference to anything done in a calendar year falling after 1992;
- (b) shall not make a person liable to be registered by reference to vehicles made or imported in 1992, unless he makes or imports not less than ten chargeable vehicles before 13th November 1992.”

(3) In that section the following subsection shall be inserted after subsection (3)—

“(3A) Without prejudice to subsection (3) above, the Commissioners shall cancel the registration of any person when they are satisfied that all tax due from him has been accounted for.”

(4) In section 6 (converted and adapted vehicles) the following subsections shall be inserted after subsection (6)—

“(7) No direction may be given under subsection (4) above on or after 13th November 1992 except in relation to vehicles whose conversion or adaptation was completed before that date.

(8) Where a person is registered in pursuance of subsection (5) above, the Commissioners shall cancel his registration when they are satisfied that all tax due from him has been accounted for.”

(5) In Schedule 1 (administration and collection) in paragraph 5 (records, accounts and returns) the following sub-paragraph shall be inserted after sub-paragraph (1)—

“(1A) The duties under sub-paragraph (1) above, except so far as arising by virtue of section 27(3) of the Finance Act 1989 (certificates), shall be limited as follows—

- (a) the duty under paragraph (a) shall apply only to records and accounts relating to tax which has become due and vehicles on which tax has become due;
- (b) the duty under paragraph (b) shall apply only to records and accounts relating to vehicles on which tax has become due;
- (c) the duty under paragraph (c), so far as relating to returns of vehicles, shall apply only to returns of vehicles on which tax has become due.”

(6) In paragraph 5(2) of that Schedule after “tax” there shall be inserted “due”.

(7) In paragraph 6 of that Schedule (information) the following sub-paragraphs shall be inserted after sub-paragraph (2)—

“(3) The duties under sub-paragraph (1) above shall apply only to information and documents relating to vehicles on which tax has become due.

(4) Sub-paragraph (2) above shall not apply where the conversion is completed on or after 13th November 1992.”

(8) In paragraph 7 of that Schedule (entry and search) the following sub-paragraph shall be inserted after sub-paragraph (2)—

“(2A) The powers under sub-paragraphs (1) and (2) above shall be exercisable only for the purpose of ascertaining whether tax is due and, if so, the amount of the tax.”

(9) In paragraph 8(3)(b) of that Schedule (offences) after “tax” there shall be inserted “payable”.

(10) In paragraph 12 of that Schedule (regulations) the following shall be inserted at the end—

“Any duty imposed by regulations under paragraph (c) or (d) above shall apply only where the vehicles are vehicles on which tax has become due.”

(11) Paragraph 13 of that Schedule (protection of car tax through vehicles excise system) shall be omitted.

3. The Car Tax Act 1983 shall also be amended by inserting the following section after section 7—

Special cases.
1983 c. 53.

“Abolition:
special cases.

7A.—(1) This section applies where (apart from this section) car tax on a vehicle would have become due before 13th November 1992.

(2) In a case where—

- (a) the tax would have become due at a time mentioned in section 5(2)(b) above, and
- (b) the conditions mentioned in subsection (3) below are satisfied,

the tax shall be deemed not to have become due and never to have been charged.

(3) The conditions referred to in subsection (2) above are that—

- (a) the tax would have become due because an offer to sell the vehicle was made by the person to whom it was delivered as mentioned in section 5(2)(b) above and was accepted, or because an offer to purchase the vehicle was made to that person and was accepted,
- (b) at the end of 12th November 1992 no sales invoice had been issued in respect of the vehicle by that person,
- (c) at the end of that day that person had not received the full purchase price of the vehicle, and
- (d) at the end of that day the purchaser had not taken delivery of the vehicle.

(4) Where the tax would have become due at the time mentioned in paragraph (c) of section 5(2) above but at the end of 12th November 1992 the vehicle—

- (a) was still in the possession of the person to whom it was sent from the premises mentioned in that paragraph, and
- (b) had not been sold by that person or appropriated to his own use,

the tax shall be deemed not to have become due and never to have been charged.

(5) In a case where—

- (a) subsection (4) of section 5 above would have applied in relation to the tax or (as the case may be) the tax would have become due at the time mentioned in subsection (6) of that section, and
- (b) the conditions mentioned in subsection (6) below are satisfied,

the tax shall be deemed not to have become due and never to have been charged.

(6) The conditions referred to in subsection (5) above are that—

- (a) the vehicle was made or imported by an unregistered person for the purposes of a business carried on by him,
- (b) at the end of 12th November 1992 the vehicle was still in the possession of the unregistered person or was in the possession of a motor dealer who obtained it directly from him, and
- (c) at the end of that day the vehicle had not been sold by, or appropriated to the use of, the unregistered person or the dealer;

and in this subsection ‘unregistered person’ means a person not registered under this Act.”

Cancellation of prospective amendments.
1992 c. 48.

4. In the Finance (No. 2) Act 1992, section 18, Schedule 4 and Part VI of Schedule 18 (which make prospective amendments of the Car Tax Act 1983) shall be deemed never to have been enacted.

Commencement.

5. This Act shall be deemed to have come into force on 13th November 1992.

Citation.

6. This Act may be cited as the Car Tax (Abolition) Act 1992.

