



Vehicle Excise and Registration Act 1994

1994 CHAPTER 22

PART I

VEHICLE EXCISE DUTY AND LICENCES

Main provisions

1 Duty and licences

- (1) A duty of excise (“vehicle excise duty”) shall be charged in respect of every mechanically propelled vehicle which is used, or kept, on a public road in the United Kingdom and shall be paid on a licence to be taken out by the person keeping the vehicle.
- (2) A licence taken out for a vehicle is in this Act referred to as a “vehicle licence”.

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.
- (2) But where vehicle excise duty is chargeable in respect of the keeping of a vehicle on a road (and not in respect of its use), the duty is chargeable in accordance with subsection (3) or (4).
- (3) Where one or more vehicle licences have previously been issued for the use of the vehicle, duty in respect of the keeping of the vehicle on a road 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).
- (4) In any other case, duty in respect of such keeping is chargeable by reference to whichever of the annual rates currently specified in Part I of Schedule 1 is applicable to a vehicle constructed at the same time as the vehicle.

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 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 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.