



# Finance Act 2018

## 2018 CHAPTER 3

### PART 2 U.K.

#### INDIRECT TAXES

##### *Excise duties*

#### 43 Air passenger duty: rates of duty from 1 April 2019 U.K.

- (1) Chapter 4 of Part 1 of FA 1994 (air passenger duty) is amended as follows.
- (2) In section 30(4A)(b) as amended by F(No.2)A 2017 (rate for long haul departures not from Northern Ireland: travel not in sole or lowest class, and higher rate does not apply), for “£156” substitute “ £172 ”.
- (3) In section 30(4E)(d) (higher rate for long haul departures not from Northern Ireland is six times standard-class long haul rate), for “six” substitute “ 6.6 ”.
- (4) In section 30A(5A)(c)(ii) (higher rate for long haul departures from Northern Ireland if not set by Act of the Northern Ireland Assembly is six times standard-class rate for long haul departures from Northern Ireland), for “six” substitute “ 6.6 ”.
- (5) The amendments made by this section have effect in relation to the carriage of passengers beginning on or after 1 April 2019.

#### 44 VED: rates for light passenger vehicles, light goods vehicles, motorcycles etc U.K.

- (1) Schedule 1 to VERA 1994 (annual rates of duty) is amended as follows.
- (2) In paragraph 1 (general rate)—
  - (a) in sub-paragraph (2) (vehicle not covered elsewhere in Schedule with engine cylinder capacity exceeding 1,549cc), for “£245” substitute “ £255 ”, and
  - (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£150” substitute “ £155 ”.

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2018, Cross Heading: Excise duties. (See end of Document for details)*

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- (3) In paragraph 1B (rates for light passenger vehicles registered before 1 April 2017)—  
(a) for the Table substitute—

<i>“CO<sub>2</sub> emissions figure</i>		<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>
100	110	10	20
110	120	20	30
120	130	110	120
130	140	130	140
140	150	145	155
150	165	185	195
165	175	220	230
175	185	240	250
185	200	280	290
200	225	305	315
225	255	530	540
255		545	555”;

- (b) in the sentence immediately following the Table, for paragraphs (a) and (b) substitute—
- “(a) in column (3), in the last two rows, “305” were substituted for “530” and “ 545 ”, and  
(b) in column (4), in the last two rows, “315” were substituted for “540” and “ 555 ”.”
- (4) For paragraph 1GC (rates on first licence for light passenger vehicles registered on or after 1 April 2017) substitute—

“1GC

- (1) This paragraph applies for the purpose of determining the rate at which vehicle excise duty is to be paid on the first vehicle licence for a vehicle to which this Part of this Schedule applies.
- (2) If the vehicle is not a higher rate diesel vehicle, the annual rate of duty applicable to the vehicle is determined in accordance with Table 1 by reference to—
- (a) the applicable CO<sub>2</sub> emissions figure, and  
(b) whether the vehicle qualifies for the reduced rate of duty or is liable to the standard rate of duty.
- (3) If the vehicle is a higher rate diesel vehicle, the annual rate of duty applicable to the vehicle is determined in accordance with Table 2 by reference to the applicable CO<sub>2</sub> emissions figure.

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Table 1 - vehicles other than higher rate diesel vehicles

<i>CO<sub>2</sub> emissions figure</i>		<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>
0	50		10
50	75	15	25
75	90	95	105
90	100	115	125
100	110	135	145
110	130	155	165
130	150	195	205
150	170	505	515
170	190	820	830
190	225	1230	1240
225	255	1750	1760
255		2060	2070

Table 2 - higher rate diesel vehicles

<i>CO<sub>2</sub> emissions figure</i>		<i>Rate</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>
0	50	25
50	75	105
75	90	125
90	100	145
100	110	165
110	130	205
130	150	515
150	170	830
170	190	1240
190	225	1760
225	255	2070

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255

2070

- (4) For the purposes of this paragraph a vehicle is a higher rate diesel vehicle if it is constructed so as to be propelled by diesel and it does not meet the Euro 6d emissions standard.
- (5) A vehicle meets the Euro 6d emissions standard only if it is first registered on the basis of an EU certificate of conformity which indicates that the exhaust emission level is Euro 6d (and it does not meet that standard if it is first registered on the basis of an EU certificate of conformity which indicates that that level is Euro 6d-TEMP).
- (6) “Diesel” means any diesel fuel within Article 2 of Directive 98/70/EC of the European Parliament and of the Council.”
- (5) In paragraph 1J (rates for light goods vehicles) in paragraph (a) for “£240” substitute “£250”.
- (6) In paragraph 2(1) (rates for motorcycles)—
- in paragraph (a), for “£18” substitute “£19”,
  - in paragraph (b), for “£41” substitute “£42”,
  - in paragraph (c), for “£62” substitute “£64”, and
  - in paragraph (d), for “£85” substitute “£88”.
- (7) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2018.

#### 45 Tobacco products duty: rates **U.K.**

- (1) TPDA 1979 is amended as follows.
- (2) For the table in Schedule 1 substitute—

“TABLE

1 Cigarettes	An amount equal to the higher of— (a) 16.5% of the retail price plus £217.23 per thousand cigarettes, or (b) £280.15 per thousand cigarettes.
2 Cigars	£270.96 per kilogram
3 Hand-rolling tobacco	£221.18 per kilogram
4 Other smoking tobacco and chewing tobacco	£119.13 per kilogram”

- (3) The amendment made by this section is treated as having come into force at 6pm on 22 November 2017.

**Changes to legislation:**

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Excise duties.