



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>
g/km	g/km	£	£	£

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100	120	30	40	50
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>
g/km	g/km	£	£	£
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,

“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

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“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—
- 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.

14 Reduced pollution certificates

In section 61B of VERA 1994 (reduced pollution certificates), for subsection (2) substitute—

“(2) For the purposes of this Act, the reduced pollution requirements are satisfied with respect to a vehicle at any time if, at that time, prescribed requirements relating to the vehicle's emissions are satisfied as a result of—

- (a) the design, construction or equipment of the vehicle as manufactured; or
- (b) adaptations of a prescribed description having been made to the vehicle after a prescribed date.

(2A) Different requirements may be prescribed under subsection (2) for vehicles first registered at different times.”

15 Late renewal supplement

In VERA 1994, after section 7B insert—

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“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.”

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