New vehicle tax rules: how imported vehicles are affected

<u>In our previous blog</u>, we talked about the upcoming <u>vehicle tax changes</u> and how they'll affect motorhomes. We're now going to focus on imported vehicles.

As you may already know, the changes for cars and some motorhomes are:

- new standard tax rates for vehicles registered for the first time on or after 1 April 2017
- new first licence rates for new vehicles based on CO₂ emissions
- list price or notional price of the vehicle must be given to DVLA when the vehicle is first registered

Imported vehicles

For new cars and some motorhomes that are being imported into the UK (categories M1, M1SP and M1G on the <u>type approval certificate</u>), the changes will apply where there is a CO_2 emissions figure on the final build type approval certificate. Those vehicles without a CO_2 emissions figure on the final build type approval certificate will continue to be taxed as <u>private light goods (PLG) tax class</u>, as they are now. When registering an imported vehicle, the list price or notional price of the vehicle must be provided.



New imported vehicles with a CO₂ emissions figure

For new vehicles imported with a CO_2 emissions figure, the first time the vehicle is taxed the rate will be based on the CO_2 emissions (as they are now). Take a look at the current tax rates.

From the second time the vehicle is taxed, the vehicle will be charged at the standard rate or the standard rate plus an additional rate of £310, depending on the list price or notional price. To find out what the list price is for a vehicle, contact your dealer who will be able to help.

List price or notional price of £40,000 and under

When first registered, on or after 1 April 2017, these vehicles will be charged at the standard rate of £140 (£130 for alternative fuel vehicles, £0 for vehicles with zero emissions).

List price or notional price of over £40,000

These vehicles will be charged at the standard rate, plus the additional rate for five years, making a total of £450 (£440 for alternative fuel vehicles, £310 for vehicles with zero emissions). After five years, they will revert to the standard rate.

Used imported vehicles

If you're importing a used vehicle into the UK, the <u>new tax rate scheme</u> will apply if the vehicle was first registered outside the UK on or after 1 April 2017. Vehicles registered outside the UK before this date will continue to be taxed as they are now.

If the vehicle had a list price or notional price of over £40,000 when it was first registered outside the UK, the additional rate of £310 a year will be added to the standard rate. The additional rate is applicable for either:

- a five year period from the end of the first licence (if imported and registered for the first time in the UK)
- up to six years from the date of first registration outside the UK, when imported as a used vehicle but first registered on or after 1 April 2017

Check out new vehicle tax rates from 1 April 2017 for more information.

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<u>Looking to the future - DVLA's</u> <u>strategic and business plans</u>



We've just published our <u>3-year strategic plan</u> and this year's <u>business plan</u>, so it's a good time to take stock of what we've done — and what's to come.

Through everything we've achieved and the significant changes in the past year, our goal remains the same. We want to get the right drivers and vehicles taxed and on the road, as simply, safely and efficiently as possible. We are continuously improving our services, getting more services online and making them even easier for our customers to use.

Looking ahead, we're well on track with our preparations for the new vehicle tax rate changes coming in on 1 April for newly registered vehicles. We've been working really closely with the motor industry on this, as well as designing a new online system for motor manufacturers and dealers to use when they first register a vehicle.

Also on the horizon are more tech successes. We're rebuilding the <u>tachograph</u> and tachonet services onto an open system landscape, with the aim of getting a new tacho web service live in 2018-19. We're working on expanding the types of penalty payments that can be paid online around the same time too.

We're also using our digital expertise to help other government departments. Office for Low Emission Vehicles (OLEV) has chosen DVLA to develop a single web portal to support 3 grant schemes to encourage take-up of ultra low emission vehicles (ULEV). These include the Plug-in Car Grant Scheme and a new Workplace Charge Scheme.

Finally — picking up on the customer service theme — we're also looking to maintain the <u>Customer Service Excellence standard</u> and <u>Customer Contact</u>

<u>Association Global standard 6</u> which, once again, we've retained this year.

This is something we're very proud of, and we're aiming for reaccreditation for the coming year.

All of this means that I continue to feel really positive about where we're heading — lots to do for sure, but also plenty to look forward to.

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New vehicle tax rates: how motorhomes, kit-built and multi-stage build vehicles are affected

We're counting down to the 1 April changes to the way <u>vehicle tax is</u> <u>calculated</u> for cars and some motorhomes <u>first registered</u> with DVLA on or after this date.



We thought we'd take a closer look at how changes to the way vehicle tax is calculated will affect motorhomes, kit-built and multi-stage build vehicles.

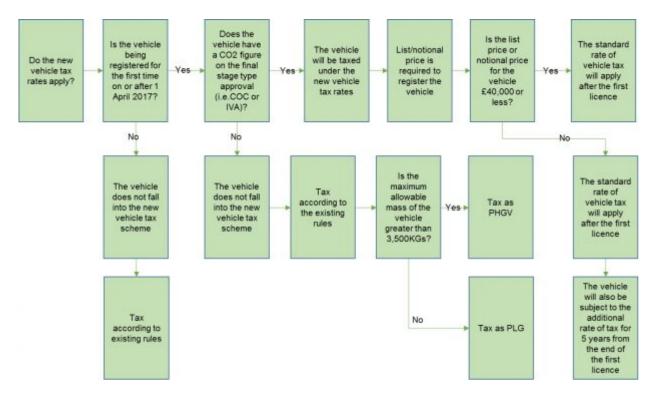
Only vehicles categorised as M1, M1SP and M1G vehicles on the type-approval certificate are affected, so when you register the vehicle you'll need the:

- CO₂ emissions figure (shown on the type approval certificate)
- list price (the published price before any discounts) or notional price check with your dealer, if you're purchasing a vehicle through them, so you know how much vehicle tax you'll have to pay.

The new tax rules will only apply if the CO₂ emissions figure is present

If no type approval or CO_2 emissions figure is recorded on the <u>type approval</u> certificate the vehicle will be taxed in the PLG tax class. The current rates

of tax can be found here



New vehicles with a list price of more than £40,000

As with cars, if your vehicle has a list price or notional price over £40,000, the rate of tax is based on CO_2 emissions the first time the vehicle is taxed. The additional rate of tax will apply from the next time you tax the vehicle.

From the second time the vehicle is taxed, the standard rate of tax is £140 (£130 for alternative fuel vehicles) and an additional rate (where applicable) of £310, adding up to £450 (£440 for alternative fuel vehicles) a year for the next 5 years.

Check out new vehicle tax rates from 1 April 2017 for more information.

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One month to go until new vehicle tax rates come into force

There's only one month to go until the way <u>vehicle tax is calculated</u> will change.

As the changes will only affect new cars and some motorhomes, we thought we'd have a look to see which areas registered the highest number of new vehicles last year.



The Birmingham postcode area was busiest buying new vehicles, with over 200,000 being registered.

Birmingham was followed by Milton Keynes and Guildford.

It's no great surprise that postcodes in densely populated areas made the top 10, but it's interesting that Glasgow (67,780), Manchester (32,177) and Liverpool (26,756) were just outside.

Not everybody will be affected by the changes immediately. The changes only apply to brand new cars and some motorhomes registered with DVLA on or after 1 April 2017. But we still wanted to make sure that everyone is aware at the same time, so we've been blogging regularly to let you know what DVLA's been doing to get ready for the changes. We've been busy in other ways too, including:

- working very closely with stakeholders to make sure that they're aware of the changes, including several webinars, such as for the fleet industry
- <u>developing a new service</u> to register new vehicles which will launch later this year.
- launching a publicity campaign that's being run across social media, blogs and messages on DVLA literature
- getting our contact centre ready, who have an automated telephone

service to quickly answer your questions

The changes take effect from 1 April 2017, so make sure you have a look at the <u>new vehicle tax rates</u> to see if they affect you.

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<u>DVLA gets out and about to the</u> <u>Motorcycle Trade Expo</u>

Back in September 2016 we blogged about how DVLA is developing a <u>new web</u> <u>service</u> for our stakeholder customers to register new vehicles.

Since then we have continued to develop the service based on customer feedback.

Last month Alison Wolley (Corporate Services Relationship Manager) and I were invited to exhibit at the <u>Motorcycle Trade Expo</u> event in Coventry by the Motorcycle Industry Association.



This is an ideal opportunity to spend time with our customers and chat with them face to face. We set up camp in the 'Knowledge Shop' section of the show — a perfect place to showcase the new service. And that's just what we did during the 3 day event.

We demonstrated and answered lots of queries about all aspects of vehicle registration and licensing. Knowing that there were customers still using our paper process, we were also able to showcase all of the digital services DVLA

offers to help dealers registering motorcycles.



Being present at events such as

these is invaluable in helping us to get a deeper understanding of the industry in general and it was great to see this reciprocated in the feedback we received about the new service:

- "this will save me a lot of time and money"
- "this is so much easier to use"
- "this looks like a service I could use, I would be able to register the vehicle much quicker to allow my customer to use their bike"

Many thanks to all that took the time to visit us and we look forward to seeing you again soon at another event.

If you want to be involved in testing the new service please contact us at ved.reform@dvla.gsi.gov.uk

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