



Changes to vehicle tax from April 2017 - Webinar Q & A



Time	Question	Response
10:35	So no 6 month licences will be available at first registration - does this mean they will be available from the first renewal year?	yes, from the second time you license you will have the option to license for 6 or 12 months
10:38	what is the list price amount built up from. ie (options, delivery etc)	this is explained on slide 7 of the presentation
10:38	Will there be a campaign to get this message out the public? Car dealers?	We have been working with Manufacturers and dealers looking at how to communicate this message. We are developing a toolkit which will have materials dealers can use to explain the changes to their customers. we are also using social media to make the general public aware of the changes and this is all directing people to our gov.uk page - www.gov.uk/newvehicletaxrates
10:42	Does this also apply to Trucks?	No, it only applies to M1, M1SP and M1G vehicles - cars and some motorhomes.
10:44	does this presentation apply to PSV vehicles i.e. buses	no, please see answer re trucks
10:45	If the vehicle is registered under an NHSV tax class will the discount still apply?	yes NHSV vehicles will continue to be exempt
10:45	is this just aimed at cars?	Yes



Time	Question	Response
10:46	will this apply to vans such as sprinters?	if they are N1 vehicles, they will continue to be taxed in the same way
10:46	Will the reference to the over £40000 type vehicles show on the V5 also be on the VVR system?	yes it will
10:46	How does the flat rate of £140 affect the LGV and buses etc	it doesn't - see answer re trucks
10:48	Is there a band limit on re-taxing vehicles for 6 months?	6 month option will remain available from the second licence
10:48	What happens when the 5 year clock ends? Does it revert back to Co2 calculations?	the standard rate will continue to apply so after the 5 years, the cost will be £140
10:49	Clarification on the List Price which triggers the Additional Rate; At the beginning of the webinar, it was stated that vehicles of £40,000 and over will attract the Additional Rate on renewal. Therefore any vehicle costing 39999 and less will NOT attract the Additional Rate. However, the First Year Licence refunds slide conflicts with this statement as it states refunds are based on List prices of 40,000 or less OR over 40,000 Please confirm which it will be.	it is over £40,000
10:50	on an 8 seater accessible vehicle classed as a diesel car, am I right that the conversion cost asked "can be taken off?	any modifications for disabled users are not included in the list price of the vehicle



Time	Question	Response
10:51	What is the CO2 band limit for re-taxing vehicles for 6 months?	6 and 12 month licences will be available from the second licence and will not be calculated using CO2
10:54	Will the budget see increases in the standard and supplement rate in the future and if yes, will the 5 year clock be frozen at a set amount once started?	All decisions regarding VED are a matter for the Chancellor. If any changes are announced, these will be communicated by DVLA in the usual way.
10:56	To double check my understanding: * Any car costing £40000 or below will have a tax rate of £140 * Any car costing £40001 or over will have a tax rate of £130 or £140 plus an additional £310 for the first 5 years, then it will revert to £130 or £140 from year 6. Would the above be correct?)	Any vehicle of £40,000 or less attracts the standard rate. there are 3 standard rates - £0, £130, £140. Any vehicle of £40,000.01 or over, pays the standard rate (as above) plus the additional rate of £310. The 5 year period will start from the end of the first licence or start of the second licence which means it may be less than 6 years
10:58	M1 vehicles registered prior to April 1 2017 will have a separate band of rates?	They will continue to be taxed as they are now
10:59	With regards to the transferring of the extra tax, if someone sold their £40K+ car after 4 years, would the 5 years start again for the second owner?	The new keeper would have to pay for the remainder of the 5 year period - which is why the date will be shown on the registration certificate and the Vehicle Enquiry service
11:02	refunds - narrative says "if I pay £2000 licence" what does that amount relate to?	This is the new highest first licence rate



Time	Question	Response
11:10	<p>1 Does list price include or exclude VAT?</p> <p>2. Is the manufacturer recommended/advertised delivery charge included, or excluded?</p> <p>3. If the delivery charge negotiated is different to the recommended/advertised, should the negotiated delivery charge be included, or excluded?</p> <p>4. If the lease company provides a set of branded number plates in lieu of dealer plates, should a cost of this be included, or excluded?</p> <p>5. (Often the manufacturer recommended/advertised delivery is reduced as a lease company will provide our own branded number plates and it would seem expedient to default to the manufacturer recommended/advertised delivery charge, should this need to form part of the £40,000).</p> <p>6. If fuel is included on delivery of a new car, should a cost of this be included, or excluded?</p>	<p>1. the list price includes VAT</p> <p>2. Yes the delivery charge and cost of pre-delivery inspection are included</p> <p>3. The delivery charge and cost of pre-delivery inspection included are the advertised prices before any discounts</p> <p>4. If these are provided by the lease company, and so not included in any delivery charges, they would be excluded.</p> <p>5. The delivery charge included should be the manufacturers delivery charge before any discounts</p> <p>6. I assume that this would not be included as an option added by the manufacturer therefore if offered and added by the dealer it is not included.</p>



Time	Question	Response
11:10 continued	<p>7. If the lease company provides a delivery pack (key fob, torch, scraper, tyre pressure and depth gauges) at its expense, should a cost of this be included, or excluded?</p> <p>8. If the lease company provides a set of mats at its expense, should a cost of this be included, or excluded?</p> <p>9. Is the first registration fee included, or excluded?</p> <p>10. Is first year Vehicle Excise Duty included, or excluded?</p> <p>11. Are options or accessories fitted after registration excluded?</p> <p>12. Are there any exclusions or exceptions, such as disabled or medical adaptations?</p> <p>13. Is the £40,000 related in any way to vehicle P11D value?</p> <p>My understanding is that P11D is defined as manufacturers list price including VAT, options and accessories including VAT, plus manufacturer recommended/advertised delivery including VAT (with no discounts reflected and VED and first registration fee excluded).</p>	<p>7. If these are not an option provided by the manufacturer, they are added after, they are not included.</p> <p>8. If the mats are not added by the manufacturer they are not included</p> <p>9. The first registration fee is excluded</p> <p>10. The first year licence (VED) is excluded.</p> <p>11. Yes</p> <p>12. Options fitted by the manufacturer for the use of disabled users are not included.</p> <p>13. The List price is slightly different to the P11D value. It does not include the first licence and first registration fee or any options not fitted by the manufacturer. It does include VAT on any options fitted by the manufacturer.</p>

Time	Question	Response
11:10 continued	<p>Follow up questions via email</p> <p>14. There have been a couple of other questions posed in respect to the fitment of telematics devices and the provision of charging cables and a charging station, but I am reasonably confident that that your response will be to only include the list price of these within the £40k if they are added by the manufacturer. Am I correct?</p>	<p>14. You're right, if any kit related to electric vehicles is supplied by the manufacturer it should be included in the list price. If it is supplied by the retailer and it is not part of the list price. The same is true of telematics devices.</p> <p>The only other thing I would add is the list price for electric vehicles is the price before any discounts or incentives, or plug in car grants.</p>
11:11	<p>Have you gone back to the old system of transferring tax with the vehicle when a car is sold or does the tax finish & be renewed by the new buyer?</p>	<p>no, the tax is still non-transferable</p>



Thank you

