



# Vehicle Excise and Registration Act 1994

## 1994 CHAPTER 22

### PART I

#### VEHICLE EXCISE DUTY AND LICENCES

##### *Main provisions*

#### **1 Duty and licences.**

- (1) A duty of excise (“vehicle excise duty”) shall be charged in respect of every mechanically propelled vehicle which is used, or kept, on a public road in the United Kingdom and shall be paid on a licence to be taken out by the person keeping the vehicle.
- (2) A licence taken out for a vehicle is in this Act referred to as a “vehicle licence”.

#### **2 Annual rates of duty.**

- (1) Vehicle excise duty in respect of a vehicle of any description is chargeable by reference to the annual rate currently applicable to it in accordance with the provisions of Schedule 1 which relate to vehicles of that description.
- (2) But where vehicle excise duty is chargeable in respect of the keeping of a vehicle on a road (and not in respect of its use), the duty is chargeable in accordance with subsection (3) or (4).
- (3) Where one or more vehicle licences have previously been issued for the use of the vehicle, duty in respect of the keeping of the vehicle on a road is chargeable by reference to the annual rate currently applicable to a vehicle of the same description as that of the vehicle on the occasion of the issue of that licence (or the last of those licences).
- (4) In any other case, duty in respect of such keeping is chargeable by reference to whichever of the annual rates currently specified in Part I of Schedule 1 is applicable to a vehicle constructed at the same time as the vehicle.

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### **3 Duration of licences.**

- (1) A vehicle licence may be taken out for any vehicle for any period of twelve months running from the beginning of the month in which the licence first has effect.
- (2) Where the annual rate of vehicle excise duty in respect of vehicles of any description exceeds £50, a vehicle licence may be taken out for a vehicle of that description for a period of six months running from the beginning of the month in which the licence first has effect.
- (3) The Secretary of State may by order provide that a vehicle licence may be taken out for a vehicle for such period as may be specified in the order.
- (4) An order under subsection (3) may specify—
  - (a) a period of a fixed number of months (not exceeding fifteen) running from the beginning of the month in which the licence first has effect,
  - (b) in the case of a licence taken out on the first registration under this Act of a vehicle of such description as may be specified in the order, a period exceeding by such number of days (not exceeding thirty) as may be determined by or under the order the period for which the licence would otherwise have effect by virtue of subsection (1) or (2) or of an order under paragraph (a), or
  - (c) in the case of a vehicle of such description (or of such description and used in such circumstances) as may be specified in the order, a period of less than one month.
- (5) An order under subsection (3)—
  - (a) may be made so as to apply only to vehicles of specified descriptions, and
  - (b) may make different provision for vehicles of different descriptions or for different circumstances.
- (6) The power to make an order under subsection (3) includes power to make transitional provisions and to amend or repeal subsection (1) or (2).

### **4 Amount of duty.**

- (1) Where a vehicle licence for a vehicle of any description is taken out for any period of twelve months, vehicle excise duty shall be paid on the licence at the annual rate of duty applicable to vehicles of that description.
- (2) Where a vehicle licence for a vehicle of any description is taken out for a period of six months, vehicle excise duty shall be paid on the licence at a rate equal to fifty-five per cent. of that annual rate.
- (3) In determining a rate of duty under subsection (2) any fraction of five pence—
  - (a) if it exceeds two and a half pence, shall be treated as five pence, and
  - (b) otherwise, shall be disregarded.
- (4) Where a vehicle licence for a vehicle of any description is taken out for a period specified in an order under section 3(3), vehicle excise duty shall be paid on the licence at such rate as may be specified in the order.
- (5) A rate of vehicle excise duty specified in an order under section 3(3) in relation to a licence taken out for a vehicle for a period of—
  - (a) a fixed number of months other than twelve, or

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(b) less than one month,

shall be such as to bear to the annual rate of duty applicable to the vehicle no less proportion than the period for which the licence is taken out bears to a year.

(6) A rate of vehicle excise duty specified in an order under section 3(3) in relation to a licence taken out for a vehicle for a period of three months or a period of four months shall not exceed for each month of the period ten per cent. of the annual rate of duty applicable to the vehicle.

(7) The power to make an order under section 3(3) includes power to amend or repeal subsection (2) or (3) of this section.

## **5 Exempt vehicles.**

(1) No vehicle excise duty shall be charged in respect of a vehicle if it is an exempt vehicle.

(2) Schedule 2 specifies descriptions of vehicles which are exempt vehicles.

## **6 Collection etc. of duty.**

(1) Vehicle excise duty shall be levied by the Secretary of State.

(2) For the purpose of levying vehicle excise duty the Secretary of State and his officers (including any body or person authorised by the Secretary of State to act as his agent for the purposes of this Act) have the same powers, duties and liabilities as the Commissioners of Customs and Excise and their officers have with respect to—

(a) duties of excise (other than duties on imported goods),

(b) the issue and cancellation of licences on which duties of excise are imposed, and

(c) other matters (not being matters relating only to duties on imported goods),

under the enactments relating to duties of excise and excise licences.

(3) The enactments relating to duties of excise, or punishments and penalties in connection with those duties, (other than enactments relating only to duties on imported goods) apply accordingly.

(4) Subsections (2) and (3) have effect subject to the provisions of this Act (including in particular, in the case of subsection (3), subsection (6) of this section and sections 47, 48 and 56).

(5) The Secretary of State has with respect to vehicle excise duty and licences under this Act the powers given to the Commissioners of Customs and Excise by the enactments relating to duties of excise and excise licences for the mitigation or remission of any penalty or part of a penalty.

(6) Vehicle excise duty, and any sums received by the Secretary of State by virtue of this Act by way of fees, shall be paid into the Consolidated Fund.

## *Vehicle licences*

## **7 Issue of vehicle licences.**

(1) Every person applying for a vehicle licence shall—

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- (a) make such a declaration, and
  - (b) furnish such particulars,
- (whether or not with respect to the vehicle for which the licence is to be taken out) as may be [<sup>F1</sup>specified] by the Secretary of State.
- (2) The declarations and particulars which may be so [<sup>F2</sup>specified] include, in relation to a person applying for a licence for a goods vehicle, a declaration as to, and particulars of, any of the matters specified in subsection (3) as to which the Secretary of State may require information with a view to an alteration in the basis on which vehicle excise duty is chargeable in respect of goods vehicles.
- (3) The matters referred to in subsection (2) are—
- (a) the construction of the vehicle,
  - [<sup>F3</sup>(b) the vehicle's revenue weight,
  - (ba) the place where the vehicle has been or is normally kept, and]
  - (c) the use to which the vehicle has been or is likely to be put.
- (4) A vehicle licence—
- (a) is issued for the vehicle specified in the application for the licence, and
  - (b) does not entitle the person to whom it is issued to use or keep any other vehicle.
- (5) The Secretary of State is not required to issue a vehicle licence for which an application is made unless he is satisfied—
- (a) that the licence applied for is the appropriate licence for the vehicle specified in the application, and
  - (b) in the case of an application for a licence for a vehicle purporting to be the first application for a licence for the vehicle, that a licence has not previously been issued for the vehicle.
- (6) Regulations made by the Secretary of State may provide for—
- (a) the issue of a new vehicle licence in the place of a licence which is or may be lost, stolen, destroyed or damaged, and
  - (b) the fee to be paid on the issue of a new licence.
- (7) Where, following an application made in accordance with regulations under paragraph 13 of Schedule 1, a licence is issued for a goods vehicle at the rate of duty applicable to a weight specified in the application which is lower than its actual weight, that lower weight is to be shown on the licence.

#### Textual Amendments

- F1** Words in s. 7(1) substituted (1.5.1995 with effect as mentioned in Sch. 4 Pt. V para. 30(3) of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. V para. 30(1)(a)(3)
- F2** Word in s. 7(2) substituted (1.5.1995 with effect as mentioned in Sch. 4 Pt. V para. 30(3) of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. V para. 30(1)(b)(3)
- F3** S. 7(3)(b)(ba) substituted for s. 7(3)(b) (1.5.1995 with effect as mentioned in Sch. 4 Pt. IV para. 29 of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. IV paras. 18, 29

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VALID FROM 24/07/2002

#### **[<sup>F4</sup>7A Supplement payable on late renewal of vehicle licence**

- (1) Regulations may make provision for a supplement of a prescribed amount to be payable in prescribed cases where—
  - (a) a vehicle licence taken out for a vehicle expires, and
  - (b) no vehicle licence is issued for the vehicle—
    - (i) before the end of such period beginning with the expiry of the expired licence as may be prescribed, and
    - (ii) for a period beginning with that expiry.
- (2) A supplement under this section—
  - (a) shall be payable by such person, or jointly and severally by such persons, as may be prescribed;
  - (b) shall become payable at such time as may be prescribed;
  - (c) may be of an amount that varies according to the length of the period between—
    - (i) the expiry of the licence by reason of whose non-renewal the supplement becomes payable, and
    - (ii) the time at which the supplement is paid or that licence is renewed.
- (3) A supplement under this section that has become payable—
  - (a) is in addition to any vehicle excise duty charged in respect of the vehicle concerned;
  - (b) does not cease to be payable by reason of a vehicle licence being taken out for the vehicle after the supplement has become payable;
  - (c) may, without prejudice to section 6 or 7B(2) and (3) or any other provision of this Act, be recovered as a debt due to the Crown.
- (4) In this section—
  - (a) references to the expiry of a vehicle licence include a reference to—
    - (i) its surrender, and
    - (ii) its being treated as no longer in force for the purposes of subsection (2) of section 31A by subsection (4) of that section;
  - (b) “prescribed” means prescribed by, or determined in accordance with, regulations;
  - (c) “regulations” means regulations made by the Secretary of State with the consent of the Treasury.
- (5) No regulations to which subsection (6) applies shall be made under this section unless a draft of the regulations has been laid before, and approved by a resolution of, each House of Parliament.
- (6) This subsection applies to regulations under this section that—
  - (a) provide for a supplement to be payable in a case where one would not otherwise be payable,
  - (b) increase the amount of a supplement,
  - (c) provide for a supplement to become payable earlier than it would otherwise be payable, or

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- (d) provide for a supplement to be payable by a person by whom the supplement would not otherwise be payable.]

#### Textual Amendments

- F4** Ss. 7A, 7B inserted (24.7.2002 for the purpose of the exercise of any power to make regulations and 30.11.2003 otherwise) by [Finance Act 2002 \(c. 23\)](#), s. 19, [Sch. 5 para. 5](#) ; S.I. 2003/3086, [art. 2\(b\)](#)

VALID FROM 24/07/2002

#### [<sup>F4</sup>7B Late-renewal supplements: further provisions

- (1) The Secretary of State may by regulations make provision for notifying the person in whose name a vehicle is registered under this Act about—
- (a) any supplement under section 7A that may or has become payable on non-renewal of a vehicle licence for the vehicle;
  - (b) when failure to renew a vehicle licence may result in the person being guilty of an offence under section 31A.
- (2) The Secretary of State may by regulations make provision—
- (a) for assessing an amount of supplement due under section 7A from any person and for notifying that amount to that person or any person acting in a representative capacity in relation to that person;
  - (b) for an amount assessed and notified under such regulations to be deemed to be an amount of vehicle excise duty due from the person assessed and recoverable accordingly;
  - (c) for review of decisions under such regulations and for appeals with respect to such decisions or decisions on such reviews.
- (3) Regulations under subsection (2) may, in particular, make provision that, subject to any modifications that the Secretary of State considers appropriate, corresponds or is similar to—
- (a) any provision made by sections 12A and 12B of the Finance Act 1994 (assessments related to excise duty matters), or
  - (b) any provision made by sections 14 to 16 of that Act (customs and excise reviews and appeals).
- (4) Sums received by way of supplements under section 7A shall be paid into the Consolidated Fund.]

#### Textual Amendments

- F4** Ss. 7A, 7B inserted (24.7.2002 for the purpose of the exercise of any power to make regulations and 30.11.2003 otherwise) by [Finance Act 2002 \(c. 23\)](#), s. 19, [Sch. 5 para. 5](#) ; S.I. 2003/3086, [art. 2\(b\)](#)

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VALID FROM 19/07/2006

### **[<sup>F5</sup>7C Recovery of section 7A supplements: Scotland**

- (1) The Secretary of State may by regulations provide for the recovery of supplement that has become payable under section 7A by diligence authorised by summary warrant.
- (2) Regulations under subsection (1) may, in particular, provide—
  - (a) for such summary warrants—
    - (i) to be granted by the sheriff on the application of the Secretary of State; and
    - (ii) to authorise any of the diligences mentioned in subsection (3);
  - (b) for such applications to be accompanied by a certificate mentioned in subsection (4); and
  - (c) for the fees and outlays of sheriff officers incurred in executing such summary warrants to be chargeable against the debtor.
- (3) The diligences referred to in subsection (2)(a)(ii) are—
  - (a) an attachment;
  - (b) an earnings arrestment;
  - (c) an arrestment and action of furthcoming or sale.
- (4) The certificate referred to in subsection (2)(b) is a certificate by the Secretary of State —
  - (a) stating that none of the persons specified in the application has paid the supplement due;
  - (b) stating that payment of the amount due from each such person has been demanded from him;
  - (c) stating whether in response to that demand any such person disputes liability to pay; and
  - (d) specifying the amount due from and unpaid by each such person.
- (5) No fee shall be chargeable by the sheriff officer against the debtor for—
  - (a) collecting; or
  - (b) accounting to the Secretary of State for, sums paid to him by the debtor in respect of the amount owing.
- (6) No summary warrant for recovery of supplement payable under section 7A may be granted against a person if—
  - (a) he disputes liability to pay; or
  - (b) an action for payment to recover such supplement from him has already been raised.
- (7) Failure to respond to a demand to pay shall not be taken to mean liability to pay is disputed.
- (8) An action for payment to recover supplement payable under section 7A may be raised against a person notwithstanding that a summary warrant has already been granted for recovery of such supplement from him but only if none of the diligences mentioned in subsection (3) has been executed against him.

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(9) Where such an action is raised, the summary warrant shall cease to have effect in relation to such person.

(10) This section extends to Scotland only.]

#### Textual Amendments

F5 S. 7C inserted (S.) (19.7.2006) by Finance Act 2006 (c. 25), s. 15

### 8 Vehicles removed into UK.

- (1) Where an application is made for a vehicle licence for a vehicle which—
- (a) appears to the Secretary of State to have been removed into the United Kingdom from a place outside the United Kingdom, and
  - (b) is not already registered under this Act,
- the Secretary of State may refuse to issue the licence unless subsection (2) applies to the vehicle.
- (2) This subsection applies to a vehicle if the Secretary of State is satisfied in relation to the removal of the vehicle into the United Kingdom—
- (a) that any value added tax charged on the acquisition of the vehicle from another member State, or on any supply involving its removal into the United Kingdom, has been or will be paid or remitted,
  - (b) that any value added tax or customs duty charged on the importation of the vehicle from a place outside the member States has been or will be paid or remitted, or
  - (c) that no such tax or duty has been charged on the acquisition or importation of the vehicle or on any supply involving its removal into the United Kingdom.

### 9 Temporary vehicle licences.

- (1) Where an application is made for a vehicle licence for a vehicle for any period, the Secretary of State may, if he thinks fit, instead of issuing immediately a vehicle licence for that period—
- (a) issue a vehicle licence (a “temporary licence”) for fourteen days, or such other period as may be prescribed by regulations made by the Secretary of State, having effect from such day as may be so prescribed, and
  - (b) from time to time issue a further temporary licence for the vehicle.
- (2) Nothing in this section affects the amount of any duty payable on a vehicle licence.
- (3) Where an application for a vehicle licence is made to a body (other than a Northern Ireland department) authorised by the Secretary of State to act as his agent for the purpose of issuing licences, the body may, before issuing a licence under subsection (1) (a), require the applicant to pay to it in connection with the issue a fee of £2.
- (4) The Secretary of State may by regulations substitute for the sum for the time being specified in subsection (3) such other sum as may be prescribed by the regulations.



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## 10 Transfer and surrender of vehicle licences.

- (1) Any vehicle licence may be transferred in the manner prescribed by regulations made by the Secretary of State.
- (2) The holder of a vehicle licence may at any time surrender the licence to the Secretary of State.
- (3) Where—
  - (a) a person surrenders under subsection (2) a temporary licence issued pursuant to an application for a vehicle licence, and
  - (b) a further vehicle licence issued pursuant to the application is either held by him at the time of the surrender of the temporary licence or received by him after that time,the further licence ceases to be in force and the person shall immediately return it to the Secretary of State.

### Modifications etc. (not altering text)

C1 S. 10(2) excluded (*retrospectively* 1.4.2001) by 2001 c. 9, s. 13(10)(11)(14)

## Trade licences

## 11 Issue of trade licences.

- (1) Where—
  - (a) a motor trader or vehicle tester, or
  - (b) a person who satisfies the Secretary of State that he intends to commence business as a motor trader or vehicle tester,applies to the Secretary of State (in the manner [<sup>F6</sup>specified] by the Secretary of State) to take out a licence under this section (a “trade licence”), the Secretary of State may, subject to the conditions [<sup>F7</sup>prescribed by regulations made by the Secretary of State], issue such a licence to him on payment of vehicle excise duty at the rate applicable to the licence.
- (2) In the case of a motor trader who is a manufacturer of vehicles, a trade licence is a licence for—
  - (a) all vehicles which are from time to time temporarily in his possession in the course of his business as a motor trader,
  - (b) all vehicles kept and used by him solely for purposes of conducting research and development in the course of his business as such a manufacturer, and
  - (c) all vehicles which are from time to time submitted to him by other manufacturers for testing on roads in the course of that business.
- (3) In the case of any other motor trader, a trade licence is a licence for all vehicles which are from time to time temporarily in his possession in the course of his business as a motor trader.
- (4) In the case of a vehicle tester, a trade licence is a licence for all vehicles which are from time to time submitted to him for testing in the course of his business as a vehicle tester.

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### Textual Amendments

- F6** Words in s. 11(1) substituted (1.5.1995 with effect as mentioned in Sch. 4 para. 30(3) of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. V para. 30(2)(a)(3)
- F7** Words in s. 11(1) substituted (1.5.1995 with effect as mentioned in Sch. 4 para. 30(3) of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. V para. 30(2)(b)(3)

## 12 Use of vehicles by holders of trade licences.

- (1) The holder of a trade licence is not entitled by virtue of the licence—
- (a) to use more than one vehicle at any one time,
  - (b) to use a vehicle for any purpose other than a purpose prescribed by regulations made by the Secretary of State, or
  - (c) except in such circumstances as may be so prescribed, to keep any vehicle on a road if it is not being used on the road.
- (2) The Secretary of State shall by regulations prescribe—
- (a) the conditions subject to which trade licences are to be issued, and
  - (b) the purposes for which the holder of a trade licence may use a vehicle by virtue of the licence.
- (3) The purposes which may be prescribed as those for which the holder of a trade licence may use a vehicle under the licence shall not include the conveyance of goods or burden of any description other than—
- (a) a load which is carried solely for the purpose of testing or demonstrating the vehicle or any of its accessories or equipment and which is returned to the place of loading without having been removed from the vehicle except for that purpose or in the case of accident,
  - (b) in the case of a vehicle which is being delivered or collected, a load consisting of another vehicle used or to be used for travel from or to the place of delivery or collection,
  - (c) a load built in as part of the vehicle or permanently attached to it,
  - (d) a load consisting of parts, accessories or equipment designed to be fitted to the vehicle and of tools for fitting them to the vehicle, or
  - (e) a load consisting of a trailer other than a trailer which is for the time being a disabled vehicle.
- (4) For the purposes of subsection (3), where a vehicle is so constructed that a trailer may by partial superimposition be attached to the vehicle in such a manner as to cause a substantial part of the weight of the trailer to be borne by the vehicle, the vehicle and the trailer are deemed to constitute a single vehicle.
- (5) In subsection (3)(e) “disabled vehicle” includes a vehicle which has been abandoned or is scrap.

## 13 Trade licences: duration and amount of duty.

- (1) A trade licence may be taken out—
- (a) for one calendar year,
  - (b) for a period of six months beginning with the first day of January or of July, or

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- (c) where subsection (2) applies, for a period of seven, eight, nine, ten or eleven months beginning with the first day of any month other than January or July [<sup>F8</sup>and ending no later than the relevant date].

[<sup>F9</sup>(1A) In subsection (1)(c) “the relevant date” means—

- (a) in relation to a licence taken out for a period beginning with the first day of any of the months February to June in any year, 31st December of that year;
  - (b) in relation to a licence taken out for a period beginning with the first day of any of the months August to December in any year, 30th June of the following year.]
- (2) This subsection applies where the person taking out the licence—
- (a) is not a motor trader or vehicle tester (having satisfied the Secretary of State as mentioned in section 11(1)(b)), or
  - (b) does not hold any existing trade licence.
- (3) The rate of duty applicable to a trade licence taken out for a calendar year is—
- (a) the annual rate currently applicable to a vehicle under sub-paragraph (1)(c) of paragraph 2 of Schedule 1 if the licence is to be used only for vehicles to which that paragraph applies, and
  - (b) otherwise, the annual rate currently applicable to a vehicle under paragraph [<sup>F10</sup>1(1)(a)] of Schedule 1.
- (4) The rate of duty applicable to a trade licence taken out for a period of six months is fifty-five per cent. of the rate applicable to the corresponding trade licence taken out for a calendar year.
- (5) The rate of duty applicable to a trade licence taken out for a period of seven, eight, nine, ten or eleven months is the aggregate of—
- (a) fifty-five per cent. of the rate applicable to the corresponding trade licence taken out for a calendar year, and
  - (b) one-sixth of the amount arrived at under paragraph (a) in respect of each month in the period in excess of six.
- (6) In determining a rate of duty under subsection (4) or (5) any fraction of five pence—
- (a) if it exceeds two and a half pence, shall be treated as five pence, and
  - (b) otherwise, shall be disregarded.

#### Textual Amendments

- F8** Words in s. 13(1)(c) inserted (1.5.1995 with effect as mentioned in Sch. 4 para. 31(3) of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. V para. 31(1)(3)
- F9** S. 13(1A) inserted (1.5.1995 with effect as mentioned in Sch. 4 para. 31(3) of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. V para. 31(2)(3)
- F10** Words in s. 13(3)(b) substituted (1.5.1995 with effect as mentioned in Sch. 4 para. 16 of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. III paras. 6(2)(a), 16

## 14 Trade licences: supplementary.

- (1) Nothing in sections 11 to 13 prevents a person entitled to take out a trade licence from holding two or more trade licences.

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- (2) The holder of a trade licence may at any time surrender the licence to the Secretary of State.
- (3) Where—
- (a) the Secretary of State refuses an application for a trade licence by a person entitled to make such an application, and
  - (b) the applicant, within the period prescribed by regulations made by the Secretary of State, requests him to review his decision,
- the Secretary of State shall comply with the request and (in doing so) consider any representations made to him in writing during that period by the applicant.
- (4) Regulations made by the Secretary of State may provide for—
- (a) the issue of a new trade licence in the place of a licence which is or may be lost, stolen, destroyed or damaged, and
  - (b) the fee to be paid on the issue of a new licence.

*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) <sup>[F11]</sup>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
  - (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.

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**Changes to legislation:** Vehicle Excise and Registration Act 1994, Part I is up to date with all changes known to be in force on or before 12 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (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

**F11** 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)

**C2** 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

#### [<sup>F12</sup>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.]

#### Textual Amendments

**F12** 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)

*Status: Point in time view as at 01/05/1995. This version of this part contains provisions that are not valid for this point in time.*

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## 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 [<sup>F13</sup>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 [<sup>F13</sup>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—
- (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—

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- (i) has [<sup>F13</sup>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**

**F13** 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.

- <sup>F14</sup>(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.

**Textual Amendments**

**F14** 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

*Status: Point in time view as at 01/05/1995. This version of this part contains provisions that are not valid for this point in time.*

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## **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—
  - (a) 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
  - (b) 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.

### **[<sup>F15</sup>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) a vehicle licence or a trade licence is issued to a person on receipt of a cheque which is subsequently dishonoured, and
  - (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.



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- (4) Section 102 of the <sup>M1</sup>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

**F15** 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

#### [<sup>F16</sup>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
  - (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

**F16** S. 19B inserted (19.3.1997) by 1997 c. 16, s. 19(1)

**Status:** Point in time view as at 01/05/1995. This version of this part contains provisions that are not valid for this point in time.

**Changes to legislation:** Vehicle Excise and Registration Act 1994, Part I is up to date with all changes known to be in force on or before 12 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

VALID FROM 22/07/2004

### **[<sup>F17</sup>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**

- F17** **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—
  - (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)

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an amount calculated by the method prescribed by regulations made by the Secretary of State.

[<sup>F18</sup>(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.

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**Textual Amendments**

**F18** 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

**Status:**

Point in time view as at 01/05/1995. This version of this part contains provisions that are not valid for this point in time.

**Changes to legislation:**

Vehicle Excise and Registration Act 1994, Part I is up to date with all changes known to be in force on or before 12 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.