



How does the roll-on feature of the rolling 40 year VED exemption work?

When the good news of the reintroduction of a rolling VED exemption was [announced](#) in the March Budget 2014, Chris Hunt Cooke mentioned an important detail - the Rolling 40 year VED exemption requires the **annual roll-on to be included in each Finance Act** which goes through Parliament following each Budget. Here Chris provides a detailed

explanation.

The Government announced its intention to introduce a rolling 40 year exemption in a Budget announcement in March 2015 but have not legislated for it. The old vehicle exemption appears in [Para. 1A\(1\) Sch. 2 VERA](#) 1994 and reads "Subject to sub-paragraph (2), a vehicle is an exempt vehicle at any time if it was constructed before 1st January 1973." The Government have rolled forward the exemption by amending that year in successive Finance Acts, most recently in [s.59 FA 2015](#) :

(1) In Schedule 2 to VERA 1994 (exempt vehicles) in paragraph 1A(1) (exemption for old vehicles) for the words from "constructed" to the end substitute "constructed before 1 January 1976 ".

(2) The amendment made by subsection (1) comes into force on 1 April 2016.

The significance is that if the current or any future government decides to halt the rolling forward they need not take any positive action, all they have to do is fail to include a provision in an annual Finance Act.