



# Finance Act 2001

## 2001 CHAPTER 9

### PART 1

#### EXCISE DUTIES

##### *Hydrocarbon oil duties*

### 1 Rates of duty on hydrocarbon oil

- (1) In section 6(1A) of the Hydrocarbon Oil Duties Act 1979 (c. 5) (rates of duty on hydrocarbon oil)—
  - (a) in paragraph (a) (ultra-low sulphur petrol), for “£0.4782” substitute “ £0.4582 ”; and
  - (b) in paragraph (c) (ultra-low sulphur diesel), for “£0.4882” substitute “ £0.4582 ”.
- (2) That subsection shall have effect until midnight on 14th June 2001 as if for paragraph (b) (other light oil) there were substituted—
  - “(ba) £0.5268 in the case of unleaded petrol other than ultra low sulphur petrol;
  - (bb) £0.5468 in the case of light oil not within paragraph (a) or (ba) above;”.

After that, paragraph (b) shall have effect as it did before.

- (3) In section 8(3) of the Hydrocarbon Oil Duties Act 1979 (c. 5) (rate of duty on road fuel gas) for “£0.1500” substitute “ £0.0900 ”.
- (4) This section shall be deemed to have come into force at 6 o’clock in the evening of 7th March 2001.

### 2 Rebate on unleaded petrol

<sup>F1</sup>(1) .....

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(2) In paragraph 1(1) of Schedule 2A to that Act (converting unleaded petrol into leaded petrol)—

(a) for paragraphs (a) and (b) substitute—

“(ab) adding lead to unleaded petrol in respect of which a rebate has been allowed under section 13A;”;

and

(b) in paragraph (c)—

(i) for “paragraph (a)” substitute “ paragraph (aa) ”, and

(ii) for “paragraph (b)” substitute “ paragraph (ab) ”.

(3) For paragraph 2A of that Schedule (mixing different kinds of unleaded petrol) substitute—

“2A (1) A mixture which is unleaded petrol is produced in contravention of this paragraph if the mixture is produced by mixing—

(a) petrol on which duty has been paid at the rate specified in section 6(1A)(a), and

(b) petrol in respect of which a rebate has been allowed under section 13A,

and the mixture produced is unleaded petrol that is not ultra low sulphur petrol.

(2) This paragraph is subject to any direction given under paragraph 3.”.

(4) In paragraph 8 of that Schedule (rate of duty on mixtures of light oil), for sub-paragraph (3A) substitute—

“(3A) In the case of a mixture produced in contravention of paragraph 2A above, the rate is that produced by deducting from the rate in force under section 6(1A)(b) at the time the mixture is produced the rebate which at that time is in force under section 13A.”.

(5) This section shall be deemed to have come into force at 6 o’clock in the evening of 7th March 2001.

#### Textual Amendments

**F1** S. 2(1) omitted (retrospective to 1.4.2008) by virtue of [Finance Act 2008 \(c. 9\), s. 13\(11\)\(d\)\(12\)](#)

### 3 Fuel-testing pilot projects

(1) In the Hydrocarbon Oil Duties Act 1979 (c. 5), after section 20AA insert—

#### “20AB Power to allow reliefs for fuel testing etc

(1) The Commissioners may by regulations make provision allowing reliefs as regards excise duty charged in respect of experimental fuel where—

(a) the fuel is, or is to be, used for the purposes of a fuel-testing project that is approved by the Commissioners,

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- (b) the project is approved for the purposes of the development of the fuel (see subsection (8)(a) below), and
  - (c) the use takes place, or is to take place, during the period that, for the purposes of the project, is the relief period for the fuel (see subsection (8)(b) below).
- (2) In this section “experimental fuel” means a substance of a description specified in regulations made by the Commissioners.
- (3) For each experimental fuel, the Commissioners shall by regulations make provision specifying—
  - (a) the beginning and end of the period that is the experimental period for that fuel; and
  - (b) the form that (subject to any directions under subsection (9)(a) below) is to be taken by relief under this section as regards excise duty chargeable on that fuel.
- (4) A form of relief specified under subsection (3)(b) above must be an authorised form; and for the purposes of this section “an authorised form” is—
  - (a) a repayment, or
  - (b) a rebate (or extra rebate).
- (5) Relief under this section shall be allowed—
  - (a) to the extent specified in, or determined in accordance with, regulations under subsection (1) above, and
  - (b) subject to—
    - (i) such conditions as the Commissioners may impose, and
    - (ii) any directions under subsection (9)(b) below.
- (6) The conditions that may be imposed under subsection (5)(b)(i) above include, in particular, conditions in connection with—
  - (a) the collection, keeping, compilation or analysis, or
  - (b) the supply to the Commissioners or other persons,of data, or information, relating to the production, use or performance of an experimental fuel.
- (7) Subsections (8) and (9) below apply where the Commissioners have approved a fuel-testing project.
- (8) The Commissioners shall give directions specifying—
  - (a) each experimental fuel for the purposes of whose development the project is approved;
  - (b) for each fuel specified under paragraph (a) above, the beginning and end of the period that, for the purposes of the project, is (in accordance with subsection (10) below) the relief period for the fuel; and
  - (c) any conditions imposed under subsection (5)(b)(i) above that apply to the allowance under this section of relief as regards excise duty chargeable in respect of an experimental fuel used, or to be used, for the purposes of the project.
- (9) The Commissioners may give directions—
  - (a) providing for relief as regards excise duty chargeable in respect of an experimental fuel used, or to be used, for the purposes of the

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- project to take an authorised form different to the form specified under subsection (3)(b) above;
- (b) as to administration in connection with allowing reliefs under this section as regards excise duty chargeable in respect of an experimental fuel used, or to be used, for the purposes of the project.
- (10) For the purposes of subsection (8)(b) above—
- (a) the beginning of the relief period for a fuel may not be earlier than the beginning of the experimental period for that fuel; and
- (b) the end of the relief period for a fuel may not be later than the end of the experimental period for that fuel.
- (11) In this section—
- “excise duty” means—
- (a) excise duty chargeable by virtue of this Act, or
- (b) any addition to such duty by virtue of section 1 of the Excise Duties (Surcharges or Rebates) Act 1979 (c. 8);
- “fuel-testing project” means a pilot project connected with the technological development of environment-friendly fuels.
- (12) Regulations under this section may make different provision for different cases.”.
- (2) In section 24(1) of the Hydrocarbon Oil Duties Act 1979 (c. 5) (regulations for the purposes of provisions providing for rebates etc.), after “section 19A” insert “, section 20AB”.
- (3) In section 27(1) of the Hydrocarbon Oil Duties Act 1979 (interpretation), in the definition of “rebate”, for “or 14” substitute “, 14 or 20AB”.
- (4) In section 12B(1)(h) of the Finance Act 1994 (c. 9) (excise duty reliefs that may be recovered under section 12A when wrongly given), after “allowed to a person by virtue of section 20AA” insert “ or 20AB”.

### *Tobacco products duty*

#### **4 Rates of tobacco products duty**

- (1) For the Table of rates of duty in Schedule 1 to the Tobacco Products Duty Act 1979 (c. 7) substitute—

TABLE

1. Cigarettes	An amount equal to 22 per cent. of the retail price plus 92.25 per thousand cigarettes.
2. Cigars	134.69 per kilogram.
3. Hand-rolling tobacco	96.81 per kilogram.
4. Other smoking tobacco and chewing tobacco	59.21 per kilogram.

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- (2) This section shall be deemed to have come into force at 6 o'clock in the evening of 7th March 2001.

### *Alcoholic liquor duties*

## **5 Dilution etc. of cider**

In section 62(5) of the Alcoholic Liquor Duties Act 1979 (c. 4) (regulations providing for the management of the duty on cider), after paragraph (d) insert—

- “(e) regulating and, in such circumstances as may be prescribed in the regulations, prohibiting the addition of substances to, the mixing of, or the carrying out of other operations on or in relation to, cider.”.

### *Betting and gaming duties*

## **6 General betting duty**

- (1) Schedule 1 to this Act (which makes provision about general betting duty) has effect.
- (2) This section shall come into force in accordance with such provision as the Commissioners of Customs and Excise may make by order made by statutory instrument.

### **Subordinate Legislation Made**

**P1** [S. 6\(2\)](#) power fully exercised: 6.10.2001 appointed by [S.I. 2001/3089](#), [art. 2](#)

## **7 Rates of gaming duty**

- (1) For the table in section 11(2) of the Finance Act 1997 (c. 16) (rates of gaming duty) substitute—

TABLE

<i>Part of gross gaming yield</i>	<i>Rate</i>
The first £484,500	2.5 per cent.
The next £1,076,000	12.5 per cent.
The next £1,076,000	20 per cent.
The next £1,883,500	30 per cent.
The remainder	40 per cent.

- (2) This section has effect in relation to accounting periods beginning on or after 1st April 2001.

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### *Vehicle excise duty*

## **8 Threshold for reduced general rate**

- (1) In paragraph 1 of Schedule 1 to the Vehicle Excise and Registration Act 1994 (c. 22) (rate of duty applicable where no other rate specified), in sub-paragraphs (2) and (2A) for “1,200 cubic centimetres” (the reduced rate threshold) substitute “ 1,549 cubic centimetres ”.

This amendment applies to licences issued on or after 1st July 2001.

- (2) Refunds shall be made by the Secretary of State, in accordance with the following provisions of this section, in respect of licences—

- (a) issued in the period beginning with 1st November 2000 and ending with 30th June 2001, and
- (b) not surrendered before the end of that period,

where the amount of vehicle excise duty chargeable on the licence would have been less if the amendment in subsection (1) had applied.

- (3) The amount of the refund is—

- (a) £55 for a 12 month licence, and
- (b) £27.50 for a 6 month licence.

- (4) The person entitled to the refund is—

- (a) in the case of a licence in force on 30th June 2001, the keeper of the vehicle on that date;
- (b) in the case of a licence that has ceased to be in force before that date, the keeper of the vehicle when the licence expired.

- (5) For the purposes of subsection (4) the keeper of the vehicle shall be taken to be—

- (a) the person registered as keeper of the vehicle on the date in question, or
- (b) if the Secretary of State has received notification of a change of ownership of the vehicle as a result of which another person is on that date entitled to be registered as the new keeper of the vehicle, that person.

- (6) A refund shall only be made if an application is made for it in such form, and containing such particulars and supported by such documents, as the Secretary of State may require.

- (7) The Secretary of State shall give notice in writing to any person appearing to him to be entitled to a refund—

- (a) informing him that he appears to be entitled to a refund,
- (b) enclosing an application form, and
- (c) specifying the particulars and supporting documents to be provided.

- (8) An application for, or the making of, a refund under this section in respect of a licence does not affect the validity of the licence.

- (9) For the purposes of section 19 of the Vehicle Excise and Registration Act 1994 (c. 22) (surrender of licences) as it applies to the surrender on or after 1st July 2001 of a licence in respect of which a refund under this section has been made, or applied for, the annual rate of duty chargeable on the licence shall be taken to be that which would have been chargeable if the amendment in subsection (1) above had applied.

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- (10) Section 45 of that Act (offence of false or misleading declaration) applies to a declaration in connection with an application for a refund under this section as it applies to a declaration in connection with an application for a vehicle licence.
- (11) In the application of this section to Northern Ireland, references to registration as the keeper of a vehicle shall be read as references to registration as the owner of the vehicle.
- (12) This section shall come into force on 1st July 2001.

## **9 Rates of duty for goods vehicles**

- (1) Schedule 2 to this Act (which makes provision for new rates of vehicle excise duty for goods vehicles etc.) has effect.
- (2) The provisions of that Schedule apply in relation to licences issued on or after 1st December 2001.

## **10 Rates of duty for vehicles used for exceptional loads**

- (1) Part 6 of Schedule 1 to the Vehicle Excise and Registration Act 1994 (annual rates of vehicle excise duty: vehicles used for exceptional loads) is amended as follows.
- (2) In paragraph 6(2A)(a) (vehicles not satisfying reduced pollution requirements), for “£5,170” substitute “£2,585”.
- (3) In paragraph 6(2A)(b) (vehicles satisfying reduced pollution requirements), for “£4,170” substitute “£2,085”.
- (4) The provisions of this section apply in relation to licences issued on or after 1st December 2001.

## **11 Rates of duty for recovery vehicles**

- (1) In Part 5 of Schedule 1 to the Vehicle Excise and Registration Act 1994 (c. 22) (annual rates of vehicle excise duty: recovery vehicles), paragraph 5(1) is amended as follows.
- (2) For paragraphs (a) and (b) substitute—
  - “(a) if it has a revenue weight exceeding 3,500 kilograms and not exceeding 25,000 kilograms, the same as the basic goods vehicle rate;”.
- (3) In paragraph (c) (vehicle with revenue weight exceeding 25,000 kilograms charged at 500 per cent of basic goods vehicle rate), for “500” substitute “250”.
- (4) The provisions of this section apply in relation to licences issued on or after 1st December 2001.

## **12 Mobile pumping vehicles**

- (1) Part 4 of Schedule 1 to the Vehicle Excise and Registration Act 1994 (annual rates of duty: special vehicles) is amended as follows.
- (2) In paragraph 4(2), after paragraph (d) insert—

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“(dd) mobile pumping vehicle.”.

(3) In paragraph 4, after sub-paragraph (5) insert—

“(5A) In sub-paragraph (2)(dd) “mobile pumping vehicle” means a vehicle—

- (a) which is constructed or adapted for use and used for the conveyance of a pump and a jib satisfying the requirements specified in sub-paragraph (5B),
- (b) which is used on public roads only—
  - (i) when the vehicle is stationary and the pump is being used to pump material from a point in the immediate vicinity to another such point, or
  - (ii) for the purpose of proceeding to and from a place where the pump is to be or has been used, and
- (c) which, when so proceeding, does not carry—
  - (i) the material that is to be or has been pumped, or
  - (ii) any other load except such as is necessary for the propulsion or equipment of the vehicle or for the operation of the pump.

(5B) The requirements are that each of the pump and the jib is—

- (a) built in as part of the vehicle, and
- (b) designed so that material pumped by the pump is delivered to a desired height or depth through piping that—
  - (i) is attached to the pump and the jib, and
  - (ii) is raised or lowered to that height or depth by operation of the jib.”.

(4) In paragraph 1A (old vehicles) of Schedule 2 to the Vehicle Excise and Registration Act 1994 (exempt vehicles)—

- (a) in sub-paragraph (2)(b)(ii) (mobile cranes etc. not exempt vehicles under paragraph 1A), after “mobile crane,” insert “mobile pumping vehicle,”, and
- (b) in sub-paragraph (5) (definitions), after “mobile crane” insert “ , mobile pumping vehicle ”.

(5) The amendments made by subsections (2) to (4) apply to licences issued after the day on which this Act is passed.

(6) Where—

- (a) a licence was issued on or before that day for a mobile pumping vehicle (within the meaning given by the paragraph 4(5A) inserted by subsection (3)) on the basis that the vehicle was a mobile crane (within the meaning given by paragraph 4(5) of Schedule 1 to the Vehicle Excise and Registration Act 1994 (c. 22)), and
- (b) vehicle excise duty was paid accordingly,

the vehicle shall be deemed to have been a mobile crane at any time on or before that day when the licence was in force (but this does not affect proceedings in any court that were concluded on or before that day).

### **13 Exemption of agricultural etc. vehicles**

(1) In Schedule 2 to the Vehicle Excise and Registration Act 1994 (exempt vehicles), after paragraph 20A insert—



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### **“Tractors**

- 20B (1) A vehicle is an exempt vehicle if it is—
- (a) an agricultural tractor, or
  - (b) an off-road tractor.
- (2) In sub-paragraph (1) “agricultural tractor” means a tractor used on public roads solely for purposes relating to agriculture, horticulture, forestry or activities falling within sub-paragraph (3).
- (3) The activities falling within this sub-paragraph are—
- (a) cutting verges bordering public roads;
  - (b) cutting hedges or trees bordering public roads or bordering verges which border public roads.
- (4) In sub-paragraph (1) “off-road tractor” means a tractor which is not an agricultural tractor (within the meaning given by sub-paragraph (2)) and which is—
- (a) designed and constructed primarily for use otherwise than on roads, and
  - (b) incapable by reason of its construction of exceeding a speed of twenty-five miles per hour on the level under its own power.

### **Light agricultural vehicles**

- 20C (1) A vehicle is an exempt vehicle if it is a light agricultural vehicle.
- (2) In sub-paragraph (1) “light agricultural vehicle” means a vehicle which—
- (a) has a revenue weight not exceeding 1,000 kilograms,
  - (b) is designed and constructed so as to seat only the driver,
  - (c) is designed and constructed primarily for use otherwise than on roads, and
  - (d) is used solely for purposes relating to agriculture, horticulture or forestry.

### **Agricultural engines**

- 20D An agricultural engine is an exempt vehicle.

### **Mowing machines**

- 20E A mowing machine is an exempt vehicle.

### **Steam powered vehicles**

- 20F A steam powered vehicle is an exempt vehicle.

### **Electrically propelled vehicles**

- 20G An electrically propelled vehicle is an exempt vehicle.

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### **Snow ploughs**

- 20H A vehicle is an exempt vehicle when it is—
- (a) being used,
  - (b) going to or from the place where it is to be or has been used, or
  - (c) being kept for use,
- for the purpose of clearing snow from public roads by means of a snow plough or similar device (whether or not forming part of the vehicle).

### **Gritters**

- 20J A vehicle is an exempt vehicle if it is constructed or adapted, and used, solely for the conveyance of machinery for spreading material on roads to deal with frost, ice or snow (with or without articles or material used for the purposes of the machinery).”.

- (2) In Part 2 of Schedule 1 to the Vehicle Excise and Registration Act 1994 (c. 22) (annual rates of duty: motorcycles), paragraph 2 is amended as follows—
  - (a) in sub-paragraph (1)(a) (rate of duty for electrically propelled motorcycles etc.), omit “or the motorcycle is an electrically propelled vehicle”, and
  - (b) in sub-paragraph (3), in the definition of “motorcycle”, after “motortricycle” insert “ but does not include an electrically propelled vehicle ”.
- (3) Part 4A of Schedule 1 to the Vehicle Excise and Registration Act 1994 (annual rates of duty: special concessionary vehicles) shall cease to have effect.
- (4) The amendments made by subsections (1) to (3) and (13) apply to licences issued on or after 1st April 2001.
- (5) Subsection (6) applies where a licence—
  - (a) is issued before 1st April 2001 for a relevant vehicle, and
  - (b) is in force on 1st April 2001 or comes into force after 1st April 2001.
- (6) The licence shall, during the period—
  - (a) beginning with the later of 1st April 2001 and the day when it comes into force, and
  - (b) ending with the expiry of the period for which it is issued,
 be deemed to be a nil licence for the purposes of the Vehicle Excise and Registration Act 1994 (c. 22).
- (7) A refund shall be made by the Secretary of State, in accordance with the following provisions of this section, in respect of a licence for a relevant vehicle that—
  - (a) is issued before 1st March 2001, in force on 1st March 2001 and not surrendered before 1st April 2001,
  - (b) is issued before 1st March 2001, comes into force after 1st March 2001 and is not surrendered before 1st April 2001, or
  - (c) is issued in March 2001 and not surrendered before 1st April 2001.
- (8) The amount of the refund is one-twelfth of the annual rate of duty chargeable on the licence for—

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- (a) in the case of a licence issued before 1st March 2001, each whole month after February 2001 that forms part of the period for which the licence was issued, and
  - (b) in the case of a licence issued on or after 1st March 2001, each whole month of the period for which the licence is issued.
- (9) The person entitled to the refund is the person registered as the keeper of the relevant vehicle on 30th April 2001.
- (10) The provisions of sections 10(2) and 19 of the Vehicle Excise and Registration Act 1994 (surrender of licences) do not apply to a licence in respect of which a person is entitled to a refund under this section.
- (11) In the application of this section to Northern Ireland, references to registration as the keeper of a vehicle shall be read as references to registration as the owner of the vehicle.
- (12) In subsections (5) to (9) “relevant vehicle” means a vehicle of any of the descriptions mentioned in the paragraphs 20B to 20J inserted by subsection (1).
- (13) For section 16(1) of the Finance Act 1996 (c. 8) substitute—
- “(1) Schedule 1 to the Vehicle Excise and Registration Act 1994 (annual rates of duty) is amended as follows.”.
- (14) This section shall be deemed to have come into force on 1st April 2001.

#### **14 Surrender of vehicle licences**

- (1) Section 19 of the Vehicle Excise and Registration Act 1994 (surrender of licences) is amended as follows.
- (2) After subsection (1) insert—
- “(1A) Subsection (1B) applies where the holder of a licence—
- (a) has notified the Secretary of State that he wishes to surrender the licence under section 10(2),
  - (b) has agreed to comply with such conditions as may be specified in relation to him by the Secretary of State, and
  - (c) if the conditions so specified in relation to him include a condition such as is mentioned in subsection (1C)(a), has complied with that condition.
- (1B) If the holder has not surrendered the licence before the time when paragraphs (a) to (c) of subsection (1A) are first all satisfied, then at that time—
- (a) the holder becomes entitled to rebate under subsection (1) as if he had surrendered the licence at that time,
  - (b) the licence ceases to be in force, and
  - (c) the provisions of section 10(2) and subsection (1) cease to apply to the licence.
- (1C) The conditions which may be specified under subsection (1A)(b) include—
- (a) a condition that particulars for the time being prescribed under section 22(1D)(a) are furnished by being transmitted to the Secretary of State by such electronic means as he may specify; and

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- (b) a condition that the licence be returned to the Secretary of State within such period as may be specified by the Secretary of State.”.
- (3) Subsection (3) (no rebate under subsection (1) where regulations not complied with) shall cease to have effect.

*General*

**15 Payments by Commissioners in case of error or delay**

Schedule 3 to this Act (which allows or requires the Commissioners of Customs and Excise to make payments in cases of error or delay in relation to excise duty) has effect.

**Status:**

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**Changes to legislation:**

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