



Finance Act 2006

2006 CHAPTER 25

PART 1

EXCISE DUTIES

Vehicle excise duty

13 Rates

- (1) Schedule 1 to VERA 1994 (annual rates of duty) is amended as follows.
- (2) In paragraph 1(2) (general rate of duty), for “£170” substitute “£175”.
- (3) For paragraph 1B (rates for light passenger vehicles) substitute—

“1B The annual rate of vehicle excise duty applicable to a vehicle to which this Part of this Schedule applies shall be determined in accordance with Table A, where the vehicle is first registered before 23rd March 2006, or Table B, where the vehicle is first registered on or after that date, by reference to—

- (a) the applicable CO₂ emissions figure, and
- (b) whether the vehicle qualifies for the reduced rate of duty, or is liable to the standard rate or the premium rate of duty.

Table A: Vehicles first registered before 23rd March 2006

<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>	£	£	£
100	120	30	40	50

Status: This is the original version (as it was originally enacted).

<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>
120	150	90	100	110
150	165	115	125	135
165	185	140	150	160
185	—	180	190	195

Table B: Vehicles first registered on or after 23rd March 2006

<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	120	30	40	50
120	150	90	100	110
150	165	115	125	135
165	185	140	150	160
185	225	180	190	195
225	—	200	210	215”

(4) In paragraph 1C (reduced rate for light passenger vehicles)—

(a) for sub-paragraph (2) substitute—

“(2) Condition A is that the vehicle—

(a) is constructed—

- (i) so as to be propelled by a relevant type of fuel, or
- (ii) so as to be capable of being propelled by any of a number of relevant types of fuel, or

(b) is constructed or modified—

- (i) so as to be propelled by a prescribed type of fuel, or
- (ii) so as to be capable of being propelled by any of a number of prescribed types of fuel,

and complies with any other requirements prescribed for the purposes of this condition.”, and

(b) after sub-paragraph (5) insert—

“(6) In this paragraph—

“bioethanol” has the meaning given in section 2AB of the Hydrocarbon Oil Duties Act 1979,

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“relevant type of fuel” means—

- (a) bioethanol, or
- (b) a mixture of bioethanol and unleaded petrol, if the proportion of bioethanol by volume is at least 85%,
and

“unleaded petrol” has the meaning given in section 1(3C) of the Hydrocarbon Oil Duties Act 1979.

- (7) The Secretary of State may, with the consent of the Treasury, by regulations amend sub-paragraph (6).”
- (5) In paragraph 1J(a) (rates for light goods vehicles), for “£165” substitute “£170”.
- (6) In paragraph 1K(a) (lower-emission vans), after “1st March 2003” insert “and before 1st January 2007”.
- (7) In paragraph 2(1) (rates for motorcycles)—
 - (a) in paragraph (b), for “£30” substitute “£31”,
 - (b) in paragraph (c), for “£45” substitute “£46”, and
 - (c) in paragraph (d), for “£60” substitute “£62”.
- (8) In Schedule 2 to VERA 1994 (exempt vehicles), after paragraph 24 insert—

“Light passenger vehicles with low CO₂ emissions

25 A vehicle is an exempt vehicle if—

- (a) it is a vehicle to which Part 1A of Schedule 1 applies, and
- (b) the applicable CO₂ emissions figure (as defined in paragraph 1A(3) and (4) of that Schedule) for the vehicle does not exceed 100 g/km.”

- (9) Subsection (8) comes into force on 23rd March 2006; but nothing in that subsection has the effect that a nil licence is required to be in force in respect of a vehicle while a vehicle licence is in force in respect of it.
- (10) The rest of this section has effect in relation to licences taken out on or after that date.