



# Finance Act 2016

## 2016 CHAPTER 24

### PART 9

#### OTHER TAXES AND DUTIES

##### *Vehicle excise duty*

#### **150 VED: rates for light passenger vehicles, light goods vehicles, motorcycles etc**

- (1) Schedule 1 to VERA 1994 (annual rates of duty) is amended as follows.
- (2) In paragraph 1(2) (vehicle not covered elsewhere in Schedule with engine cylinder capacity exceeding 1,549cc), for “£230” substitute “ £235 ”.
- (3) In paragraph 1B (graduated rates of duty for light passenger vehicles)—
  - (a) for the tables substitute—

“Table 1

#### RATES PAYABLE ON FIRST VEHICLE LICENCE FOR VEHICLE

<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>
130	140	120	130
140	150	135	145
150	165	175	185
165	175	290	300

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175	185	345	355
185	200	490	500
200	225	640	650
225	255	875	885
255		1110	1120

Table 2

## RATES PAYABLE ON ANY OTHER VEHICLE LICENCE FOR VEHICLE

<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	100	110
130	140	120	130
140	150	135	145
150	165	175	185
165	175	200	210
175	185	220	230
185	200	260	270
200	225	285	295
225	255	490	500
255		505	515”;

(b) in the sentence immediately following the tables, for paragraphs (a) and (b) substitute—

“(a) in column (3), in the last two rows, “285” were substituted for “490” and “ 505 ”, and

(b) in column (4), in the last two rows, “295” were substituted for “500” and “ 515 ”.”

(4) In paragraph 1J (VED rates for light goods vehicles), in paragraph (a), for “£225” substitute “ £230 ”.

(5) In paragraph 2(1) (VED rates for motorcycles)—

(a) in paragraph (b), for “£38” substitute “ £39 ”,

(b) in paragraph (c), for “£59” substitute “ £60 ”, and

(c) in paragraph (d), for “£81” substitute “ £82 ”.

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- (6) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2016.

**151 VED: extension of old vehicles exemption from 1 April 2017**

- (1) Paragraph 1A of Schedule 2 to VERA 1994 (exemption for old vehicles) is amended as follows.
- (2) In sub-paragraph (1) for the words from “if” to the end substitute “ during the period of 12 months beginning with 1 April in any year if it was constructed more than 40 years before 1 January in that year. ”
- (3) After that sub-paragraph insert—
- “(1A) But nothing in sub-paragraph (1) has the effect that a nil licence is required to be in force in respect of a vehicle while a vehicle licence is in force in respect of it.”
- (4) The amendments made by this section come into force on 1 April 2017.

**Changes to legislation:**

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)