

Budget 2013 on 20th March 2013



- **Fuel duty** - the 1.89 pence per litre fuel duty increase that was due to take effect on 1st September 2013 will be cancelled.
- **VED: Classic Vehicle Exemption** - the Government will extend the cut off date from which classic vehicles are exempt from VED by one year. From 1 April 2014 a vehicle manufactured before 1 January 1974 will be exempt from paying VED.
- **VED rates and bands** - from 1 April 2013 VED rates will increase in line with RPI, apart from VED rates for heavy goods vehicles (HGVs) which will be frozen in 2013-14. The Government has no plans to make significant reforms to the structure of VED for cars and vans in this Parliament. So bands will remain.

Extracts from the HM Treasury document on the **Budget 2013** released on 20th March 2013 following the statement in the House of Commons by the Chancellor of the Exchequer.

http://cdn.hm-treasury.gov.uk/budget2013_complete.pdf

Fuel duties

2.144 Fuel duty – The 1.89 pence per litre fuel duty increase that was due to take effect on 1 September 2013 will be cancelled. (43)

2.145 Minor fuel duty rates – In 2015-16 the duty differential between the main rate of fuel duty and the rate for compressed natural gas will be maintained, and the duty differential for liquefied petroleum gas will be reduced by the equivalent of 1 penny per litre. (Future finance bill)

Other transport taxes

2.146 VED rates and bands – From 1 April 2013 VED rates will increase in line with RPI, apart from VED rates for heavy goods vehicles (HGVs) which will be frozen in 2013-14. (Finance Bill 2013). The Government has no plans to make significant reforms to the structure of VED for cars and vans in this Parliament. (58)

2.147 VED: disabled drivers exemption – From 8 April 2013 the Government will extend the current VED exemption for disabled drivers to individuals receiving the enhanced mobility

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PIP. The Government will also introduce a new 50 per cent VED discount for individuals receiving the standard mobility PIP. (Finance Bill 2013) (16)

2.148 VED: classic vehicle exemption – The Government will extend the cut off date from which classic vehicles are exempt from VED by one year. From 1 April 2014 a vehicle manufactured before 1 January 1974 will be exempt from paying VED. (Finance Bill 2014)

2.149 VED: HGVs – From 1 April 2014, the Government will reduce and re-structure VED rates for HGVs within the HGV Road User Levy scheme, as set out in *Overview of tax legislation and rates*. (Finance Bill 2014) (11)

2.150 VED: Reduced Pollution Certificates (RPCs) – RPC VED discounts for Euro VI vehicles are due to expire on 31 December 2016. The Government will replace RPC VED discounts with grants for Euro IV-VI vehicles within the HGV Road User Levy scheme, from 1 April 2014 to 31 December 2016. Details of the grants will be announced shortly by the Department for Transport. The Government will end RPC VED discounts for Euro I-III vehicles within the HGV Road User Levy scheme from 1 April 2014, and for all other Euro I-III vehicles from 1 April 2016. (Finance Bill 2014)

2.151 VED: tax disc display waiver – To reduce tax administration costs, the Government will put off-the-road declarations onto an indefinite basis. The Government will also extend the grace period to 14 days, following the payment of tax, on the non-display of the tax disc in a vehicle. (Finance Bill 2013)