

## Autumn Statement – extracts from the HM Treasury support document

### Autumn Statement 2013 announcements on 5<sup>th</sup> December 2013

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**2.91 Fuel duty** – The fuel duty increase that was due to take effect on 1 September 2014, expected to be worth 1.61 pence per litre (ppl), will be cancelled. (5)

**2.92 Fuel duty incentives for cleaner fuels** – The fuel duty differential between the main rate of fuel duty and the rate for road fuel gases such as compressed natural gas, liquid natural gas and biomethane will be maintained at current levels until March 2024. The differential between the main rate and the liquefied petroleum gas rate will continue to reduce by 1ppl each year to 2024. The government will review the impact of these incentives on vehicle uptake and the public finances at Budget 2018. The government will also seek EU approval to apply a reduced rate of fuel duty to methanol. (31)

**2.93 Rural fuel rebate** – The government has extended the call for information on extension of the current rural fuel rebate scheme to remote areas on the UK mainland. The government intends to submit its application for EU approval for the extension in January 2014.

**2.94 Vehicle Excise Duty (VED)** – The government will introduce legislation to reduce tax administration costs and burdens by making the following changes with effect from 1 October 2014:

- motorists will be able to pay their VED by direct debit annually, biannually or monthly, should they wish to do so. A 5% surcharge will apply to biannual and monthly payments (Finance Bill 2014) (7)
- a paper tax disc will no longer be issued and required to be displayed on a vehicle windscreen (Finance Bill 2014)

### Budget Statement 2013 announcement on 20<sup>th</sup> March 2013

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**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)

Note: the paragraph ends with (Finance Bill 2014) so it is clear the intention was to include this measure in the Finance Bill 2014 and not in the Finance Bill 201, so in effect enacting the measure was held over to the Finance Bill for the following year.

#### Draft Finance Bill 2014 for consultation

The Treasury will publish the draft Finance Bill 2014 on Tuesday 10<sup>th</sup> December 2013 with the aim of consulting with the public and representative bodies (like the Federation of British Historic Vehicle Clubs or FBHVC) to ensure the legislation will work as intended. That draft Finance Bill 2014 will include draft clauses on the **end of paper tax discs** and the **online VED payment measures** announced in the Autumn Statement together with the **VED exemption extension** for classic cars announced in the Budget Statement 2013 back in March 2013, when the Bill is published on Tuesday.

That publication will also include the Explanatory Notes (EN) and Tax Information and Impact Notes (TIIN).

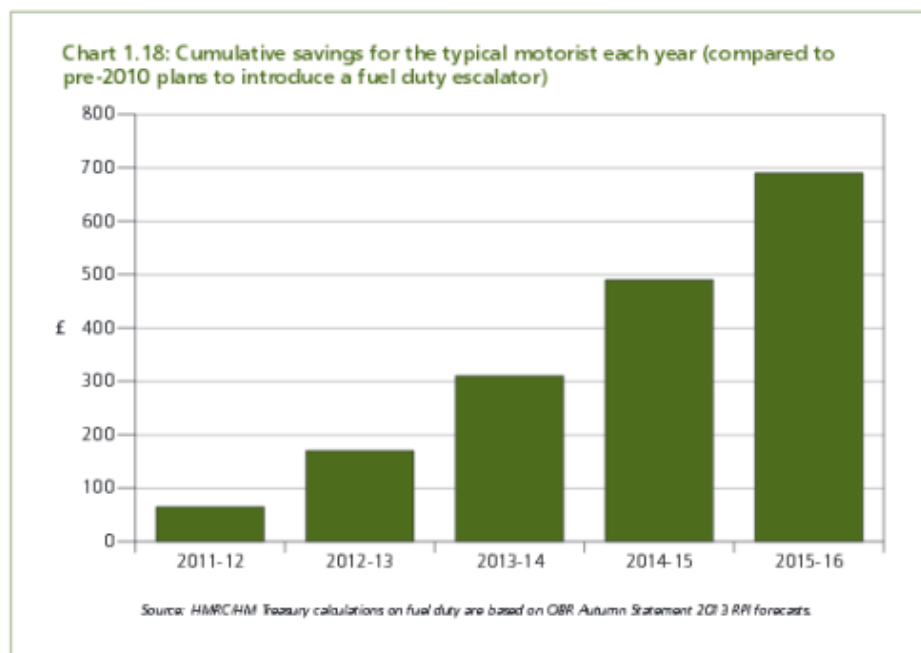
The consultation on the draft legislation will be open until 4<sup>th</sup> February 2014.

### Fuel duty

**1.265** Autumn Statement 2013 announces that the fuel duty increase planned for September 2014, expected to be worth 1.61 ppl, will be cancelled. This ensures that fuel duty will be frozen for the remainder of this Parliament. In total, the duty will have been frozen for nearly four and a half years, the longest freeze for over 20 years.

**1.266** As a direct result of government action, fuel duty in real terms is forecast to fall over this Parliament by 14%. Had the government implemented pre-2010 plans for the fuel duty escalator, rates would have increased by 7%.<sup>111</sup>

**1.267** Furthermore, average pump prices are 13ppl lower than if the government had implemented the fuel duty escalator, and will be 20ppl lower by the end of the Parliament. This means that it currently costs the typical motorist £7 less to fill up their tank, and will cost £11 less by the end of the Parliament. In total, the government will have eased the burden on motorists by £22.5 billion over this Parliament. This equates to a saving of £680 for a typical motorist, £1,300 for a small business with a van, and £21,000 for a haulier by 2015-16.



### Motoring

**1.268** The government is taking further action to address costs for motorists. To bring down the high costs of fuel on motorways, new comparison road signs will be trialled which will show prices at different service stations along a route, making it easier for drivers to find the cheapest deal and encouraging competition on prices.

**1.269** From 2014, whiplash cheats, whose fraudulent compensation claims have driven up average motor insurance premiums, will be scrutinised by new independent medical panels. This will ensure that only evidence from accredited professionals can be considered and will mean people can no longer profit from exaggerated or fraudulent compensation claims.

**1.270** The statutory maximum price of the MOT test for a car will be frozen at £54.85 until 2015, a total saving of £50 million for motorists.

**1.271** The paper tax disc will be abolished, removing an administrative inconvenience for millions of motorists.