



# Finance Act 2019

## 2019 CHAPTER 1

### PART 2

#### OTHER TAXES

##### *Vehicle duties*

#### **58 VED: rates for light passenger vehicles, 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 “£255” substitute “£265”, and
  - (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£155” substitute “£160”.
- (3) In paragraph 1B (graduated rates for light passenger vehicles registered before 1 April 2017)—
- (a) 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	135	145

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*Status: This is the original version (as it was originally enacted).*

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<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>
140	150	150	160
150	165	190	200
165	175	225	235
175	185	250	260
185	200	290	300
200	225	315	325
225	255	545	555
255	—	560	570”;

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

“(a) in column (3), in the last two rows, “315” were substituted for “545” and “560”, and

(b) in column (4), in the last two rows, “325” were substituted for “555” and “570”.”

(4) In paragraph 1GC (graduated rates for first licence for light passenger vehicles registered on or after 1 April 2017)—

(a) 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	120	130
100	110	140	150
110	130	160	170
130	150	200	210
150	170	520	530
170	190	845	855
190	225	1270	1280
225	255	1805	1815

*Status: This is the original version (as it was originally enacted).*

<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>
255	—	2125	2135”, and

(b) 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>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>
0	50	25
50	75	110
75	90	130
90	100	150
100	110	170
110	130	210
130	150	530
150	170	855
170	190	1280
190	225	1815
225	255	2135
255	—	2135”.

(5) In paragraph 1GD (rates for any other licence for light passenger vehicles registered on or after 1 April 2017), in sub-paragraph (1)—

- (a) in paragraph (a) (the reduced rate) for “£130” substitute “£135”, and
- (b) in paragraph (b) (the standard rate) for “£140” substitute “£145”.

(6) In paragraph 1GE (rates for light passenger vehicles registered on or after 1 April 2017 with a price exceeding £40,000), in sub-paragraph (4) for “£310” substitute “£320”.

(7) In paragraph 1J (rates for light goods vehicles), in paragraph (a) for “£250” substitute “£260”.

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

- (a) in paragraph (a) for “£19” substitute “£20”,
- (b) in paragraph (b) for “£42” substitute “£43”,
- (c) in paragraph (c) for “£64” substitute “£66”, and
- (d) in paragraph (d) for “£88” substitute “£91”.

(9) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2019.

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## 59 VED: taxis capable of zero emissions

- (1) Part 1AA of Schedule 1 to VERA 1994 (annual rates of duty: light passenger vehicles first registered on or after 1 April 2017) is amended as follows.
- (2) In paragraph 1GE (higher rates for vehicles with price above £40,000), after sub-paragraph (4) insert—
  - “(5) Sub-paragraphs (2) and (4) do not apply to a vehicle if when it is first registered, whether that is under this Act or under the law of a country or territory outside the United Kingdom, it is a taxi capable of zero emissions (see paragraph 1GG).”
- (3) After paragraph 1GF insert—

### *“Meaning of “taxi capable of zero emissions”*

- 1GG (1) The Secretary of State may by regulations make provision about the meaning of “taxi capable of zero emissions” in paragraph 1GE.
- (2) In the following provisions of this paragraph “regulations” means regulations under sub-paragraph (1).
  - (3) Regulations may (in particular) make provision of any one or more of the following kinds—
    - (a) that a vehicle is a taxi capable of zero emissions if the vehicle is of a description specified in regulations;
    - (b) that a vehicle is at any particular time a taxi capable of zero emissions if the vehicle is of a model specified at that time in a list maintained by the Secretary of State;
    - (c) that a vehicle is a taxi capable of zero emissions if conditions specified in regulations are met.
  - (4) Where regulations make provision of the kind mentioned in sub-paragraph (3)(b)—
    - (a) regulations may (in particular) provide that a model of vehicle may be specified in the list only if it appears to the Secretary of State that vehicles of that model are of a description specified in regulations;
    - (b) regulations must provide for publication of the list;
    - (c) regulations may allow a model of vehicle to be included in the list with backdated effect.
  - (5) A description of a kind mentioned in sub-paragraph (3)(a) or (4)(a) may be framed (in particular) by reference to a scheme, or an instrument or other document, as it has effect from time to time.
  - (6) Regulations made before 1 April 2020 that do not increase the amount of vehicle excise duty for which any person is liable may have effect in relation to vehicle licences taken out at times before the regulations come into force (including times before the regulations are made).”
- (4) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2019.

- (5) The new paragraph 1GE(5) has effect, in the case of a vehicle first registered in the two years beginning with 1 April 2017, as if the reference to when the vehicle is first registered were to the start of the first period beginning on or after 1 April 2019 for which a vehicle licence for the vehicle is taken out.

## **60 HGV road user levy**

- (1) The HGV Road User Levy Act 2013 is amended in accordance with subsections (2) to (6).
- (2) In section 5(5) (payment of levy for UK heavy goods vehicles) for “in Schedule 1” substitute “or Table 1A in Schedule 1 (depending on which of those Tables applies to the vehicle)”.
- (3) In section 6(4) (payment of levy for non-UK heavy goods vehicles) for “in Schedule 1” substitute “or Table 1A in Schedule 1 (depending on which of those Tables applies to the vehicle)”.
- (4) In section 7 (rebate of levy), after subsection (2) insert—
- “(2A) A rebate entitlement also arises where—
- (a) HGV road user levy has been paid in respect of a vehicle at the rate applicable to a vehicle that does not meet Euro 6 emissions standards, and
- (b) the vehicle becomes a vehicle that meets those standards.”
- (5) In section 19 (interpretation)—
- (a) in subsection (3)—
- (i) in paragraph (b), for “under section 7” substitute “as a result of an entitlement arising under section 7(2)”, and
- (ii) after paragraph (b) insert—
- “(c) where a person receives a rebate of levy in respect of a vehicle as a result of an entitlement arising under section 7(2A), the person is treated as not having paid levy in respect of the vehicle for the period starting with the first day of the month after the month in which the application for a rebate was made and ending with the end of the levy period.”, and
- (b) after subsection (3), insert—
- “(4) For the purposes of subsection (3)(c), a month starts on the day of the month on which the levy period started.”
- (6) In Schedule 1 (rates of HGV road user levy)—
- (a) for paragraph 1 substitute—
- “1 (1) Table 1 applies to a heavy goods vehicle that meets Euro 6 emissions standards.
- (2) Table 1A applies to a heavy goods vehicle that does not meet Euro 6 emissions standards.
- (3) Tables 1 and 1A set out the rates of levy for each of the Bands given by Tables 2 to 5 and by paragraph 4.”;

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- (b) in paragraph 5, after paragraph (b) insert—
- “(c) a heavy goods vehicle meets Euro 6 emissions standards if it complies with the emission limits set out in Annex 1 of Regulation (EC) No. 595/2009 of the European Parliament and of the Council of 18th June 2009 on type approval of motor vehicles and engines with respect to emissions from heavy duty vehicles (Euro VI) and on access to repair and maintenance information.”;
- (c) for Table 1 substitute—

“TABLE 1: VEHICLES MEETING EURO 6  
EMISSIONS STANDARDS - RATES FOR EACH BAND

<i>Band</i>	<i>Daily rate</i>	<i>Weekly rate</i>	<i>Monthly rate</i>	<i>Half-yearly rate</i>	<i>Yearly rate</i>
A	£1.53	£3.83	£7.65	£45.90	£76.50
B	£1.89	£4.73	£9.45	£56.70	£94.50
C	£4.32	£10.80	£21.60	£129.60	£216.00
D	£6.30	£15.75	£31.50	£189.00	£315.00
E	£9.00	£28.80	£57.60	£345.60	£576.00
F	£9.00	£36.45	£72.90	£437.40	£729.00
G	£9.00	£45.00	£90.00	£540.00	£900.00
B(T)	£2.43	£6.08	£12.15	£72.90	£121.50
C(T)	£5.58	£13.95	£27.90	£167.40	£279.00
D(T)	£8.10	£20.25	£40.50	£243.00	£405.00
E(T)	£9.00	£37.35	£74.70	£448.20	£747.00

TABLE 1A: VEHICLES NOT MEETING EURO 6  
EMISSIONS STANDARDS - RATES FOR EACH BAND

<i>Band</i>	<i>Daily rate</i>	<i>Weekly rate</i>	<i>Monthly rate</i>	<i>Half-yearly rate</i>	<i>Yearly rate</i>
A	£2.04	£5.10	£10.20	£61.20	£102.00
B	£2.52	£6.30	£12.60	£75.60	£126.00
C	£5.76	£14.40	£28.80	£172.80	£288.00
D	£8.40	£21.00	£42.00	£252.00	£420.00
E	£10.00	£38.40	£76.80	£460.80	£768.00
F	£10.00	£48.60	£97.20	£583.20	£972.00
G	£10.00	£60.00	£120.00	£720.00	£1,200.00
B(T)	£3.24	£8.10	£16.20	£97.20	£162.00
C(T)	£7.44	£18.60	£37.20	£223.20	£372.00

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<i>Band</i>	<i>Daily rate</i>	<i>Weekly rate</i>	<i>Monthly rate</i>	<i>Half-yearly rate</i>	<i>Yearly rate</i>
D(T)	£10.00	£27.00	£54.00	£324.00	£540.00
E(T)	£10.00	£49.80	£99.60	£597.60	£996.00

- (7) The HGV Road User Levy (Rate for Prescribed Vehicles) Regulations 2018 (S.I. 2018/417) are revoked.
- (8) In section 19 of VERA 1994 (rebates)—
- (a) in subsection (3), after paragraph (g) insert—
- “(h) a relevant application for a vehicle licence for the vehicle has been received by the Secretary of State.”,
- (b) after subsection (3ZA) insert—
- “(3ZB) An application for a vehicle licence is a relevant application for the purposes of subsection (3)(h) if—
- (a) there is an unexpired licence for the vehicle in respect of which the application is made,
- (b) when the unexpired licence was taken out, the vehicle was chargeable to HGV road user levy under section 5 of the HGV Road User Levy Act 2013 at a rate applicable to a vehicle that does not meet Euro 6 emissions standards, and
- (c) the vehicle now meets those standards, and an application for a rebate of HGV road user levy has been made under section 7 of that Act as a result of an entitlement arising under subsection (2A) of that section.”,
- (c) in subsection (7), after “rebate conditions” insert “(other than the condition in subsection (3)(h))”, and
- (d) after subsection (7) insert—
- “(7A) Where the rebate condition in subsection (3)(h) is satisfied in relation to a licence, the licence ceases to be in force immediately before the first day of the period for which the relevant person is treated as not having paid levy in respect of the vehicle as a result of section 19(3) (c) of the HGV Road User Levy Act 2013.”
- (9) The amendments and revocation made by subsections (1) to (7) are to be treated as having effect in relation to HGV road user levy that—
- (a) becomes due on or after 1 February 2019, and
- (b) is paid on or after that date.
- (10) The amendments made by subsection (8) are to be treated as having effect in relation to licences taken out on or after 1 February 2019.