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STATUTORY INSTRUMENTS

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**2022 No. 332**

**The Social Security (Scotland) Act 2018 (Disability Assistance and Information-Sharing) (Consequential Provision and Modifications) Order 2022**

**PART 2**

Disability assistance: England and Wales, Scotland and Northern Ireland

*Disability assistance: amendments relating to taxation as regards motor vehicles*

**Amendment of the Finance Act 1994**

**5.**—(1) The Finance Act 1994<sup>(1)</sup> is amended as follows.

(2) In Schedule 7A (insurance premium tax: contracts that are not taxable)<sup>(2)</sup>, in paragraph 3 (contracts relating to motor vehicles for use by handicapped persons)—

- (a) in sub-paragraph (2)(a), after “people” insert “, or disability assistance for working age people,”,
- (b) in sub-paragraph (3), in the full-out—
  - (i) for “supplement or” substitute “supplement,”,
  - (ii) after “people” insert “or of disability assistance for working age people”,
- (c) at the end of sub-paragraph (4)(d), for the full stop substitute a semi-colon,
- (d) after sub-paragraph (4)(d), insert—
  - (e) “disability assistance for working age people” means a category of disability assistance specifically for working age people given in accordance with regulations made under section 31 of the Social Security (Scotland) Act 2018<sup>(3)</sup>.”.

**Amendment of the Vehicle Excise and Registration Act 1994**

**6.**—(1) The Vehicle Excise and Registration Act 1994<sup>(4)</sup> is amended as follows.

(2) In section 62 (other definitions), in subsection (1) at the appropriate place, insert—

““disability assistance for children and young people” means a category of disability assistance specifically for children and young people given in accordance with regulations made under section 31 of the Social Security (Scotland) Act 2018,

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(1) 1994 c. 9.

(2) Schedule 7A was added by article 5 of S.I. 1994/1698, and relevantly amended by S.I. 2002/1397, section 201 of the Finance Act 2013 (c. 29) and S.I. 2021/886.

(3) 2018 asp 9.

(4) 1994 c. 22.

“disability assistance for working age people” means a category of disability assistance specifically for working age people given in accordance with regulations made under section 31 of the Social Security (Scotland) Act 2018.”

(3) In Schedule 1 (annual rates of duty), in paragraph 1ZA(5)—

(a) after sub-paragraph (2), insert—

“(2A) This paragraph also applies to a vehicle when it is being used, or kept for use, by or for the purposes of a disabled person who is in receipt of disability assistance for working age people by virtue of entitlement to the mobility component at the standard rate, in accordance with regulations made under section 31 of the Social Security (Scotland) Act 2018, if—

- (a) the vehicle is registered under this Act in the name of the disabled person, and
- (b) no other vehicle registered in the disabled person’s name under this Act is—
  - (i) a vehicle for which a vehicle licence taken out at a rate of duty reduced in accordance with sub-paragraph (1) is in force, or
  - (ii) an exempt vehicle under paragraph 19 of Schedule 2 or paragraph 7 of Schedule 4.”,

(b) after sub-paragraph (3), insert—

“(3A) This paragraph has effect as if a person were in receipt of disability assistance for working age people by virtue of entitlement to the mobility component at the standard rate in any case where the person would be in receipt of that payment by virtue of that entitlement but for the reduction of the value of a payment of disability assistance to £0 when a person is in a hospital or similar institution.”,

(c) after sub-paragraph (5), insert—

“(6) For the purposes of sub-paragraph (2A), a vehicle is to be treated as registered under this Act in the name of a person in receipt of disability assistance for working age people by virtue of entitlement to the mobility component at the standard rate if it is so registered in the name of—

- (a) a person appointed under section 58 or 85B(6) of the Social Security (Scotland) Act 2018 in relation to the person,
- (b) a person nominated for the purposes of this paragraph by the person or the person so appointed, or
- (c) any other person who has legal authority to act on behalf of the person.”.

(4) In Schedule 2 (exempt vehicles), in paragraph 19 (vehicles for disabled people)(7)—

(a) after sub-paragraph (2)(aaa) insert—

“(aab) that person, in accordance with regulations made under section 31 of the Social Security (Scotland) Act 2018, is in receipt of disability assistance for working age people by virtue of entitlement to the mobility component at the enhanced rate.”,

(b) after sub-paragraph (2B) insert—

“(2C) This paragraph has effect as if a person were in receipt of disability assistance for working age people by virtue of entitlement to the mobility component at the enhanced rate in any case where the person would be in receipt of that payment by virtue of that

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(5) Paragraph 1ZA was added by paragraph 5 of Schedule 37 to the Finance Act 2013 (c. 29).

(6) Section 85B was inserted by the Social Security Administration and Tribunal Membership (Scotland) Act 2020 (asp 18).

(7) Paragraph 19 was relevantly amended by paragraph 6 of Schedule 37 of the Finance Act 2013 (c. 29) and S.I. 2021/886.

entitlement but for the reduction of the value of a payment of disability assistance to £0 when a person is in a hospital or similar institution.”,

- (c) in sub-paragraph (4A), after “paragraph (aaa)” insert “or (aab)”.

#### **Amendment of the Value Added Tax Act 1994**

7.—(1) The Value Added Tax Act 1994<sup>(8)</sup> is amended as follows.

(2) In Schedule 8 (zero-rating), in Group 12 (drugs, medicines, aids for the disabled, etc.)<sup>(9)</sup>—

(a) in item 14—

(i) for “supplement or” substitute “supplement,”,

(ii) after “component” in the third place it occurs insert “or of disability assistance for working age people by virtue of entitlement to the mobility component”,

(b) in Note (6)(b)—

(i) for “supplement or” substitute “supplement,”,

(ii) after “people” insert “or the mobility component of disability assistance for working age people”,

(c) in Note (7), after paragraph (aaa), insert—

“(aab) “disability assistance for working age people” means a category of disability assistance specifically for working age people given in accordance with regulations made under section 31 of the Social Security (Scotland) Act 2018;”.

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<sup>(8)</sup> 1994 c. 23.

<sup>(9)</sup> Schedule 8 was relevantly amended by [S.I. 2013/601](#), Schedule 7 to the Finance Act 2017 (c. 10) and [S.I. 2021/886](#).