



# Finance Act 2020

## 2020 CHAPTER 14

### PART 3

#### OTHER TAXES

##### *Vehicle taxes*

#### **83 Rates for light passenger or light goods vehicles, motorcycles etc**

- (1) Schedule 1 to VERA 1994 (annual rates of vehicle excise duty) is amended as follows.
- (2) In paragraph 1 (general rate)—
- (a) in sub-paragraph (2) (vehicle not covered elsewhere in Schedule with engine cylinder capacity exceeding 1,549cc), for “£265” substitute “ £270 ”, and
  - (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£160” substitute “ £165 ”.
- (3) In paragraph 1B (graduated rates for light passenger vehicles registered before 1 April 2017), for the Table 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>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>
100	110	10	20
110	120	20	30
120	130	115	125
130	140	140	150
140	150	155	165

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: Vehicle taxes. (See end of Document for details)*

---

150	165	195	205
165	175	230	240
175	185	255	265
185	200	295	305
200	225	320	330
225	255	555	565
255		570	580”.

---

(4) In the sentence immediately following the Table in that paragraph, for paragraphs (a) and (b) substitute—

- “(a) in column (3), in the last two rows, “320” were substituted for “555” and “ 570 ”, and  
 (b) in column (4), in the last two rows, “330” were substituted for “565” and “ 580 ”.”

(5) In paragraph 1GC (graduated rates for first licence for light passenger vehicles registered on or after 1 April 2017), for Table 1 (vehicles other than higher rate diesel vehicles) 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>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>
0	50	0	10
50	75	15	25
75	90	100	110
90	100	125	135
100	110	145	155
110	130	165	175
130	150	205	215
150	170	530	540
170	190	860	870
190	225	1295	1305
225	255	1840	1850
255		2165	2175”.

---

(6) In that paragraph, for Table 2 (higher rate diesel vehicles) substitute—

---

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

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: Vehicle taxes. (See end of Document for details)*

<i>Exceeding</i> <i>g/km</i>	<i>Not exceeding</i> <i>g/km</i>	<i>Rate</i> <i>£</i>
0	50	25
50	75	110
75	90	135
90	100	155
100	110	175
110	130	215
130	150	540
150	170	870
170	190	1305
190	225	1850
225	255	2175
255		2175”.

(7) In paragraph 1GD(1) (rates for any other licence for light passenger vehicles registered on or after 1 April 2017)—

- (a) in paragraph (a) (reduced rate), for “£135” substitute “ £140 ”, and
- (b) in paragraph (b) (standard rate), for “£145” substitute “ £150 ”.

(8) In paragraph 1GE(2) (rates for light passenger vehicles registered on or after 1 April 2017 with a price exceeding £40,000)—

- (a) in paragraph (a), for “£440” substitute “ £465 ”, and
- (b) in paragraph (b), for “£450” substitute “ £475 ”.

(9) In paragraph 1J(a) (rates for light goods vehicles that are not pre-2007 or post-2008 lower emission vans), for “£260” substitute “ £265 ”.

(10) In paragraph 2(1) (rates for motorcycles)—

- (a) in paragraph (b) (motorcycles with engine cylinder capacity exceeding 150cc but not exceeding 400cc), for “£43” substitute “ £44 ”,
- (b) in paragraph (c) (motorcycles with engine cylinder capacity exceeding 400cc but not exceeding 600cc), for “£66” substitute “ £67 ”, and
- (c) in paragraph (d) (other cases), for “£91” substitute “ £93 ”.

(11) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2020.

#### **84 Applicable CO<sub>2</sub> emissions figure determined using WLTP values**

(1) In Schedule 1 to VERA 1994 (annual rates of duty) in paragraph 1GA(5) (meaning of “the applicable CO<sub>2</sub> emissions figure”)—

- (a) omit “and” at the end of paragraph (a),
- (b) in paragraph (b)—
  - (i) after “figure” insert “ of a vehicle first registered before 1 April 2020 ”,

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: Vehicle taxes. (See end of Document for details)*

---

- (ii) for “light-duty” substitute “light”, and
  - (iii) after “EU certificate of conformity” insert “ or UK approval certificate”, and
  - (c) at the end of paragraph (b) insert “, and
    - (c) for the purpose of determining the applicable CO<sub>2</sub> emissions figure of a vehicle first registered on or after 1 April 2020, ignore any values specified in an EU certificate of conformity or UK approval certificate that are not WLTP (worldwide harmonised light vehicle test procedures) values”.
- (2) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2020.

## **85 Electric vehicles: extension of exemption**

- (1) VERA 1994 is amended as follows.
- (2) In paragraph 25 of Schedule 2 (exempt vehicles: light passenger vehicles with low CO<sub>2</sub> emissions) omit sub-paragraphs (5) and (6) (no exemption if vehicle price exceeds £40,000 etc).
- (3) As a consequence, Part 1AA of Schedule 1 (annual rates of duty: light passenger vehicles registered on or after 1 April 2017) is amended as follows.
- (4) In paragraph 1GB (exemption from paying duty on first vehicle licence for certain vehicles)—
  - (a) in sub-paragraph (1) omit “(2) or”, and
  - (b) omit sub-paragraph (2).
- (5) In paragraph 1GD (rates of duty payable on any other vehicle licence for vehicle), in sub-paragraph (2) omit “or (4)”.
- (6) In paragraph 1GE (higher rates of duty: vehicles with a price exceeding £40,000)—
  - (a) omit sub-paragraphs (3) and (4), and
  - (b) in sub-paragraph (5) for “sub-paragraphs (2) and (4) do” substitute “ Sub-paragraph (2) does ”.
- (7) In paragraph 1GF (calculating the price of a vehicle), in sub-paragraph (1) omit “and (3)(a)”.
- (8) The amendments made by this section come into force on 1 April 2020 but do not apply in relation to licences in force immediately before that date.

## **86 Motor caravans**

- (1) In VERA 1994, in Part 1AA of Schedule 1 (annual rates of duty: light passenger vehicles registered on or after 1 April 2017), paragraph 1GA is amended as follows.
- (2) After sub-paragraph (1) insert—
  - “(1A) But this Part of this Schedule does not apply to a motor caravan which is first registered, under this Act or under the law of a country or territory outside the United Kingdom, on or after 12 March 2020.”
- (3) After sub-paragraph (2) insert—

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: Vehicle taxes. (See end of Document for details)*

---

“(2A) For the purposes of sub-paragraph (1A) a vehicle is a “motor caravan” if the certificate mentioned in sub-paragraph (1)(b) identifies the vehicle as a motor caravan within the meaning of Annex II to Directive [2007/46/EC](#).”

## **87 Exemption in respect of medical courier vehicles**

- (1) Schedule 2 to VERA 1994 (exempt vehicles) is amended as follows.
- (2) In the heading before paragraph 6, after “Ambulances” insert “, medical courier vehicles”.
- (3) After paragraph 6 insert—

“6A (1) A vehicle is an exempt vehicle if—

- (a) it is used primarily for the transportation of medical items,
- (b) it is readily identifiable as a vehicle used for the transportation of medical items by being marked “Blood” on both sides, and
- (c) it is registered under this Act in the name of a charity whose main purpose is to provide services for the transportation of medical items.

(2) In this paragraph—

“charity” means a charity as defined by paragraph 1 of Schedule 6 to the Finance Act 2010;

“medical items” means items intended for use for medical purposes, including in particular—

- (a) blood;
  - (b) medicines and other medical supplies;
  - (c) items relating to people who are undergoing medical treatment;
- “item” includes any substance.”

- (4) The amendments made by this section come into force on 1 April 2020.

## **88 HGV road user levy [<sup>F1</sup>: exempt period]**

- (1) [<sup>F2</sup>Subject to section 88A,] section 5(2) of the HGV Road User Levy Act 2013 (HGV road user levy charged for all periods for which a UK heavy goods vehicle is charged to vehicle excise duty) does not apply where the period for which a UK heavy goods vehicle is charged to vehicle excise duty is a period that begins in the exempt period.
- (2) Section 6(2) of the 2013 Act (HGV road user levy charged in respect of non-UK heavy goods vehicle for each day on which the vehicle is used or kept on a road to which the Act applies) does not apply in respect of any day in the exempt period.
- (3) [<sup>F3</sup>For the purposes of this section and [section 88A](#),] the exempt period is the period of [<sup>F4</sup>36] months beginning with 1 August 2020.
- (4) Section 7 of the 2013 Act (rebate of levy) has effect as if, after subsection (2A), there were inserted—

“(2B) A rebate entitlement also arises where HGV road user levy has been paid in respect of a non-UK heavy goods vehicle in accordance with section 6(2) in

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: Vehicle taxes. (See end of Document for details)*

---

respect of any part of the exempt period within the meaning of section 88(3) of the Finance Act 2020.”

#### Textual Amendments

- F1** Words in s. 88 heading inserted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), s. 326(1)(a)
- F2** Words in s. 88(1) inserted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), s. 326(1)(b)
- F3** Words in s. 88(3) inserted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), s. 326(1)(c)
- F4** Word in s. 88(3) substituted (24.2.2022) by Finance Act 2022 (c. 3), s. 80(1)

### [<sup>F5</sup>88A] **HGV road user levy: transitional provision for end of exempt period**

- (1) This section applies where—
  - (a) a UK heavy goods vehicle (the “charged vehicle”) is charged to vehicle excise duty in respect of more than one period (a “charged period”) beginning within the last 12 months of the exempt period, and
  - (b) the combined length of the charged periods is more than 12 months.
- (2) Section 5(2) of the 2013 Act applies in relation to the charged vehicle in respect of each complete month in the period (the “transitional liability period”)—
  - (a) beginning with the day after the last exempt day in relation to the charged vehicle, and
  - (b) ending with the end of the charged period during which that last exempt day occurs.
- (3) The last exempt day, in relation to a charged vehicle, is the last day of the period of 12 months beginning with the day on which the first charged period beginning within the last 12 months of the exempt period began.
- (4) **Subsection (5)** applies where, in relation to the charged vehicle—
  - (a) a notification has been made under section 7(2)(c) of the 2013 Act (an “off-road notification”) in respect of a period beginning within the last 12 months of the exempt period, and
  - (b) vehicle excise duty is charged in respect of a period beginning—
    - (i) after the day on which the off-road notification is made, and
    - (ii) within the last 12 months of the exempt period.
- (5) In calculating the period of 12 months mentioned in **subsection (3)** ignore the number of whole months in the period beginning with the day on which the off-road notification is made and ending with the first day of the period described in **subsection (4)(b)**.
- (6) The Secretary of State, and any person who may exercise powers on behalf of the Secretary of State under section 9 of the 2013 Act (collection of levy), may (in addition to having the powers, duties and liabilities mentioned in that section) give a notice (a “payment notice”) to a person liable for HGV road user levy in respect of a transitional liability period.
- (7) A payment notice must state—
  - (a) the amount of HGV road user levy for which the person is liable in respect of the transitional liability period,
  - (b) how the amount is to be paid, and

---

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: Vehicle taxes. (See end of Document for details)*

---

- (c) that payment must be made within the period of 28 days beginning with the day on which the notice is given.
- (8) The amount in [subsection \(7\)\(a\)](#) is given by—
- $$L \times M12$$
- where—
- L is the yearly rate of HGV road user levy applicable in relation to the vehicle on the first day of the transitional liability period, and
- M is the number of whole months during the transitional liability period.
- (9) In relation to the transitional liability period—
- (a) a person commits an offence under section 11 of the 2013 Act (offence of using or keeping heavy goods vehicle if levy not paid) only if the person—
- (i) has been given a payment notice, and
- (ii) has failed to make payment in accordance with that notice, and
- (b) section 7(5A) of the Vehicle Excise and Registration Act 1994 has effect as if the reference to HGV road user levy having been paid were a reference to it having been paid in accordance with a payment notice.
- (10) In this section “UK heavy goods vehicle” has the same meaning as in the HGV Road User Levy Act 2013 (see section 2 of that Act).]

---

**Textual Amendments**

**F5** S. 88A inserted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), s. [326\(2\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2020, Cross Heading:  
Vehicle taxes.