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Vehicle Excise and Registration Act 1994

1994 CHAPTER 22

PART I

VEHICLE EXCISE DUTY AND LICENCES

Additional duty, rebates etc.

15 Vehicles becoming chargeable to duty at higher rate.

- (1) Where—
 - (a) a vehicle licence has been taken out for a vehicle at any rate of vehicle excise duty, and
 - (b) at any time while the licence is in force the vehicle is used so as to subject it to a higher rate,duty at the higher rate becomes chargeable in respect of the licence for the vehicle.
- (2) For the purposes of subsection (1) a vehicle is used so as to subject it to a higher rate if it is used in an altered condition, in a manner or for a purpose which—
 - (a) brings it within, or
 - (b) if it was used solely in that condition, in that manner or for that purpose, would bring it within,a description of vehicle to which a higher rate of duty is applicable.
- (3) For the purposes of subsection (1) a vehicle in respect of which a lower rate of duty is chargeable by virtue of regulations under paragraph 13 of Schedule 1 is also used so as to subject it to a higher rate if it is used in contravention of a condition imposed under or by virtue of sub-paragraph (2) of that paragraph.
- (4) ^[F1]Subject to section 7(5),]Where duty at a higher rate becomes chargeable under subsection (1) in respect of a vehicle licence, the licence may be exchanged for a new vehicle licence for the period—
 - (a) beginning with the date on which the higher rate of duty becomes chargeable, and

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- (b) ending with the period for which the original licence was issued.
- (5) A new vehicle licence may be obtained under subsection (4) only on payment of the appropriate proportion of the difference between—
- (a) the amount of duty payable on the original licence, and
 - (b) the amount of duty payable on a vehicle licence taken out for the period for which the original licence was issued but at the higher rate of duty.
- (6) For the purposes of subsection (5) “the appropriate proportion” means the proportion which the number of months in the period—
- (a) beginning with the date on which the higher rate of duty becomes chargeable, and
 - (b) ending with the period for which the original licence was issued,
- bears to the number of months in the whole of the period for which the original licence was issued (any incomplete month being treated as a whole month).
- (7) If the higher rate has been changed since the issue of the original licence, the amount under subsection (5)(b) is calculated as if that rate had been in force at all material times at the level at which it is in force when it becomes chargeable.

Textual Amendments

- F1** Words in [s. 15\(4\)](#) inserted (1.5.1995 with effect as mentioned in [Sch. 4 para. 29](#) of the amending Act) by [1995 c. 4, s. 19, Sch. 4 Pt. IV paras. 19, 29](#)

Modifications etc. (not altering text)

- C1** [S. 15](#) restricted (1.5.1995 with effect as mentioned in [Sch. 4 para. 39\(1\)](#) of the amending Act) by [1995 c. 4, s. 19, Sch. 4 Pt. IX para. 39](#)
- [S. 15](#) restricted (29.4.1996 with effect as mentioned in [s. 17\(12\)](#) of the amending Act) by [1996 c. 8, s. 17\(12\)\(13\)](#)

VALID FROM 10/07/2003

[^{F2}15A Exception for tractive units from charge at higher rate

- (1) Where—
- (a) a vehicle licence has been taken out for a tractive unit, and
 - (b) the licence was taken out at a rate of vehicle excise duty applicable to a tractive unit which is to be used with semi-trailers with a minimum number of axles,
- duty at a higher rate does not become chargeable under section 15 by reason only that while the licence is in force the tractive unit is used with a semi-trailer with fewer axles than that minimum number, if the condition in subsection (2) is satisfied.
- (2) The condition is that the rate of duty at which the licence was taken out is equal to or exceeds the rate which would have been applicable if the revenue weight of the tractive unit had been a weight equal to the actual laden weight, at the time of the use, of the articulated vehicle consisting of the tractive unit and the semi-trailer.]

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Textual Amendments

F2 S. 15A inserted (10.7.2003 with effect as mentioned in s. 16(3) of the amending Act) by Finance Act 2003 (c. 14), s. 16(1)

16 Exceptions from charge at higher rate in case of tractive units.

- (1) Duty at a higher rate does not become chargeable under section 15—
 - (a) where subsection (2) applies in relation to a tractive unit, by reason of the tractive unit being used in accordance with subsection (3),
 - (b) where subsection (4) applies in relation to a tractive unit, by reason of the tractive unit being used in accordance with subsection (5), or
 - (c) where subsection (6) applies in relation to a tractive unit, by reason of the tractive unit being used in accordance with subsection (7).
- (2) This subsection applies in relation to a tractive unit where—
 - (a) a vehicle licence for—
 - (i) a tractive unit having two axles which is to be used only with semi-trailers with not fewer than two axles, or
 - (ii) a tractive unit having two axles which is to be used only with semi-trailers with not fewer than three axles,has been taken out for the tractive unit, and
 - (b) the rate of duty paid on taking out the licence is equal to or exceeds the rate of duty applicable to a tractive unit having two axles which—
 - (i) has [^{F3}a revenue weight]equal to the maximum laden weight at which a tractive unit having two axles may lawfully be used in Great Britain with a semi-trailer with a single axle, and
 - (ii) is to be used with semi-trailers with any number of axles.
- (3) The tractive unit is being used in accordance with this subsection where—
 - (a) it is used with a semi-trailer with a single axle, and
 - (b) when so used, the laden weight of the tractive unit and semi-trailer taken together does not exceed the maximum laden weight mentioned in subsection (2)(b)(i).
- (4) This subsection applies in relation to a tractive unit where—
 - (a) a vehicle licence for a tractive unit having two axles which is to be used only with semi-trailers with not fewer than three axles has been taken out for the tractive unit, and
 - (b) the rate of duty paid on taking out the licence is equal to or exceeds the rate of duty applicable to a tractive unit having two axles which—
 - (i) has [^{F3}a revenue weight] of 33,000 kilograms, and
 - (ii) is to be used with semi-trailers with not fewer than two axles.
- (5) The tractive unit is being used in accordance with this subsection where—
 - (a) it is used with a semi-trailer with two axles, and
 - (b) when so used, the laden weight of the tractive unit and semi-trailer taken together does not exceed 33,000 kilograms.
- (6) This subsection applies in relation to a tractive unit where—

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- (a) a vehicle licence for a tractive unit having three or more axles which is to be used only with semi-trailers with not fewer than two axles has been taken out for the tractive unit, and
 - (b) the rate of duty paid on taking out the licence is equal to or exceeds the rate of duty applicable to a tractive unit having three or more axles which—
 - (i) has [^{F3}a revenue weight]equal to the maximum laden weight at which a tractive unit having three or more axles may lawfully be used in Great Britain with a semi-trailer with a single axle, and
 - (ii) is to be used with semi-trailers with any number of axles.
- (7) The tractive unit is being used in accordance with this subsection where—
- (a) it is used with a semi-trailer with a single axle, and
 - (b) when so used, the laden weight of the tractive unit and semi-trailer taken together does not exceed the maximum laden weight mentioned in subsection (6)(b)(i).

Textual Amendments

F3 Words in s. 16(2)(b)(i)(4)(b)(i)(6)(b)(i) substituted (1.5.1995 with effect as mentioned in Sch. 4 para. 29 of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. IV paras. 20, 29

17 Other exceptions from charge at higher rate.

- (1) Where a vehicle licence has been taken out for a vehicle of any description, duty at a higher rate applicable to a vehicle of another description does not become chargeable under section 15 unless the vehicle as used while the licence is in force satisfies all the conditions which must be satisfied in order to bring the vehicle into the other description of vehicle for the purposes of vehicle excise duty.
- (2) Where—
- (a) duty has been paid in respect of a vehicle at a rate applicable under Part VIII of Schedule 1, and
 - (b) the vehicle is to a substantial extent being used for the conveyance of goods or burden belonging to a particular person (whether the person keeping the vehicle or not),
- duty at a higher rate does not become chargeable under section 15 by reason only that the vehicle is used for the conveyance without charge in the course of their employment of employees of the person to whom the goods or burden belong.

- ^{F4}(3)
- (4)
- (5)
- (6)
- (7)

(8) This section does not have effect where section 15 applies by reason of the use of a vehicle in contravention of a condition imposed under or by virtue of paragraph 13(2) of Schedule 1.

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Textual Amendments

- F4** S. 17(3)-(7) repealed (1.5.1995 with effect in accordance with Sch. 29 Pt. V(2) Note of the amending Act) by 1995 c. 4, ss. 19, 162, Sch. 4 Pt. III paras. 15, 16, **Sch. 29 Pt. V(2)** Note

18 Vehicles for export becoming liable to VAT.

- (1) Where, by virtue of sub-paragraph (2) of paragraph 23 of Schedule 2, a vehicle which is an exempt vehicle under sub-paragraph (1) of that paragraph is deemed never to have been an exempt vehicle under that sub-paragraph, vehicle excise duty is payable—
- by the person by whom the vehicle was acquired from its manufacturer, in relation to the whole period since the registration of the vehicle, or
 - by any other person who is for the time being the keeper of the vehicle, in relation to the period since the vehicle was first kept by him,
- unless, or except to the extent that, the Secretary of State waives payment of the duty.
- (2) Subsection (1) is without prejudice to section 30; but duty with respect to a vehicle is not payable by a person under that subsection in relation to any part of a period if an amount with respect to it has been ordered to be paid by him under that section in relation to the part of the period.

19 Surrender of licences.

- (1) Where a licence is surrendered to the Secretary of State under section 10(2) or 14(2), the holder is entitled to receive from the Secretary of State (by way of rebate of the duty paid on the licence) an amount equal to one-twelfth of the annual rate of duty chargeable on the licence in respect of each complete month of the period of the currency of the licence which is unexpired at the date of the surrender.
- (2) If during the currency of a temporary licence issued in pursuance of an application for a vehicle licence for any period the temporary licence is surrendered under section 10(2), it is treated for the purposes of subsection (1) as issued for that period.
- [^{F5}(3) Subsection (1) does not apply if the holder of the licence does not comply with regulations made by virtue of section 22(1D)(a).]

Textual Amendments

- F5** S. 19(3) inserted (29.4.1996) by 1996 c. 8, s. 23, **Sch. 2 para. 8**

Modifications etc. (not altering text)

- C2** S. 19 modified (28.7.2000) by 2000 c. 17, s. 20(9)

[^{F6}19A Payment for licences by cheque.

- (1) The Secretary of State may, if he thinks fit, issue a vehicle licence or a trade licence on receipt of a cheque for the amount of the duty payable on it.
- (2) In a case where—
- a vehicle licence or a trade licence is issued to a person on receipt of a cheque which is subsequently dishonoured, and

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- (b) the Secretary of State sends a notice by post to the person informing him that the licence is void as from the time when it was granted,
 the licence shall be void as from the time when it was granted.
- (3) In a case where—
- (a) a vehicle licence or a trade licence is issued to a person on receipt of a cheque which is subsequently dishonoured,
- (b) the Secretary of State sends a notice by post to the person requiring him to secure that the duty payable on the licence is paid within such reasonable period as is specified in the notice,
- (c) the requirement in the notice is not complied with, and
- (d) the Secretary of State sends a further notice by post to the person informing him that the licence is void as from the time when it was granted,
 the licence shall be void as from the time when it was granted.
- (4) Section 102 of the ^{M1}Customs and Excise Management Act 1979 (payment for excise licences by cheque) shall not apply in relation to a vehicle licence or a trade licence.]

Textual Amendments

- F6** S. 19A inserted (1.5.1995 with effect as mentioned in Sch. 4 para. 32(4) of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. V para. 32(1)(4)

Marginal Citations

- M1** 1979 c. 2.

VALID FROM 19/03/1997

[^{F7}19B Issue of licences before payment of duty.

- (1) The Secretary of State may, if he thinks fit, issue a vehicle licence or a trade licence to a person who has agreed with the Secretary of State to pay the duty payable on the licence in a manner provided for in the agreement.
- (2) In a case where—
- (a) a vehicle licence or a trade licence is issued to a person in accordance with subsection (1),
- (b) the duty payable on the licence is not received by the Secretary of State in accordance with the agreement, and
- (c) the Secretary of State sends a notice by post to the person informing him that the licence is void as from the time when it was granted,
 the licence shall be void as from the time when it was granted.
- (3) In a case where—
- (a) paragraphs (a) and (b) of subsection (2) apply,
- (b) the Secretary of State sends a notice by post to the person requiring him to secure that the duty payable on the licence is paid within such reasonable period as is specified in the notice,
- (c) the requirement in the notice is not complied with, and

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(d) the Secretary of State sends a further notice by post to the person informing him that the licence is void as from the time when it was granted, the licence shall be void as from the time when it was granted.]

Textual Amendments

F7 S. 19B inserted (19.3.1997) by 1997 c. 16, s. 19(1)

VALID FROM 22/07/2004

[^{F8}19C Fee for payment of duty by credit card

- (1) This section applies where—
 - (a) a person applies for a vehicle licence or a trade licence, and
 - (b) the Secretary of State, or an authorised body, accepts a credit card payment in respect of the duty payable on the licence.
- (2) Before issuing the licence, the Secretary of State, or the authorised body, shall require—
 - (a) the applicant, or
 - (b) a person acting on behalf of the applicant,to pay to him, or it, such fee (if any) in respect of the acceptance of the credit card payment as may be prescribed by, or determined in accordance with, regulations.
- (3) In cases of such descriptions as the Secretary of State may, with the consent of the Treasury, determine, the whole or a part of a fee paid under this section may be refunded.
- (4) In this section—

“authorised body” means a body (other than a Northern Ireland department) which is authorised by the Secretary of State to act as his agent for the purpose of issuing licences;

“credit card” has such meaning as may be prescribed by regulations;

“regulations” means regulations made by the Secretary of State.]

Textual Amendments

F8 S. 19C inserted (22.7.2004 with effect as mentioned in s. 18(4) of the amending Act and with effect 14.10.2005 in accordance with Appointed Day Order) by Finance Act 2004 (c. 12), s. 18(2); S.I. 2005/2356, art. 2

PROSPECTIVE

20 Combined road-rail transport of goods.

- (1) This section applies where—

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- (a) goods are loaded on a relevant goods vehicle for transport between member States,
 - (b) the vehicle is transported by rail between the nearest suitable rail loading station to the point of loading and the nearest suitable rail unloading station to the point of unloading, and
 - (c) part of the rail transport of the vehicle takes place in the United Kingdom at a time when a vehicle licence for it is in force.
- (2) Where this section applies, the holder of the licence is, on making a claim, entitled to receive from the Secretary of State (by way of rebate of the duty paid on the licence) an amount calculated by the method prescribed by regulations made by the Secretary of State.
- [^{F9}(3) In this section “relevant goods vehicle” means any vehicle the rate of duty applicable to which is provided for in Part VIII of Schedule 1 or which would be such a vehicle if Part VI of that Schedule did not apply to the vehicle.]
- (4) The Secretary of State may by regulations prescribe—
- (a) when and how a claim for a rebate under this section is to be made, and
 - (b) the evidence to be provided in support of such a claim.

Textual Amendments

- F9** S. 20(3) substituted (1.5.1995 with effect as mentioned in [Sch. 4 para. 29](#) of the amending Act) by 1995 c. 4, s. 19, [Sch. 4 Pt. IV paras. 21, 29](#)

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