



# Finance Act 2005

## 2005 CHAPTER 7

### PART 1

#### EXCISE DUTIES

##### *Tobacco products duty*

#### **1 Rates of tobacco products duty**

- (1) For the Table of rates of duty in Schedule 1 to the Tobacco Products Duty Act 1979 (c. 7) substitute—

“TABLE

1.Cigarettes	An amount equal to 22 per cent of the retail price plus £102.39 per thousand cigarettes.
2.Cigars	£149.12 per kilogram.
3.Hand-rolling tobacco	£107.18 per kilogram.
4.Other smoking tobacco and chewing tobacco	£65.56 per kilogram.”

- (2) This section shall be deemed to have come into force at 6 o'clock in the evening of 16th March 2005.

##### *Alcoholic liquor duties*

#### **2 Rate of duty on beer**

- (1) In section 36(1AA)(a) of ALDA 1979 (rate of duty on beer) for “£12.59” substitute “£12.92”.

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(2) This section shall be deemed to have come into force at midnight on 20th March 2005.

### **3 Rates of duty on wine and made-wine**

(1) For Part 1 of the Table of rates of duty in Schedule 1 to ALDA 1979 (rates of duty on wine and made-wine) substitute—

#### **“PART 1**

##### WINE AND MADE-WINE OF A STRENGTH NOT EXCEEDING 22 PER CENT

<i>Description of wine or made-wine</i>	<i>Rates of duty per hectolitre</i>
	£
Wine or made-wine of a strength not exceeding 4 per cent	51.69
Wine or made-wine of a strength exceeding 4 per cent but not exceeding 5.5 per cent	71.07
Wine or made-wine of a strength exceeding 5.5 per cent but not exceeding 15 per cent and not sparkling	167.72
Sparkling wine or sparkling made-wine of a strength exceeding 5.5 per cent but less than 8.5 per cent	166.70
Sparkling wine or sparkling made-wine of a strength of 8.5 per cent or of a strength exceeding 8.5 per cent but not exceeding 15 per cent	220.54
Wine or made-wine of a strength exceeding 15 per cent but not exceeding 22 per cent	223.62”

(2) This section shall be deemed to have come into force at midnight on 20th March 2005.

#### *Hydrocarbon oil etc duties*

### **4 Consolidation of current rates of hydrocarbon oil duties etc.**

(1) HODA 1979 is amended as follows.

(2) In subsection (1A) of section 6 (hydrocarbon oil: rates of duty)—

- (a) in paragraph (a) (ultra low sulphur petrol), for “£0.4902” substitute “ £0.4710 ”,
- (b) in paragraph (aa) (sulphur-free petrol), for “£0.4852” substitute “ £0.4710 ”,
- (c) in paragraph (b) (light oil other than ultra low sulphur petrol and sulphur-free petrol), for “£0.5790” substitute “ £0.5620 ”,
- (d) in paragraph (c) (ultra low sulphur diesel), for “£0.4902” substitute “ £0.4710 ”,

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- (e) in paragraph (ca) (sulphur-free diesel), for “£0.4852” substitute “ £0.4710 ”, and
  - (f) in paragraph (d) (heavy oil other than ultra low sulphur diesel and sulphur-free diesel), for “£0.5487” substitute “ £0.5327 ”.
- (3) In subsection (3) of that section (aviation gasoline), for “(1A) above in relation to light oil” substitute “ (1A)(b) above ”.
- (4) In section 6AA(3) (biodiesel), for “£0.2852” substitute “ £0.2710 ”.
- (5) In section 6AD(3) (bioethanol), for “£0.2852” substitute “ £0.2710 ”.
- (6) In section 8(3) (road fuel gas)—
  - (a) in paragraph (a) (natural road fuel gas), for “£0.1110” substitute “ £0.0900 ”, and
  - (b) in paragraph (b) (other road fuel gas), for “£0.1303” substitute “ £0.0900 ”.
- (7) In section 11(1) (rebate on heavy oil)—
  - (a) in paragraph (a) (fuel oil), for “£0.0624” substitute “ £0.0482 ”,
  - (b) in paragraph (b) (gas oil which is not ultra low sulphur diesel), for “£0.0664” substitute “ £0.0522 ”, and
  - (c) in paragraph (ba) (ultra low sulphur diesel), for “£0.0664” substitute “ £0.0522 ”.
- (8) In section 13AA(1) (restrictions on use of rebated kerosene), for “for rebated gas oil which is then in force, instead of at the rate then in force under section 11(1)(c) above” substitute “ then in force under paragraph (b) of subsection (1) of section 11, instead of at the rate then in force under paragraph (c) of that subsection ”.
- (9) In section 13A(1) (rebate on unleaded petrol), for “£0.0620” substitute “ £0.0601 ”.
- (10) In section 14(1) (rebate on light oil for use as furnace oil), for “£0.0624” substitute “ £0.0482 ”.
- (11) In consequence of the preceding provisions the following instruments are revoked—
  - (a) the Excise Duties (Surcharges or Rebates) (Hydrocarbon Oils etc.) Order 2004 (S.I. 2004/2063),
  - (b) the Excise Duties (Road Fuel Gas) (Reliefs) Regulations 2004 (S.I. 2004/2069),
  - (c) the Excise Duties (Surcharges or Rebates) (Hydrocarbon Oils etc.) (Amendment) Order 2004 (S.I. 2004/3160), and
  - (d) the Excise Duties (Surcharges or Rebates) (Bioethanol) Order 2004 (S.I. 2004/3162).
- (12) This section comes into force on the day on which this Act is passed.

## **5 Rates of hydrocarbon oil duties etc. from 1st September 2005**

- (1) HODA 1979 is amended as follows.
- (2) In subsection (1A) of section 6 (hydrocarbon oil: rates of duty)—
  - (a) in paragraph (a) (ultra low sulphur petrol), for “£0.4710” substitute “ £0.4832 ”,
  - (b) in paragraph (aa) (sulphur-free petrol), for “£0.4710” substitute “ £0.4832 ”,

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- (c) in paragraph (b) (light oil other than ultra low sulphur petrol and sulphur-free petrol), for “£0.5620” substitute “ £0.5766 ”,
  - (d) in paragraph (c) (ultra low sulphur diesel), for “£0.4710” substitute “ £0.4832 ”,
  - (e) in paragraph (ca) (sulphur-free diesel), for “£0.4710” substitute “ £0.4832 ”, and
  - (f) in paragraph (d) (heavy oil other than ultra low sulphur diesel and sulphur-free diesel), for “£0.5327” substitute “ £0.5465 ”.
- (3) In section 6AA(3) (biodiesel), for “£0.2710” substitute “ £0.2832 ”.
- (4) In section 6AD(3) (bioethanol), for “£0.2710” substitute “ £0.2832 ”.
- (5) In section 8(3) (road fuel gas)—
- (a) in paragraph (a) (natural road fuel gas), for “£0.0900” substitute “ £0.1080 ”, and
  - (b) in paragraph (b) (other road fuel gas), for “£0.0900” substitute “ £0.1270 ”.
- (6) In section 11(1) (rebate on heavy oil)—
- (a) in paragraph (a) (fuel oil), for “£0.0482” substitute “ £0.0604 ”,
  - (b) in paragraph (b) (gas oil which is not ultra low sulphur diesel), for “£0.0522” substitute “ £0.0644 ”, and
  - (c) in paragraph (ba) (ultra low sulphur diesel), for “£0.0522” substitute “ £0.0644 ”.
- (7) In section 13A(1) (rebate on unleaded petrol), for “£0.0601” substitute “ £0.0617 ”.
- (8) In section 14(1) (rebate on light oil for use as furnace oil), for “£0.0482” substitute “ £0.0604 ”.
- (9) This section comes into force on 1st September 2005.

### *Gaming duty*

## **6 Rates of gaming duty**

- (1) For the Table in section 11(2) of FA 1997 (rates of gaming duty) substitute—

“TABLE

<i><b>Part of gross gaming yield</b></i>	<i><b>Rate</b></i>
The first £534,500	2.5 per cent.
The next £1,186,500	12.5 per cent.
The next £1,186,500	20 per cent.
The next £2,078,000	30 per cent.
The remainder	40 per cent.”

- (2) This section has effect in relation to accounting periods beginning on or after 1st April 2005.

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## *Vehicle excise duty*

### **7 Rates**

- (1) VERA 1994 is amended as follows.
- (2) In section 4 (vehicle licences: amount of duty), omit—
  - (a) subsection (3)(treatment of fractions of five pence in determining rate of duty on six month licence which is set at 55% of annual rate), and
  - (b) in subsection (7)(power to amend or repeal by order), “or (3)”.
- (3) In section 13(3)(b) (trade licences: annual rate of duty for licences not to be used only for motorcycles not exceeding 450 kilograms in weight unladen) as currently in force, for “annual rate currently applicable to a vehicle under paragraph 1(2) of Schedule 1” substitute “basic goods vehicle rate currently applicable”.
- (4) In section 13(4)(b) (trade licences: annual rate of duty for licences not to be used only for motorcycles not exceeding 450 kilogrammes in weight unladen) as set out in paragraph 8(1) of Schedule 4 to have effect on and after a day appointed by order, for “annual rate currently applicable to a vehicle under paragraph 1(2) of Schedule 1” substitute “basic goods vehicle rate currently applicable”.
- (5) In both versions of section 13, after subsection (6) insert—
  - “(7) In this section “the basic goods vehicle rate” means the annual rate applicable, by virtue of sub-paragraph (1) of paragraph 9 of Schedule 1, to a rigid goods vehicle which—
    - (a) is not a vehicle with respect to which the reduced pollution requirements are satisfied, and
    - (b) falls within column (3) of the table in that sub-paragraph and has a revenue weight exceeding 3,500 kilograms and not exceeding 7,500 kilograms.”
- (6) In sections 35A(5) and 36(3) (dishonoured cheques: appropriate annual rate of vehicle excise duty), for the words from “to the annual rate” to “(or)” substitute—
  - “(a) in the case of a vehicle licence, to the annual rate which at the beginning of the relevant period was applicable to a vehicle of the description specified in the application, or
  - (b) in the case of a trade licence, to the basic goods vehicle rate (within the meaning of section 13) which was applicable at that time (or to the annual rate which at that time was applicable”.
- (7) Schedule 1 (annual rates of duty) is amended as follows.
- (8) In paragraph 1(2) (general rate of duty except in case of vehicle with engine with cylinder capacity not exceeding 1,549 cubic centimetres), for “£165” substitute “£170”.
- (9) For the Table in paragraph 1B (rates of duty applicable to light passenger vehicles registered on or after 1st March 2001 on basis of certificate specifying CO<sub>2</sub> emissions figure) substitute—

<i>“CO<sub>2</sub> emissions figure</i>		<i>Rate</i>		
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>

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<b><i>Exceeding</i></b>	<b><i>Not exceeding</i></b>	<b><i>Reduced rate</i></b>	<b><i>Standard rate</i></b>	<b><i>Premium rate</i></b>
g/km	g/km	£	£	£
	100	55	65	75
100	120	65	75	85
120	150	95	105	115
150	165	115	125	135
165	185	140	150	160
185		160	165	170”

- (10) In paragraph 3(1A) (rate applicable to buses with respect to which reduced pollution requirements are satisfied), for “the general rate specified in paragraph 1(2)” substitute “ £165 ”.
- (11) In paragraph 7(3A)(b) (rate applicable to haulage vehicles which are not showman's vehicles and with respect to which reduced pollution requirements are satisfied), for “the general rate specified in paragraph 1(2)” substitute “ £165 ”.
- (12) In paragraph 10 (trailer supplement)—
- (a) in sub-paragraph (2) (rate where plated gross weight of trailer exceeds 4,000 kilograms but does not exceed 12,000 kilograms), for “an amount equal to the amount of the general rate specified in paragraph 1(2)” substitute “ £165 ”,
  - (b) in sub-paragraph (3) (rate where plated gross weight of trailer exceeds 12,000 kilograms), for “an amount equal to 140 per cent of the amount of the general rate specified in paragraph 1(2)” substitute “ £230 ”, and
  - (c) omit sub-paragraphs (3A) and (3B)(rounding of rate set under sub-paragraph (3) as percentage of general rate specified in paragraph 1(2)).
- (13) Subsection (2), and subsection (1) so far as relating to it, have effect on the day on which this Act is passed.
- (14) Subsection (4), and subsections (1) and (5) so far as relating to it, have effect on and after that day.
- (15) Subsection (6), and subsection (1) so far as relating to it, have effect on and after 17th March 2005.
- (16) Subject to that, this section has effect in relation to licences taken out on or after 17th March 2005 for a period beginning on or after 1st April 2005.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2005, Part 1.