



# Finance Act 2021

## 2021 CHAPTER 26

### PART 3

#### OTHER TAXES

##### *Vehicle taxes*

#### **104 Rates for light passenger or light goods vehicles, motorcycles etc**

- (1) Schedule 1 to VERA 1994 (annual rates of vehicle excise 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 “£270” substitute “ £280 ”, and
  - (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£165” substitute “ £170 ”.
- (3) In paragraph 1B (graduated rates for light passenger vehicles registered before 1 April 2017), for the Table substitute—

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<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	120	130
130	140	145	155
140	150	160	170

*Status: Point in time view as at 10/06/2021.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2021, Cross Heading: Vehicle taxes. (See end of Document for details)*

150	165	200	210
165	175	240	250
175	185	265	275
185	200	305	315
200	225	330	340
225	255	575	585
255		590	600”.

(4) In the sentence immediately following the Table in that paragraph, for paragraphs (a) and (b) substitute—

- “(a) in column (3), in the last two rows, “330” were substituted for “575” and “ 590 ”, and  
(b) in column (4), in the last two rows, “340” were substituted for “585” and “ 600 ”.”

(5) In paragraph 1GC (graduated rates for first licence for light passenger vehicles registered on or after 1 April 2017), for Table 1 (vehicles other than higher rate diesel vehicles) 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>
0	50	0	10
50	75	15	25
75	90	105	115
90	100	130	140
100	110	150	160
110	130	170	180
130	150	210	220
150	170	545	555
170	190	885	895
190	225	1335	1345
225	255	1900	1910
255		2235	2245”

(6) In that paragraph, for Table 2 (higher rate diesel vehicles) substitute—

<i>“CO<sub>2</sub> emissions figure</i>		<i>Rate</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>

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<i>Exceeding</i> <i>g/km</i>	<i>Not exceeding</i> <i>g/km</i>	<i>Rate</i> <i>£</i>
0	50	25
50	75	115
75	90	140
90	100	160
100	110	180
110	130	220
130	150	555
150	170	895
170	190	1345
190	225	1910
225	255	2245
255		2245”.

(7) In paragraph 1GD(1) (rates for any other licence for light passenger vehicles registered on or after 1 April 2017)—

- (a) in paragraph (a) (reduced rate), for “£140” substitute “ £145 ”, and
- (b) in paragraph (b) (standard rate), for “£150” substitute “ £155 ”.

(8) In paragraph 1GE(2) (rates for light passenger vehicles registered on or after 1 April 2017 with a price exceeding £40,000)—

- (a) in paragraph (a), for “£465” substitute “ £480 ”, and
- (b) in paragraph (b), for “£475” substitute “ £490 ”.

(9) In paragraph 1J(a) (rates for light goods vehicles that are not pre-2007 or post-2008 lower emission vans), for “£265” substitute “ £275 ”.

(10) In paragraph 2(1) (rates for motorcycles)—

- (a) in paragraph (a) (engine cylinder capacity not exceeding 150cc), for “£20” substitute “ £21 ”,
- (b) in paragraph (b) (motorbicycles with engine cylinder capacity exceeding 150cc but not exceeding 400cc), for “£44” substitute “ £45 ”,
- (c) in paragraph (c) (motorbicycles with engine cylinder capacity exceeding 400cc but not exceeding 600cc), for “£67” substitute “ £69 ”, and
- (d) in paragraph (d) (other cases), for “£93” substitute “ £96 ”.

(11) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2021.

## **105 Rebates where higher rate of duty paid**

(1) Section 19 of VERA 1994 (rebates of vehicle excise duty) is amended as follows.

(2) In subsection (3A) for “subsection (3B)” substitute “ subsections (3B) and (3C) ”.

(3) After subsection (3B) insert—

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“(3C) Where the annual rate of duty chargeable on a vehicle licence at the time when it was taken out is determined in accordance with paragraph 1GE(2) of Schedule 1 (higher rates of duty: vehicles with a price exceeding £40,000) the relevant amount is given by—

$$\frac{(H \times R) + (L \times P)}{12}$$

where—

H is the annual rate of duty chargeable on the licence at the time when it was taken out;

R is the number of complete months (if any) of that part of the currency of the licence which is unexpired—

- (a) in respect of which the rebate condition is satisfied, and
- (b) which are within the period of six years beginning with the day of registration;

L is the annual rate of duty that would have been chargeable on the licence at the time when it was taken out if that time had been after the period of six years beginning with the day of registration;

P is the number of complete months (if any) of that part of the currency of the licence which is unexpired—

- (a) in respect of which the rebate condition is satisfied, and
- (b) which are not within R.

(3D) In subsection (3C) the “day of registration” means the day on which the vehicle in respect of which the licence is in force was first registered under this Act or under the law of a country or territory outside the United Kingdom.”

- (4) The amendments made by this section have effect in relation to cases where a rebate condition (within the meaning of section 19 of VERA 1994) is satisfied on or after 1 April 2021.

## **106 HGV road user levy (extension of suspension)**

In section 88 of FA 2020 (suspension of HGV road user levy), in subsection (3), for “12” substitute “ 24 ”.

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**Changes to legislation:**

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Vehicle taxes.