



Finance (No. 2) Act 2005

2005 CHAPTER 22

PART 5

MISCELLANEOUS MATTERS

66 Vehicle excise duty: late renewal supplements

- (1) VERA 1994 is amended as follows.
- (2) Section 7A (supplement payable on late renewal of vehicle licence) is amended as follows.
- (3) In subsection (1) (cases in which regulations may provide for supplement to be payable), for the words from “in prescribed cases” to the end substitute “where—
 - (a) a vehicle has ceased to be appropriately covered,
 - (b) the vehicle is not, before the end of the relevant prescribed period, appropriately covered as mentioned in paragraph (a) or (b) of subsection (1A) below with effect from the time immediately after it so ceased or appropriately covered as mentioned in paragraph (d) of that subsection, and
 - (c) the circumstances are not such as may be prescribed.”
- (4) After that subsection insert—

“(1A) For the purposes of this section and section 7B a vehicle is appropriately covered if (and only if)—
 - (a) a vehicle licence or trade licence is in force for or in respect of the vehicle,
 - (b) the vehicle is an exempt vehicle in respect of which regulations under this Act require a nil licence to be in force and a nil licence is in force in respect of it,
 - (c) the vehicle is an exempt vehicle that is not one in respect of which regulations under this Act require a nil licence to be in force, or

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2005, Section 66. (See end of Document for details)

- (d) the vehicle is neither kept nor used on a public road and the declarations and particulars required to be delivered by regulations under section 22(1D) have been delivered in relation to it in accordance with the regulations within the immediately preceding period of 12 months.
- (1B) Where a vehicle for or in respect of which a vehicle licence is in force is transferred by the holder of the vehicle licence to another person, the vehicle licence is to be treated for the purposes of subsection (1A) as no longer in force unless it is delivered to the other person with the vehicle.
- (1C) Where—
 - (a) an application is made for a vehicle licence for any period, and
 - (b) a temporary licence is issued pursuant to the application,
 subsection (1B) does not apply to the licence applied for if, on a transfer of the vehicle during the currency of the temporary licence, the temporary licence is delivered with the vehicle to the transferee.
- (1D) In subsection (1)(b) “the relevant prescribed period” means such period beginning with the date on which the vehicle ceased to be appropriately covered as is prescribed.”
- (5) In subsection (2)(c) (amount of supplement variable according to length of period between expiry of licence and payment of supplement or renewal of licence), for subparagraphs (i) and (ii) substitute—
 - “(i) the time of a notification (in accordance with regulations under section 7B(1)) to, or in relation to, a person by whom it is payable, and
 - (ii) the time at which it is paid.”
- (6) In subsection (3)(b) (supplement not to cease to be payable by reason of taking out of vehicle licence), for “a vehicle licence being taken out for the vehicle” substitute “ the vehicle being again appropriately covered ”.
- (7) Omit subsection (4)(a)(definition of “expiry of a vehicle licence”).
- (8) In the heading, for “late renewal of vehicle licence” substitute “ vehicle ceasing to be appropriately covered ”.
- (9) Section 7B (late-renewal supplements: further provisions) is amended as follows.
- (10) In subsection (1) (notification of person in whose name vehicle is registered)—
 - (a) for “on non-renewal of a vehicle licence for” substitute “ in relation to ”, and
 - (b) for “failure to renew a vehicle licence” substitute “ the vehicle ceasing to be appropriately covered ”.
- (11) In the heading, for “Late-renewal” substitute “ Section 7A ”.

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