



Finance Act 2005

2005 CHAPTER 7

PART 1

EXCISE DUTIES

VALID FROM 07/04/2005

Vehicle excise duty

7 Rates

- (1) VERA 1994 is amended as follows.
- (2) In section 4 (vehicle licences: amount of duty), omit—
 - (a) subsection (3)(treatment of fractions of five pence in determining rate of duty on six month licence which is set at 55% of annual rate), and
 - (b) in subsection (7)(power to amend or repeal by order), “or (3)”.
- (3) In section 13(3)(b) (trade licences: annual rate of duty for licences not to be used only for motorcycles not exceeding 450 kilograms in weight unladen) as currently in force, for “annual rate currently applicable to a vehicle under paragraph 1(2) of Schedule 1” substitute “basic goods vehicle rate currently applicable”.
- (4) In section 13(4)(b) (trade licences: annual rate of duty for licences not to be used only for motorcycles not exceeding 450 kilogrammes in weight unladen) as set out in paragraph 8(1) of Schedule 4 to have effect on and after a day appointed by order, for “annual rate currently applicable to a vehicle under paragraph 1(2) of Schedule 1” substitute “basic goods vehicle rate currently applicable”.
- (5) In both versions of section 13, after subsection (6) insert—
 - “(7) In this section “the basic goods vehicle rate” means the annual rate applicable, by virtue of sub-paragraph (1) of paragraph 9 of Schedule 1, to a rigid goods vehicle which—

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- (a) is not a vehicle with respect to which the reduced pollution requirements are satisfied, and
- (b) falls within column (3) of the table in that sub-paragraph and has a revenue weight exceeding 3,500 kilograms and not exceeding 7,500 kilograms.”
- (6) In sections 35A(5) and 36(3) (dishonoured cheques: appropriate annual rate of vehicle excise duty), for the words from “to the annual rate” to “(or” substitute—
- “(a) in the case of a vehicle licence, to the annual rate which at the beginning of the relevant period was applicable to a vehicle of the description specified in the application, or
- (b) in the case of a trade licence, to the basic goods vehicle rate (within the meaning of section 13) which was applicable at that time (or to the annual rate which at that time was applicable”.
- (7) Schedule 1 (annual rates of duty) is amended as follows.
- (8) In paragraph 1(2) (general rate of duty except in case of vehicle with engine with cylinder capacity not exceeding 1,549 cubic centimetres), for “£165” substitute “£170”.
- (9) For the Table in paragraph 1B (rates of duty applicable to light passenger vehicles registered on or after 1st March 2001 on basis of certificate specifying CO₂ emissions figure) substitute—

<i>“CO₂ emissions figure</i>		<i>Rate</i>		
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>	<i>Premium rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>	<i>£</i>
	100	55	65	75
100	120	65	75	85
120	150	95	105	115
150	165	115	125	135
165	185	140	150	160
185		160	165	170”

- (10) In paragraph 3(1A) (rate applicable to buses with respect to which reduced pollution requirements are satisfied), for “the general rate specified in paragraph 1(2)” substitute “£165”.
- (11) In paragraph 7(3A)(b) (rate applicable to haulage vehicles which are not showman's vehicles and with respect to which reduced pollution requirements are satisfied), for “the general rate specified in paragraph 1(2)” substitute “£165”.
- (12) In paragraph 10 (trailer supplement)—
- (a) in sub-paragraph (2) (rate where plated gross weight of trailer exceeds 4,000 kilograms but does not exceed 12,000 kilograms), for “an amount equal to the amount of the general rate specified in paragraph 1(2)” substitute “£165”

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- (b) in sub-paragraph (3) (rate where plated gross weight of trailer exceeds 12,000 kilograms), for “an amount equal to 140 per cent of the amount of the general rate specified in paragraph 1(2)” substitute “ £230 ”, and
 - (c) omit sub-paragraphs (3A) and (3B)(rounding of rate set under sub-paragraph (3) as percentage of general rate specified in paragraph 1(2)).
- (13) Subsection (2), and subsection (1) so far as relating to it, have effect on the day on which this Act is passed.
- (14) Subsection (4), and subsections (1) and (5) so far as relating to it, have effect on and after that day.
- (15) Subsection (6), and subsection (1) so far as relating to it, have effect on and after 17th March 2005.
- (16) Subject to that, this section has effect in relation to licences taken out on or after 17th March 2005 for a period beginning on or after 1st April 2005.

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