



# Finance Act 1996

## 1996 CHAPTER 8

### PART I

#### EXCISE DUTIES

##### *Alcoholic liquor duties*

#### **1 Spirits: rate of duty.**

- (1) In section 5 of the <sup>M1</sup>Alcoholic Liquor Duties Act 1979 (spirits), for “£20.60” there shall be substituted “ £19.78 ”.
- (2) This section shall be deemed to have come into force at 6 o’clock in the evening of 28th November 1995.

#### **Marginal Citations**

M1 1979 c. 4.

#### **2 Wine and made-wine: rates.**

- (1) In the Table of rates of duty in Schedule 1 to the Alcoholic Liquor Duties Act 1979 (wine and made-wine)—
  - (a) in Part I of the Table for “200.64”, where it appears as the rate for wine or made-wine of a strength exceeding 15 per cent. but not exceeding 22 per cent., there shall be substituted “ 187.24 ”; and
  - (b) in Part II of that Table (wine or made-wine of a strength exceeding 22 per cent.), for “20.60” there shall be substituted “ 19.78 ”.
- (2) Paragraph (a) of subsection (1) above shall be deemed to have come into force on 1st January 1996 and paragraph (b) shall be deemed to have come into force at 6 o’clock in the evening of 28th November 1995.

*Status: This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Part I. (See end of Document for details)*

**3 Cider: rate of duty.**

(1) In subsection (1) of section 62 of the <sup>M2</sup>Alcoholic Liquor Duties Act 1979 (cider), for “rate of £23.78 per hectolitre” there shall be substituted “ rates shown in subsection (1A) below.”

(2) After that subsection there shall be inserted the following subsection—

“(1A) The rates at which the duty shall be charged are—

- (a) £35.67 per hectolitre in the case of cider of a strength exceeding 7.5 per cent.; and
- (b) £23.78 per hectolitre in any other case.”

(3) This section shall come into force on 1st October 1996.

**Marginal Citations**

M2 1979 c. 4.

*Hydrocarbon oil duties*

**4 Rates of duty and rebate.**

(1) In section 6(1) of the <sup>M3</sup>Hydrocarbon Oil Duties Act 1979, for “£0.3614” (duty on light oil) and “£0.3132” (duty on heavy oil) there shall be substituted “ £0.3912 ” and “ £0.3430 ”, respectively.

(2) In section 8(3) of that Act (duty on road fuel gas), for “£0.3314” there shall be substituted “ £0.2817 ”.

(3) In section 11(1) of that Act (rebate on heavy oil), for “£0.0166” (fuel oil) and “£0.0214” (gas oil) there shall be substituted “ £0.0181 ” and “ £0.0233 ”, respectively.

<sup>F1</sup>(4) .....

<sup>F1</sup>(5) .....

(6) In section 14(1) of that Act (rebate on light oil for use as furnace fuel), for “£0.0166” there shall be substituted “ £0.0181 ”.

(7) Subsections (1) to (3) and (6) above shall be deemed to have come into force at 6 o’clock in the evening of 28th November 1995; and subsection (4) above shall come into force on 15th May 1996.

**Textual Amendments**

F1 S. 4(4)(5) repealed (*retrospective* to 6pm on 7.3.2001) by 2001 c. 9, ss. 2(5), 110, Sch. 33 Pt. 1(1)

**Commencement Information**

I1 S. 4 partly in force at 28.11.1995 see s. 4(7).

**Marginal Citations**

M3 1979 c. 5.

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*Status: This version of this part contains provisions that are prospective.*

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## **5 Misuse of rebated kerosene.**

- (1) The <sup>M4</sup>Hydrocarbon Oil Duties Act 1979 shall be amended as mentioned in subsections (2) to (5) below.
- (2) In section 11(1) (rebate on heavy oil), for “and 13” there shall be substituted “ 13, 13AA and 13AB ”.
- (3) In section 12(2) (restriction on use of rebated heavy oil for road vehicles), after “allowed” there shall be inserted “ (whether under section 11(1) above or 13AA(1) below) ”.
- (4) After section 13 there shall be inserted the following sections—

### **“13AA Restrictions on use of rebated kerosene.**

- (1) If, on the delivery of kerosene for home use, it is intended to use the kerosene as fuel for—
  - (a) an engine provided for propelling an excepted vehicle, or
  - (b) an engine which is used neither for propelling a vehicle nor for heating,a declaration shall be made to that effect and thereupon rebate shall be allowed at the rate for rebated gas oil which is then in force, instead of at the rate then in force under section 11(1)(c) above.
- (2) Subject to subsection (3) below, no kerosene on whose delivery for home use a rebate at the rate given by section 11(1)(c) above has been allowed shall—
  - (a) be used as fuel for an engine provided for propelling an excepted vehicle;
  - (b) be used as fuel for an engine which is used neither for propelling a vehicle nor for heating; or
  - (c) be taken into the fuel supply of an engine falling within paragraph (a) or (b) above.
- (3) Subsection (2) above does not apply to any quantity of kerosene in respect of which there has been paid to the Commissioners an amount equal to duty on the same quantity of gas oil at the rate for rebated gas oil which is in force at the time of the payment.
- (4) A payment under subsection (3) above shall be made in accordance with regulations made under section 24(1) below for the purposes of this section.
- (5) For the purposes of this section and section 13AB below—

“excepted vehicle” means a vehicle which is an excepted vehicle under any provision of Schedule 1 to this Act; and

“kerosene” means heavy oil of which more than 50 per cent. by volume distils at a temperature of 240°C or less.
- (6) For the purposes of this section and section 13AB below the rate for rebated gas oil which is in force at any time is the rate of duty which at that time is in force under section 6(1) above in the case of heavy oil as reduced by the rate of rebate allowable at that time under section 11(1)(b) above.

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### **13AB Penalties for misuse of kerosene.**

- (1) If a person uses kerosene in contravention of section 13AA(2) above—
  - (a) the Commissioners may recover from him, in respect of the quantity of kerosene used, an amount equal to duty on the same quantity of gas oil at the rate for rebated gas oil which is in force at the time of the contravention;
  - (b) his use of the kerosene shall attract a penalty under section 9 of the <sup>M5</sup>Finance Act 1994 (civil penalties); and
  - (c) if he uses the kerosene with the relevant intent, he shall be guilty of an offence.
- (2) If a person is liable for kerosene being taken into a fuel supply of an engine in contravention of section 13AA(2) above—
  - (a) the Commissioners may recover from him, in respect of the quantity of kerosene taken into the fuel supply, an amount equal to duty on the same quantity of gas oil at the rate for rebated gas oil which is in force at the time of the contravention;
  - (b) his becoming so liable shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties); and
  - (c) if he has the relevant intent in relation to the kerosene being taken into the fuel supply, he shall be guilty of an offence.
- (3) For the purposes of subsection (2) above, a person is liable for kerosene being taken into a fuel supply of an engine if at the time—
  - (a) he has the charge of the engine; or
  - (b) subject to subsection (4) below, he is the owner of the engine.
- (4) If a person other than the owner is for the time being entitled to possession of the engine, that other person and not the owner is liable.
- (5) If—
  - (a) a person supplies kerosene having reason to believe that it will be put to a particular use, and
  - (b) that use is one which, if a payment is not made under subsection (3) of section 13AA above, will contravene subsection (2) of that section,
 his supplying the kerosene shall attract a penalty under section 9 of the <sup>M6</sup>Finance Act 1994 (civil penalties) and, if he makes the supply with the relevant intent, he shall be guilty of an offence.
- (6) In this section “the relevant intent” means the intent that the restrictions imposed by section 13AA(2) above shall be contravened.
- (7) A person guilty of an offence under this section shall be liable—
  - (a) on summary conviction, to a penalty of the statutory maximum, or to imprisonment for a term not exceeding 6 months, or to both;
  - (b) on conviction on indictment, to a penalty of any amount, or to a term of imprisonment not exceeding 7 years, or to both.
- (8) Any kerosene falling within subsection (9) or (10) below is liable to forfeiture.

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(9) Kerosene falls within this subsection if it is taken into a fuel supply in contravention of section 13AA(2) above.

(10) Kerosene falls within this subsection if—

- (a) it has been supplied in circumstances in which there is reason to believe that it will be put to a particular use; and
- (b) that use is one which, if payment is not made under subsection (3) of section 13AA above, will contravene subsection (2) of that section.”

<sup>F2</sup>(5) .....

(6) This section shall have effect in relation to cases where kerosene is—

- (a) used as fuel, or
- (b) taken into a fuel supply,

on or after such day as the Commissioners of Customs and Excise may by order made by statutory instrument appoint.

#### Textual Amendments

**F2** S. 5(5) omitted (retrospective to 1.4.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 5 paras. 25\(b\)](#), [26\(b\)](#)

#### Marginal Citations

**M4** 1979 c. 5.

**M5** 1994 c. 9.

**M6** 1994 c. 9.

## 6 Mixing of rebated oil.

(1) The <sup>M7</sup>Hydrocarbon Oil Duties Act 1979 shall be amended as mentioned in subsections (2) to (4) below.

(2) In section 20 (contaminated or accidentally mixed oil), after subsection (3) there shall be inserted the following subsection—

“(4) The power to make a payment to a person under subsection (2) above in relation to oils that have become accidentally mixed does not apply in relation to a mixture in respect of which he is liable to pay duty under section 20AAA below.”

(3) After section 20A there shall be inserted the following sections—

### “20AAA Mixing of rebated oil.

(1) Where—

- (a) a mixture which is leaded or unleaded petrol is produced in contravention of Part I of Schedule 2A to this Act, and
  - (b) the mixture is not produced as a result of approved mixing,
- a duty of excise shall be charged on the mixture.

(2) Where—

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- (a) a mixture of heavy oils is produced in contravention of Part II of Schedule 2A to this Act,
- (b) the mixture is not produced as a result of approved mixing, and
- (c) the mixture is supplied for use as fuel for a road vehicle or an excepted vehicle,

a duty of excise shall be charged on the mixture.

- (3) The person liable to pay the duty charged under subsection (1) above is the person producing the mixture.
- (4) The person liable to pay the duty charged under subsection (2) above is the person supplying the mixture.
- (5) The Commissioners may exempt a person from liability to pay duty charged under this section in respect of the production or supply of a mixture if they are satisfied—
  - (a) that the mixture has been produced or (as the case may be) supplied accidentally; and
  - (b) that, having regard to all the circumstances, the person should be exempted from liability to pay the duty.
- (6) Part III of Schedule 2A to this Act makes provision with respect to rates and amounts of duty charged under this section.
- (7) In this section—
  - “approved mixing” has the meaning given by section 20A(5) above; and
  - “excepted vehicle” means a vehicle which is an excepted vehicle under any provision of Schedule 1 to this Act.

#### **20AAB Mixing of rebated oil: supplementary.**

- (1) A person who—
  - (a) produces a mixture on which duty is charged under section 20AAA(1) above, or
  - (b) supplies a mixture on which duty is charged under section 20AAA(2) above,
 must notify the Commissioners that he has done so within the period of seven days beginning with the date on which he produced or (as the case may be) supplied the mixture.
- (2) A person is not required to give a notification under subsection (1) above if, before he produced or (as the case may be) supplied the mixture, he notified the Commissioners that he proposed to do so.
- (3) Notification under subsection (1) or (2) above must be given in such form and in such manner, and must contain such particulars, as the Commissioners may direct.
- (4) Subject to subsection (7) below, where it appears to the Commissioners—
  - (a) that a person has produced or supplied a mixture on which duty is charged under section 20AAA above, and
  - (b) that he is the person liable to pay the duty,

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they may assess the amount of duty due from him to the best of their judgement and notify that amount to him or his representative.

- (5) An assessment under subsection (4) above shall be treated as if it were an assessment under section 12(1) of the <sup>M8</sup>Finance Act 1994.
- (6) The Commissioners may give a direction that a person who is, or expects to be, liable to pay duty charged under section 20AAA above—
- (a) shall account for duty charged under that section by reference to such periods (“accounting periods”) as may be determined by or under the direction;
  - (b) shall make, in relation to accounting periods, returns in such form and at such times and containing such particulars as may be so determined;
  - (c) shall pay duty charged under that section at such times and in such manner as may be so determined.
- (7) The power to make an assessment under subsection (4) above does not apply in relation to a person who is for the time being subject to a direction under subsection (6) above.
- (8) Where any person—
- (a) fails to give a notification which he is required to give under subsection (1) above, or
  - (b) fails to comply with a direction under subsection (6) above,
- his failure shall attract a penalty under section 9 of the <sup>M9</sup>Finance Act 1994 (civil penalties).”
- (4) After Schedule 2 there shall be inserted the Schedule set out in Schedule 1 to this Act.
- (5) This section and Schedule 1 to this Act shall have effect in relation to—
- (a) the production on or after the appointed day of a mixture which is leaded or unleaded petrol; and
  - (b) the supply on or after the appointed day of a mixture of heavy oils;
- and “the appointed day” here means such day as the Commissioners of Customs and Excise may by order made by statutory instrument appoint.

#### Subordinate Legislation Made

**P1** S. 6(5) power exercised (28.10.1996) by S.I. 1996/2751, art. 2

#### Marginal Citations

**M7** 1979 c. 5.

**M8** 1994 c. 9.

**M9** 1994 c. 9.

## 7 Marked oil used as fuel for road vehicles.

- (1) After section 24 of the <sup>M10</sup>Hydrocarbon Oil Duties Act 1979 (control of use of duty free and rebated oil) there shall be inserted the following section—

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**“24A Penalties for misuse of marked oil.**

- (1) Marked oil shall not be used as fuel for a road vehicle.
  - (2) For the purposes of this section marked oil is any hydrocarbon oil in which a marker is present which is for the time being designated by regulations made by the Commissioners under subsection (3) below.
  - (3) The Commissioners may for the purposes of this section designate any marker which appears to them to be used for the purposes of the law of any place (whether within or outside the United Kingdom) for identifying hydrocarbon oil that is not to be used as fuel for road vehicles, or for road vehicles of a particular description.
  - (4) For the purposes of this section marked oil shall be taken to be used as fuel for a road vehicle if, but only if, it is used as fuel for the engine provided for propelling the vehicle or for an engine which draws its fuel from the same supply as that engine.
  - (5) Where a person uses any hydrocarbon oil in contravention of subsection (1) above, his use of the oil shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties).
  - (6) If a person who uses any marked oil in contravention of subsection (1) above does so in the knowledge that the oil he is using is marked oil, he shall be guilty of an offence and liable—
    - (a) on summary conviction, to a penalty of the statutory maximum, or to imprisonment for a term not exceeding 6 months, or to both;
    - (b) on conviction on indictment, to a penalty of any amount, or to a term of imprisonment not exceeding 7 years, or to both.
  - (7) Any marked oil which is in a road vehicle as part of the fuel supply for the engine which propels the vehicle shall be liable to forfeiture.
  - (8) Where in any proceedings relating to this section a question arises as to the nature of any substance present at any time in any hydrocarbon oil—
    - (a) a certificate of the Commissioners to the effect that that substance is or was a marker designated for the purposes of this section shall be sufficient, unless the contrary is shown, for establishing that fact; and
    - (b) any document purporting to be such a certificate shall be taken to be one unless it is shown not to be.”
- (2) In section 24(1) of that Act (purposes for which regulations may be made), for “or section 19A above” there shall be inserted “, section 19A or section 24A of this Act”.

**Marginal Citations**

**M10** 1979 c. 5.

**8 Relief for marine voyages.**

- (1) The following provisions of the <sup>M11</sup>Hydrocarbon Oil Duties Act 1979 are hereby repealed—



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- (a) section 18 (fuel for ships in home waters), and
  - (b) in subsection (1) of section 19 (fuel used in fishing boats, etc.), paragraph(a) and the words from “by the owner” to “be”.
- (2) This section shall come into force on such day as the Commissioners of Customs and Excise may by order made by statutory instrument appoint.

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**Subordinate Legislation Made**

**P2** S. 8(2) power fully exercised (4.10.1996): 1.11.1996 appointed by S.I. 1996/2536, art. 2

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**Marginal Citations**

**M11** 1979 c. 5.

*Tobacco products duty*

**9 Rates of duty.**

- (1) For the Table of rates of duty in Schedule 1 to the <sup>M12</sup>Tobacco Products Duty Act 1979 there shall be substituted—

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“1. Cigarettes	An amount equal to 20 per cent. of the retail price plus £62.52 per thousand cigarettes.
2. Cigars	£91.52 per kilogram.
3. Hand-rolling tobacco	£85.94 per kilogram.
4. Other smoking tobacco and chewing tobacco	£40.24 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 28th November 1995.

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**Marginal Citations**

**M12** 1979 c. 7.

*Betting duties: rates*

**10 General betting duty.**

- (1) In section 1(2) of the <sup>M13</sup>Betting and Gaming Duties Act 1981 (rate of general betting duty), for “7.75 per cent.” there shall be substituted “ 6.75 per cent. ”
- (2) This section shall apply in relation to bets made on or after 1st March 1996.

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**Marginal Citations**

**M13** 1981 c. 63.

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## 11 Pool betting duty.

In section 7(1) of the <sup>M14</sup>Betting and Gaming Duties Act 1981 (rate of pool betting duty), for “32.50 per cent” there shall be substituted—

- (a) in relation to bets the stake money on which has been or is paid on or after 3rd December 1995 and before the first Sunday to follow the day on which this Act is passed, “ 27.50 per cent. ”; and
- (b) in relation to bets the stake money on which is paid on or after that first Sunday, “ 26.50 per cent. ”

### Marginal Citations

M14 1981 c. 63.

### *Amusement machine licence duty*

## 12 Licences for machines as well as premises.

- (1) In subsection (1) of section 21 of the <sup>M15</sup>Betting and Gaming Duties Act 1981 (requirement for amusement machine licence with respect to premises), at the end there shall be inserted “ or the machine ”.
- (2) In subsection (2) of that section (licences to be known as amusement machine licences), at the end there shall be inserted “ and, if it is granted with respect to a machine, rather than with respect to premises, as a special amusement machine licence. ”
- (3) After subsection (3) of that section there shall be inserted the following subsections—
 

“(3AA) A special amusement machine licence shall not be granted except where—

  - (a) the machine with respect to which it is granted is of a description of machine for which special amusement machine licences are available;
  - (b) such conditions as may be prescribed by regulations made by the Commissioners are satisfied in relation to the application for the licence, the machine and the person by whom the application is made; and
  - (c) the licence is for twelve months.

(3AB) Special amusement machine licences shall be available for amusement machines of each of the following descriptions—

  - (a) machines that are not gaming machines; and
  - (b) small prize machines.”
- (4) In section 24(4) of that Act (provision of unlicensed machines), at the end there shall be inserted “ or the machines ”.
- (5) In paragraph 4 of Schedule 4 to that Act (seasonal licences), after sub-paragraph (7) there shall be inserted the following sub-paragraph—
 

“(7AA) Sub-paragraphs (4) and (5) above shall have effect where—

  - (a) an amusement machine is provided on any premises at any time in a winter period, and

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- (b) the provision of that machine on those premises at that time is authorised by a special amusement machine licence,  
as if an amusement machine licence had been granted in respect of those premises for that winter period.”
- (6) Paragraph 5 of that Schedule shall become sub-paragraph (1) of that paragraph, and after that sub-paragraph there shall be inserted the following sub-paragraphs—
- “(2) Regulations may provide for this Schedule to have effect in relation to special amusement machine licences with such exceptions, adaptations and modifications as may be prescribed.
- (3) Without prejudice to the generality of sub-paragraphs (1) and (2) above, regulations may include provision requiring—
- (a) a special amusement machine licence to be displayed on such premises and in such manner, and
- (b) the machine to which such a licence relates to bear such labels and marks,  
as may be determined by directions given, in accordance with the regulations, by the Commissioners.”

#### Marginal Citations

M15 1981 c. 63.

### *Air passenger duty*

## 13 Pleasure flights.

- (1) In section 31 of the <sup>M16</sup>Finance Act 1994 (air passenger duty: exceptions for certain passengers) after subsection (4) there shall be inserted—
- “(4A) A passenger is not a chargeable passenger in relation to a flight if under his agreement for carriage (whether or not it is evidenced by a ticket)—
- (a) the flight is to depart from and return to the same airport, and
- (b) the duration of the flight (excluding any period during which the aircraft’s doors are open for boarding or disembarkation) is not to exceed 60 minutes.”
- (2) In section 32 of that Act (change of circumstances after ticket issued etc.)—
- (a) in subsection (1) (which provides that that section applies where a person’s agreement for carriage is evidenced by a ticket) for the words “This section applies” there shall be substituted the words “ Subsections (2) and (3) below apply ”;
- (b) after subsection (3) there shall be added—
- “(4) Where—
- (a) at the time a passenger’s flight begins, by virtue of section 31(4A) above he would not (assuming there is no change of circumstances) be a chargeable passenger in relation to the flight, and

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- (b) by reason only of a change of circumstances not attributable to any act or default of his, the flight does not return to the airport from which it departed or exceeds 60 minutes in duration (excluding any period during which the aircraft's doors are open for boarding or disembarkation),

he shall not by reason of the change of circumstances be treated as a chargeable passenger in relation to that flight.”

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**Marginal Citations**

M16 1994 c. 9.

*Vehicle excise duty*

**14 Increase in general rate.**

- (1) In Schedule 1 to the <sup>M17</sup>Vehicle Excise and Registration Act 1994 (annual rates of duty), in paragraph 1(2) (the general rate), for “£135” there shall be substituted “ £140 ”.
- (2) Subsection (1) above applies in relation to licences taken out after 28th November 1995.

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**Marginal Citations**

M17 1994 c. 22.

**15 Electrically propelled vehicles.**

<sup>F3</sup>(1) .....

<sup>F3</sup>(2) .....

- (3) In section 62 of that Act (definitions), after subsection (1) there shall be inserted the following subsection—

“(1A) For the purposes of this Act, a vehicle is not an electrically propelled vehicle unless the electrical motive power is derived from—

- (a) a source external to the vehicle, or  
(b) an electrical storage battery which is not connected to any source of power when the vehicle is in motion.”

- (4) Subsections (1) to (3) above apply in relation to licences taken out after 28th November 1995.
- (5) In Schedule 2 to that Act (exemptions), after paragraph 2 there shall be inserted the following paragraph—

**Electrically assisted pedal cycles**

“2A (1) An electrically assisted pedal cycle is an exempt vehicle.

*Status: This version of this part contains provisions that are prospective.*  
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- (2) For the purposes of sub-paragraph (1) an electrically assisted pedal cycle is a vehicle of a class complying with such requirements as may be prescribed by regulations made by the Secretary of State for the purposes of this paragraph.”

**Textual Amendments**

**F3** S. 15(1)(2) repealed (1.4.2001) by 2001 c. 9, s. 110, Sch. 33 Pt. 1(3), Note 2

**16 Steam powered vehicles etc.**

- (1) In Schedule 1 to the Vehicle Excise and Registration Act 1994 (annual rates of duty), after paragraph 4E there shall be inserted the following paragraph—

“4EE A steam powered vehicle is a special concessionary vehicle.”

- (2) In paragraph 3 of that Schedule (buses), in sub-paragraph (2)(b) (vehicles which are not buses), after “excepted vehicle” there shall be inserted “ or a special concessionary vehicle ”.
- (3) In paragraph 4(2) of that Schedule (meaning of “special vehicle”), for “and is” there shall be substituted “ which is not a special concessionary vehicle and which is ”.
- (4) In paragraph 5 of that Schedule (recovery vehicles), after sub-paragraph (5) there shall be inserted the following sub-paragraph—

“(5A) A vehicle is not a recovery vehicle if it is a special concessionary vehicle.”

- (5) In paragraph 6(1) of that Schedule (vehicles used for exceptional loads), after paragraph (b) there shall be inserted—

“and which is not a special concessionary vehicle.”

<sup>F4</sup>(6) .....

<sup>F4</sup>(7) .....

- (8) This section applies in relation to licences taken out after 28th November 1995.

**Textual Amendments**

**F4** S. 16(6)(7) repealed (1.4.2001) by 2001 c. 9, s. 110, Sch. 33 Pt. 1(3), Note 2

**17 Vehicles capable of conveying loads.**

- (1) Schedule 1 to the <sup>M18</sup>Vehicle Excise and Registration Act 1994 (annual rates of duty) shall be amended in accordance with subsections (2) to (8) below.

- (2) In paragraph 4(2) (meaning of “special vehicle”), immediately before paragraph (c) there shall be inserted the following paragraph—

“(bb) a vehicle falling within sub-paragraph (2A) or (2B),”.

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(3) After sub-paragraph (2) of paragraph 4 there shall be inserted the following sub-paragraphs—

“(2A) A vehicle falls within this sub-paragraph if—

- (a) it is designed or adapted for use for the conveyance of goods or burden of any description; but
- (b) it is not so used or is not so used for hire or reward or for or in connection with a trade or business.

(2B) A vehicle falls within this sub-paragraph if—

- (a) it is designed or adapted for use with a semi-trailer attached; but
- (b) it is not so used or, if it is so used, the semi-trailer is not used for the conveyance of goods or burden of any description.”

(4) In paragraph 9(2) (rigid goods vehicles which are subject to basic goods vehicle rate), after paragraph (b) there shall be inserted “and

- (c) to any rigid goods vehicle which is used loaded only in connection with a person learning to drive the vehicle or taking a driving test.”.

(5) In paragraph 10(1) (trailer supplement), after “exceeding 12,000 kilograms” there shall be inserted “, which does not fall within paragraph 9(2)(b) or (c) ”.

(6) In paragraph 11(2) (tractive units which are subject to basic goods vehicle rate), after paragraph (b) there shall be inserted “and

- (c) to any tractive unit to which a semi-trailer is attached which is used loaded only in connection with a person learning to drive the tractive unit or taking a driving test.”.

(7) In paragraph 16(1) (cases where Part VIII of Schedule 1 does not apply), paragraph (b), and the word “or” immediately preceding it, shall be omitted.

(8) After paragraph 18 there shall be inserted the following paragraph—

“19 **Other expressions**

(1) In this Part “driving test” means any test of competence to drive mentioned in section 89(1) of the <sup>M19</sup>Road Traffic Act 1988.

(2) For the purposes of this Part a vehicle or a semi-trailer is used loaded if the vehicle or, as the case may be, the semi-trailer is used for the conveyance of goods or burden of any description.”

(9) In section 7 of the <sup>M20</sup>Vehicle Excise and Registration Act 1994 (issue of licences), in subsection (2) (declarations and particulars in relation to goods vehicles)—

- (a) after “goods vehicle” there shall be inserted “ or a special vehicle ”; and
- (b) after “goods vehicles” there shall be inserted “ or, as the case may be, special vehicles ”.

(10) After subsection (7) of that section there shall be inserted the following subsection—

“(8) In this section “special vehicle” has the same meaning as in paragraph 4 of Schedule 1.”

(11) Subject to subsection (13) below, subsections (1) to (8) above apply in relation to licences taken out after 28th November 1995.

*Status: This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Part I. (See end of Document for details)*

- (12) Subsection (13) below applies where a vehicle licence is taken out—
- (a) on or before 28th November 1995, and
  - (b) at the rate applicable (at the time it is taken out) under Schedule 1 to the Vehicle Excise and Registration Act 1994.
- (13) While the licence is in force duty shall not, by virtue of this section, become chargeable under section 15 of that Act (vehicle used in manner attracting higher rate).
- (14) Subsections (9) and (10) above apply in relation to applications made after 28th November 1995.
- (15) Paragraph 15 of Schedule 1 to that Act (which is unnecessary) shall be omitted.

#### Marginal Citations

**M18** 1994 c. 22.

**M19** 1988 c. 52.

**M20** 1994 c. 22.

## 18 Old vehicles.

- (1) In Schedule 2 to the <sup>M21</sup>Vehicle Excise and Registration Act 1994 (exempt vehicles), immediately before paragraph 2 there shall be inserted the following paragraph—

#### Old vehicles

“1A (1) A vehicle of a description mentioned in sub-paragraph (2) is an exempt vehicle at any time if it was constructed more than 25 years before the beginning of the year in which that time falls.

(2) The descriptions of vehicles are—

- (a) a vehicle in respect of which no annual rate is specified by any provision of Parts II to VIII of Schedule 1;
- (b) a motorcycle which does not exceed 450 kilograms in weight unladen.

(3) In sub-paragraph (2)(b) “motorcycle” has the same meaning as in Part II of Schedule 1.”

- (2) In Schedule 1 to that Act (annual rates of duty), in paragraph 1 (rate for vehicle for which no other rate is specified)—

- (a) for paragraphs (a) and (b) of sub-paragraph (1) there shall be substituted “ the general rate ”; and
- (b) sub-paragraphs (3) to (5) shall be omitted;

and, in paragraph 2 (motorcycles), sub-paragraph (2) shall be omitted.

- (3) In section 2(4) of that Act (rate of duty for vehicle not currently in use and for which no previous licence issued), for the words from “whichever” to the end there shall be substituted “ the general rate currently specified in paragraph 1(2) of Schedule 1 ”.

- (4) In that Act—

- (a) in section 13 (trade licences), in subsection (3)(b),

*Status: This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Part I. (See end of Document for details)*

- (b) in section 13 as substituted under paragraph 8 of Schedule 4, in subsection (4) (b), and
- (c) in section 36(3)(b) (additional liability where cheque dishonoured), for “1(1)(a)” there shall be substituted “ 1 ”.

(5) This section has effect in relation to times after 28th November 1995.

#### Marginal Citations

M21 1994 c. 22.

### 19 Old vehicles: further provisions.

- (1) In Schedule 2 to the <sup>M22</sup>Vehicle Excise and Registration Act 1994 (exempt vehicles), for paragraph 1A (inserted by section 18 above) there shall be substituted the following paragraph—

#### Old vehicles

- “1A (1) Subject to sub-paragraph (2), a vehicle is an exempt vehicle at any time if it was constructed more than 25 years before the beginning of the year in which that time falls.
- (2) A vehicle is not an exempt vehicle by virtue of sub-paragraph (1) if—
- (a) an annual rate is specified in respect of it by any provision of Part III, V, VI, VII or VIII of Schedule 1; or
  - (b) it is a special vehicle, within the meaning of Part IV of Schedule 1, which—
    - (i) falls within sub-paragraph (3) or (4); and
    - (ii) is not a digging machine, mobile crane, works truck or road roller.
- (3) A vehicle falls within this sub-paragraph if—
- (a) it is designed or adapted for use for the conveyance of goods or burden of any description;
  - (b) it is put to a commercial use on a public road; and
  - (c) that use is not a use for the conveyance of goods or burden of any description.
- (4) A vehicle falls within this sub-paragraph if—
- (a) it is designed or adapted for use with a semi-trailer attached;
  - (b) it is put to a commercial use on a public road; and
  - (c) in a case where that use is a use with a semi-trailer attached, the semi-trailer is not used for the conveyance of goods or burden of any description.
- (5) In sub-paragraph (2) “digging machine”, “mobile crane” and “works truck” have the same meanings as in paragraph 4 of Schedule 1.
- (6) In sub-paragraphs (3) and (4) “commercial use” means use for hire or reward or for or in connection with a trade or business.”



*Status: This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Part I. (See end of Document for details)*

(2) This section has effect in relation to times on or after 1st June 1996.

#### Marginal Citations

M22 1994 c. 22.

## 20 Exemptions for vehicle testing: general.

- (1) Paragraph 22 of Schedule 2 to the <sup>M23</sup>Vehicle Excise and Registration Act 1994 (exemption for vehicle testing) shall be amended as follows.
- (2) In sub-paragraph (1) (use for the purposes of submitting a vehicle to, or bringing it away from, a compulsory test), after the words “compulsory test”, in each place where they occur, there shall be inserted “ or a vehicle weight test ”.
- (3) After sub-paragraph (1) there shall be inserted the following sub-paragraph—
  - “(1A) A vehicle is an exempt vehicle when it is being used solely for the purpose of—
    - (a) taking it (by previous arrangement for a specified time on a specified date) for a relevant re-examination, or
    - (b) bringing it away from such a re-examination.”
- (4) In sub-paragraph (2) (use by an authorised person in the course of compulsory test)—
  - (a) after “compulsory test” there shall be inserted “ , a vehicle weight test or a relevant re-examination and is being so used ”; and
  - (b) in paragraphs (a) and (b), after the words “the test”, in each place where they occur, there shall be inserted “ or re-examination ”.
- (5) After sub-paragraph (2) there shall be inserted the following sub-paragraph—
  - “(2A) A vehicle is an exempt vehicle when it is being used by an authorised person solely for the purpose of warming up its engine in preparation for the carrying out of—
    - (a) a compulsory test, or
    - (b) a relevant re-examination that is to be carried out for the purposes of an appeal relating to a determination made on a compulsory test.”
- (6) In sub-paragraph (3) (exemption applying where the relevant certificate is refused), after “a vehicle” there shall be inserted “ or as a result of a relevant re-examination, ”.
- (7) In sub-paragraph (5) (relevant examinations)—
  - (a) for paragraph (a), there shall be substituted the following paragraph—
    - “(a) an examination under regulations under section 49(1)(b) or (c) of the <sup>M24</sup>Road Traffic Act 1988 (examination as to compliance with construction and use or safety requirements)”;
  - (b) the word “ and ” shall be inserted at the end of paragraph (b); and
  - (c) paragraph (c) (examinations for the purpose of an appeal under section 60 of the Road Traffic Act 1988) shall be omitted.
- (8) After sub-paragraph (6) there shall be inserted the following sub-paragraphs—

*Status: This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Part I. (See end of Document for details)*

“(6A) In this paragraph “a vehicle weight test” means any examination of a vehicle for which provision is made by regulations under—

- (a) section 61A of this Act,
- (b) section 49(1)(a) of the Road Traffic Act 1988 (tests for selecting plated weights and other plated particulars), or
- (c) Article 65(1)(a) of the <sup>M25</sup>Road Traffic (Northern Ireland) Order 1995.

(6B) In this paragraph “a relevant re-examination” means any examination or re-examination which is carried out in accordance with any provision or requirement made or imposed for the purposes of an appeal relating to a determination made on a compulsory test or vehicle weight test.”

(9) Subject to section 21(3) below, in sub-paragraph (7) (meaning of “authorised person”) —

- (a) the word “and” at the end of paragraph (b) shall be omitted;
- (b) at the end of paragraph (c) there shall be inserted the word “ and ”; and
- (c) after that paragraph there shall be inserted the following paragraph—
  - “(d) in the case of a relevant re-examination—
    - (i) the person to whom the appeal in question is made, or
    - (ii) any person who, by virtue of an appointment made by that person, is authorised by or under any enactment to carry out that re-examination.”

(10) This section shall be deemed to have come into force on 28th November 1995.

#### Marginal Citations

**M23** 1994 c. 22.

**M24** 1988 c. 52.

**M25** S.I. 1995/2994 (N.I. 18).

PROSPECTIVE

## 21 Exemptions for vehicle testing in Northern Ireland.

(1) Paragraph 22 of Schedule 2 to the <sup>M26</sup>Vehicle Excise and Registration Act 1994 (exemption for vehicle testing) shall be further amended as follows.

(2) For sub-paragraph (6) (meaning of “compulsory test” in Northern Ireland) there shall be substituted the following sub-paragraph—

“(6) In this paragraph “compulsory test” means, as respects Northern Ireland—

- (a) an examination to obtain a test certificate under Article 61 of the <sup>M27</sup>Road Traffic (Northern Ireland) Order 1995 without which a vehicle licence cannot be obtained for the vehicle,
- (b) an examination to obtain a goods vehicle test certificate under Article 65 of that Order, or
- (c) an examination to obtain a public service vehicle licence under Article 60(1) of the <sup>M28</sup>Road Traffic (Northern Ireland) Order 1981.”

*Status: This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Part I. (See end of Document for details)*

(3) For paragraph (c) of sub-paragraph (7) (as amended by section 20(9) above) there shall be substituted the following paragraph—

“(c) in the case of an examination within sub-paragraph (6), an authorised examiner within the meaning of Article 61(3)(a) of the Road Traffic (Northern Ireland) Order 1995 or a vehicle examiner within the meaning of Part III of that Order; and”.

(4) In sub-paragraph (9) (meaning of “relevant certificate” in Northern Ireland), for paragraphs (a) and (b) there shall be substituted the following paragraphs—

“(a) a test certificate (within the meaning of Article 61(2) of the Road Traffic (Northern Ireland) Order 1995),

(b) a goods vehicle test certificate (within the meaning of Article 65(2) of that Order), or”.

(5) In sub-paragraph (10)(a) (meaning of “relevant work”), the words “(or, in Northern Ireland, a vehicle test certificate)” shall be omitted.

(6) This section shall be deemed to have come into force on the date of the coming into operation of Articles 61 and 65 of the Road Traffic (Northern Ireland) Order 1995 (“the operational date”).

(7) Subsections (2), (4) and (5) above do not have effect in relation to a compulsory test carried out in Northern Ireland before the operational date except for the purpose of construing, in relation to such a test, the reference to a further compulsory test in paragraph 22(10)(a) of Schedule 2 to the Vehicle Excise and Registration Act 1994.

#### Commencement Information

**I2** [S. 21](#) comes into force in accordance with s. 21(6).

#### Marginal Citations

**M26** [1994 c. 22](#).

**M27** [S.I. 1995/2994 \(N.I. 18\)](#).

**M28** [S.I. 1981/154 \(N.I. 1\)](#).

## 22 Other provisions relating to Northern Ireland.

(1) In section 42 of the Vehicle Excise and Registration Act 1994 (not fixing registration mark), in subsection (5)(b), for “Article 34 of the Road Traffic (Northern Ireland) Order 1981” there shall be substituted “ Article 63 of the Road Traffic (Northern Ireland) Order 1995 ”.

(2) In subsection (6) of that section, for paragraph (b) there shall be substituted—

“(b) it is being driven for the purposes of, or in connection with, its examination under Article 61 of the <sup>M29</sup>Road Traffic (Northern Ireland) Order 1995 in circumstances in which its use is exempted from paragraph (1) of Article 63 of that Order by regulations under paragraph (6) of that Article.”

(3) In section 60A(11) of that Act (special maximum weight in Northern Ireland), for “Article 29(3) of the <sup>M30</sup>Road Traffic (Northern Ireland) Order 1981” there shall be substituted “ Article 60(1) of the Road Traffic (Northern Ireland) Order 1995 ”.

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*Status: This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Part I. (See end of Document for details)*

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- (4) In section 61(6) of that Act (meaning of “weight unladen”), for paragraph (b) there shall be substituted—
- “(b) in Northern Ireland, has the same meaning as it has for the purposes of the Road Traffic (Northern Ireland) Order 1995 by virtue of Article 7 of that Order.”
- (5) In paragraph 6 of Schedule 1 to that Act (vehicles used for exceptional loads), in sub-paragraph (2) for paragraph (b) there shall be substituted—
- “(b) Article 60 of the Road Traffic (Northern Ireland) Order 1995.”
- (6) In that paragraph—
- (a) in sub-paragraph (3)(a), for “Article 28 of the Road Traffic (Northern Ireland) Order 1981” there shall be substituted “ Article 55 of the Road Traffic (Northern Ireland) Order 1995 ”; and
- (b) in sub-paragraph (4), for “the Road Traffic (Northern Ireland) Order 1981” there shall be substituted “ the Road Traffic (Northern Ireland) Order 1995 ”.
- (7) In paragraph 17 of Schedule 3 to that Act (amendments of the Road Traffic (Northern Ireland) Order 1981)—
- (a) in sub-paragraph (1), “29(2),” and “34(6),” shall be omitted, and
- (b) sub-paragraph (2) shall be omitted.

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**Marginal Citations**

**M29** [S.I. 1995/2994 \(N.I. 18\)](#).

**M30** [S.I. 1981/154 \(N.I. 1\)](#).

## 23 Licensing and registration.

Schedule 2 to this Act (which makes provision in connection with powers conferred on the Secretary of State by the <sup>M31</sup>Vehicle Excise and Registration Act 1994) shall have effect.

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**Marginal Citations**

**M31** [1994 c. 22](#).

### *Repeal of certain drawbacks and allowances*

## 24 Repeal of certain drawbacks and allowances.

The following provisions (which provide for repayments, drawbacks or allowances in the case of certain excise duties) shall cease to have effect, that is to say—

- (a) section 3 of the <sup>M32</sup>Finance Act 1977 (repayment in respect of tobacco used in the manufacture of a tobacco product after having borne duty under section 4 of the <sup>M33</sup>Finance Act 1964);
- (b) section 22(6) of the <sup>M34</sup>Alcoholic Liquor Duties Act 1979 (additions in respect of waste which are deemed to be made to tinctures exported or shipped as stores);

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*Status: This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Part I. (See end of Document for details)*

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- (c) section 23 of that Act of 1979 (allowances in respect of British compounded spirits);
- (d) section 92(6) of that Act of 1979 (transitional right to drawback); and
- (e) section 9(2) and (3) of the <sup>M35</sup>Isle of Man Act 1979 (removal to the Isle of Man treated as export for the purposes of drawback).

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**Marginal Citations**

**M32** 1977 c. 36.

**M33** 1964 c. 49.

**M34** 1979 c. 4.

**M35** 1979 c. 58.

**Status:**

This version of this part contains provisions that are prospective.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1996, Part I.