



Finance Act 1996

1996 CHAPTER 8

PART I

EXCISE DUTIES

Vehicle excise duty

14 Increase in general rate.

- (1) In Schedule 1 to the ^{M1}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.

Marginal Citations

M1 1994 c. 22.

15 Electrically propelled vehicles.

^{F1}(1)

^{F1}(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.”

Status: This version of this cross heading contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: Vehicle excise duty. (See end of Document for details)

- (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.
- (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
F1 S. 15(1)(2) repealed (1.4.2001) by 2001 c. 9, s. 110, Sch. 33 Pt. 1(3), Note 2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.”

^{F2}(6)

^{F2}(7)

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

Textual Amendments
F2 S. 16(6)(7) repealed (1.4.2001) by 2001 c. 9, s. 110, Sch. 33 Pt. 1(3), Note 2

Status: This version of this cross heading contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: Vehicle excise duty. (See end of Document for details)

17 Vehicles capable of conveying loads.

- (1) Schedule 1 to the ^{M2}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),”.
- (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 ^{M3}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 ^{M4}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

Status: This version of this cross heading contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: Vehicle excise duty. (See end of Document for details)

- (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.
- (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

- M2** 1994 c. 22.
M3 1988 c. 52.
M4 1994 c. 22.

18 Old vehicles.

- (1) In Schedule 2 to the ^{M5}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

Status: This version of this cross heading contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: Vehicle excise duty. (See end of Document for details)

- (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),
 - (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

M5 1994 c. 22.

19 Old vehicles: further provisions.

- (1) In Schedule 2 to the ^{M6}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
- ”

Status: This version of this cross heading contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: Vehicle excise duty. (See end of Document for details)

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

Marginal Citations

M6 1994 c. 22.

20 Exemptions for vehicle testing: general.

- (1) Paragraph 22 of Schedule 2 to the ^{M7}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—

Status: This version of this cross heading contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: Vehicle excise duty. (See end of Document for details)

- “(a) an examination under regulations under section 49(1) (b) or (c) of the ^{M8}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—
- “(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 ^{M9}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

- M7** 1994 c. 22.
M8 1988 c. 52.
M9 S.I. 1995/2994 (N.I. 18).

PROSPECTIVE

21 Exemptions for vehicle testing in Northern Ireland.

- (1) Paragraph 22 of Schedule 2 to the ^{M10}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—

Status: This version of this cross heading contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: Vehicle excise duty. (See end of Document for details)

- “(6) In this paragraph “compulsory test” means, as respects Northern Ireland—
- (a) an examination to obtain a test certificate under Article 61 of the ^{M11}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 ^{M12}Road Traffic (Northern Ireland) Order 1981.”
- (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

II S. 21 comes into force in accordance with s. 21(6).

Marginal Citations

M10 1994 c. 22.

M11 S.I. 1995/2994 (N.I. 18).

M12 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—

Status: This version of this cross heading contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Cross Heading: Vehicle excise duty. (See end of Document for details)

- “(b) it is being driven for the purposes of, or in connection with, its examination under Article 61 of the ^{M13}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 ^{M14}Road Traffic (Northern Ireland) Order 1981” there shall be substituted “ Article 60(1) of the Road Traffic (Northern Ireland) Order 1995 ”.
- (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.

Marginal Citations

M13 [S.I. 1995/2994 \(N.I. 18\)](#).

M14 [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 ^{M15}Vehicle Excise and Registration Act 1994) shall have effect.

Marginal Citations

M15 [1994 c. 22](#).

Status:

This version of this cross heading contains provisions that are prospective.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1996, Cross Heading:
Vehicle excise duty.