



Vehicle Excise and Registration Act 1994

1994 CHAPTER 22

PART I

VEHICLE EXCISE DUTY AND LICENCES

Main provisions

1 Duty and licences.

[^{F1}(1) A duty of excise (“vehicle excise duty”) shall be charged in respect of every mechanically propelled vehicle that—

- (a) is registered under this Act (see section 21), or
- (b) is not so registered but is used, or kept, on a public road in the United Kingdom.

(1A) Vehicle excise duty shall also be charged in respect of every thing (whether or not it is a vehicle) that has been, but has ceased to be, a mechanically propelled vehicle and—

- (a) is registered under this Act, or
- (b) is not so registered but is used, or kept, on a public road in the United Kingdom.

(1B) In the following provisions of this Act “vehicle” means—

- (a) a mechanically propelled vehicle, or
- (b) any thing (whether or not it is a vehicle) that has been, but has ceased to be, a mechanically propelled vehicle.

(1C) Vehicle excise duty charged in respect of a vehicle by subsection (1)(a) or (1A)(a) shall be paid on a licence to be taken out—

- (a) by the person in whose name the vehicle is registered under this Act, or
- (b) if that person is not the person keeping the vehicle, by either of those persons.

(1D) Vehicle excise duty charged in respect of a vehicle by subsection (1)(b) or (1A)(b) shall be paid on a licence to be taken out by the person keeping the vehicle.]

Status: Point in time view as at 30/11/2003.

Changes to legislation: Vehicle Excise and Registration Act 1994, Cross Heading: Main provisions is up to date with all changes known to be in force on or before 23 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

(2) A licence taken out for a vehicle is in this Act referred to as a “vehicle licence”.

Textual Amendments

F1 S. 1(1)-(1D) substituted (30.11.2003) for s. 1(1) by [Finance Act 2002 \(c. 23\)](#), s. 19, [Sch. 5 para. 2](#); [S.I. 2003/3086](#), [art. 2\(b\)](#)

2 Annual rates of duty.

(1) Vehicle excise duty in respect of a vehicle of any description is chargeable by reference to the annual rate currently applicable to it in accordance with the provisions of Schedule 1 which relate to vehicles of that description.

[^{F2}(2) Subsection (1) applies subject to the following provisions of this section.

(3) Where vehicle excise duty is charged by section 1(1)(b) or (1A)(b) in respect of the keeping of a vehicle on a road (and not in respect of its use), duty in respect of such keeping is chargeable by reference to the general rate currently specified in paragraph 1(2) of Schedule 1.

(4) Subsections (5) and (6) apply where—

- (a) vehicle excise duty is charged by section 1(1)(a) or (1A)(a) in respect of a vehicle, and
- (b) were the vehicle not registered under this Act, duty would not be charged by section 1(1)(b) or (1A)(b) in respect of the use of the vehicle on a road.

(5) Where one or more use licences have previously been issued for the vehicle, the duty charged by section 1(1)(a) or (1A)(a) is chargeable by reference to the annual rate currently applicable to a vehicle of the same description as that of the vehicle on the occasion of the issue of that licence (or the last of those licences).

(6) In any other case, the duty charged by section 1(1)(a) or (1A)(a) is chargeable by reference to the general rate currently specified in paragraph 1(2) of Schedule 1.

(7) In subsection (5) “use licence” means—

- (a) a vehicle licence issued for the use of a vehicle, or
- (b) a vehicle licence that is issued by reason of a vehicle being registered under this Act but which would have been issued for the use of the vehicle if the vehicle had not been registered under this Act.]

Textual Amendments

F2 S. 2(2)-(7) substituted (30.11.2003) for s. 2(2)-(4) by [Finance Act 2002 \(c. 23\)](#), s. 19, [Sch. 5 para. 3](#); [S.I. 2003/3086](#), [art. 2\(b\)](#)

3 Duration of licences.

(1) A vehicle licence may be taken out for any vehicle for any period of twelve months running from the beginning of the month in which the licence first has effect.

(2) Where the annual rate of vehicle excise duty in respect of vehicles of any description exceeds £50, a vehicle licence may be taken out for a vehicle of that description for

Status: Point in time view as at 30/11/2003.

Changes to legislation: Vehicle Excise and Registration Act 1994, Cross Heading: Main provisions is up to date with all changes known to be in force on or before 23 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

a period of six months running from the beginning of the month in which the licence first has effect.

- (3) The Secretary of State may by order provide that a vehicle licence may be taken out for a vehicle for such period as may be specified in the order.
- (4) An order under subsection (3) may specify—
 - (a) a period of a fixed number of months (not exceeding fifteen) running from the beginning of the month in which the licence first has effect,
 - (b) in the case of a licence taken out on the first registration under this Act of a vehicle of such description as may be specified in the order, a period exceeding by such number of days (not exceeding thirty) as may be determined by or under the order the period for which the licence would otherwise have effect by virtue of subsection (1) or (2) or of an order under paragraph (a), or
 - (c) in the case of a vehicle of such description (or of such description and used in such circumstances) as may be specified in the order, a period of less than one month.
- (5) An order under subsection (3)—
 - (a) may be made so as to apply only to vehicles of specified descriptions, and
 - (b) may make different provision for vehicles of different descriptions or for different circumstances.
- (6) The power to make an order under subsection (3) includes power to make transitional provisions and to amend or repeal subsection (1) or (2).

4 Amount of duty.

- (1) Where a vehicle licence for a vehicle of any description is taken out for any period of twelve months, vehicle excise duty shall be paid on the licence at the annual rate of duty applicable to vehicles of that description.
- (2) Where a vehicle licence for a vehicle of any description is taken out for a period of six months, vehicle excise duty shall be paid on the licence at a rate equal to fifty-five per cent. of that annual rate.
- (3) In determining a rate of duty under subsection (2) any fraction of five pence—
 - (a) if it exceeds two and a half pence, shall be treated as five pence, and
 - (b) otherwise, shall be disregarded.
- (4) Where a vehicle licence for a vehicle of any description is taken out for a period specified in an order under section 3(3), vehicle excise duty shall be paid on the licence at such rate as may be specified in the order.
- (5) A rate of vehicle excise duty specified in an order under section 3(3) in relation to a licence taken out for a vehicle for a period of—
 - (a) a fixed number of months other than twelve, or
 - (b) less than one month,shall be such as to bear to the annual rate of duty applicable to the vehicle no less proportion than the period for which the licence is taken out bears to a year.
- (6) A rate of vehicle excise duty specified in an order under section 3(3) in relation to a licence taken out for a vehicle for a period of three months or a period of four months

Status: Point in time view as at 30/11/2003.

Changes to legislation: Vehicle Excise and Registration Act 1994, Cross Heading: Main provisions is up to date with all changes known to be in force on or before 23 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

shall not exceed for each month of the period ten per cent. of the annual rate of duty applicable to the vehicle.

- (7) The power to make an order under section 3(3) includes power to amend or repeal subsection (2) or (3) of this section.

5 Exempt vehicles.

- (1) No vehicle excise duty shall be charged in respect of a vehicle if it is an exempt vehicle.
- (2) Schedule 2 specifies descriptions of vehicles which are exempt vehicles.

6 Collection etc. of duty.

- (1) Vehicle excise duty shall be levied by the Secretary of State.
- (2) For the purpose of levying vehicle excise duty the Secretary of State and his officers (including any body or person authorised by the Secretary of State to act as his agent for the purposes of this Act) have the same powers, duties and liabilities as the Commissioners of Customs and Excise and their officers have with respect to—
- (a) duties of excise (other than duties on imported goods),
 - (b) the issue and cancellation of licences on which duties of excise are imposed, and
 - (c) other matters (not being matters relating only to duties on imported goods),
- under the enactments relating to duties of excise and excise licences.
- (3) The enactments relating to duties of excise, or punishments and penalties in connection with those duties, (other than enactments relating only to duties on imported goods) apply accordingly.
- (4) Subsections (2) and (3) have effect subject to the provisions of this Act (including in particular, in the case of subsection (3), subsection (6) of this section and sections 47, 48 and 56).
- (5) The Secretary of State has with respect to vehicle excise duty and licences under this Act the powers given to the Commissioners of Customs and Excise by the enactments relating to duties of excise and excise licences for the mitigation or remission of any penalty or part of a penalty.
- (6) Vehicle excise duty, and any sums received by the Secretary of State by virtue of this Act by way of fees, shall be paid into the Consolidated Fund.

Status:

Point in time view as at 30/11/2003.

Changes to legislation:

Vehicle Excise and Registration Act 1994, Cross Heading: Main provisions is up to date with all changes known to be in force on or before 23 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.