

Clause 1: VED: exemption in respect of medical courier vehicles

Summary

1. This clause exempts purpose-built vehicles used by medical courier charities, commonly referred to as Blood Bikes, from Vehicle Excise Duty (VED).

Details of the clause

2. Subsection (1) and (2) state that Schedule 2 to the Vehicle Excise and Registration Act (1994) VED will be amended. Schedule 2 specifies those vehicles which are exempt from VED.
3. Subsection (3) sets out the criteria for the VED exemption. Vehicles must meet all the following criteria:
 - a. Is primary used to transport medical products
 - b. Is readily identifiable as a vehicle used to transport medical products by being marked with the word 'Blood' on both sides
 - c. The vehicle is registered to a charity whose main purpose is to provide transportation for medical items

Subsection (3) also specifies that a 'charity' is defined by paragraph 1 of Schedule 6 to the Finance Act 2010. Medical items are defined as: blood, medicines and other medical supplies, or items relating to people undergoing medical treatment.

4. Subsection (4) specifies that the VED exemption will enter into effect from 1 April 2020.

Background note

5. The Chancellor announced at Budget 2018 that, from 1 April 2020, vehicles used by medical courier charities, would become exempt from VED. Medical courier charities own purpose-built vehicles used by volunteers to transport medical items, predominantly between hospitals. Around 40 charities will benefit from this exemption.
6. This clause aligns the VED treatment of eligible vehicles with emergency vehicles such as police vehicles, fire engines and ambulances.
7. If you have any questions about this change, or comments on the legislation, please contact the Energy and Transport Taxes team in HM Treasury (email: ETTAnswers@HMTreasury.gov.uk).