

STATES OF DELIBERATION

28th January, 2015

Billet d'État No. XXVI

Article 1

AMENDMENT

Proposed by: Deputy Y Burford

Seconded by: Deputy B L Brehaut

Draft Ordinance of the States

The Motor Taxation (First Registration Duty) (Guernsey) Ordinance, 2014

1. To rescind resolution VI.4 of Billet d'État No IX of 2014 and substitute the following resolution –

"4. To agree that a banded First Registration Duty based on CO₂ emissions and vehicle width shall be introduced, well understood that such Duty will apply when a vehicle is first registered in the Guernsey part of the register maintained under the Motor Taxation and Licensing (Guernsey) Law, 1987, and not in the Alderney part of that register, but otherwise as specified in Table 1A below, and as described in paragraphs 29 to 36 and 38 to 45 of the Minority Report referred to in resolution VI.1 of Billet d'État No IX of 2014, with the proviso that commercial vehicles shall only be subject to the CO₂ element of the First Registration Duty and that commercial vehicles' First Registration Duty shall be capped at £2,000. Furthermore, commercial vehicles shall not be subject to the width element of the scheme (either duty or subsidy).

Table 1A

FIRST REGISTRATION DUTY					
Width mm	Duty £ (subsidy)		Emissions g/km	Engine Size Equivalent in the absence of CO ₂ data (cc)	Duty £ (subsidy)
Up to 1600mm	(400)		Electric vehicles	Not applicable	(1000)
1601 to 1625	0		Up to 85	0 to 700	(400)
1626 to 1650	0		86 to 100	701 to 800	0
1651 to 1675	0		101 to 110	801 to 900	0
1676 to 1700	0		111 to 120	901 to 1000	0
1701 to 1725	0		121 to 130	1001 to 1100	200
1726 to 1750	0		131 to 140	1101 to 1200	400
1751 to 1775	0		141 to 150	1201 to 1500	800
1776 to 1800	0		151 to 165	1501 to 1800	1200
1801 to 1825	600		166 to 185	1801 to 2100	1600
1826 to 1850	1000		186 to 200	2101 to 2400	2000
1851 to 1875	1400		201 to 225	2401 to 2700	2400
1876 to 1900	1800		226 to 255	2701 to 3000	2800
1901 and over	2400		256 and over	3000 and over	3200
Total First Registration Duty (prior to the application of any applicable exemption or preferential rate) = relevant width duty plus relevant emissions duty, with the proviso that commercial vehicles shall only be subject to the CO ₂ element of the First Registration Duty and that commercial vehicles' First Registration Duty shall be capped at £2000.					

2. In the draft Ordinance entitled "The Motor Taxation (First Registration Duty) (Guernsey) Ordinance, 2014" ("**draft Ordinance**") (see page 1 of the Brochure dated 10th December 2014) –

(a) in the title to the draft Ordinance, for "2014" substitute "2015",

(b) in section 2 of the draft Ordinance, for paragraph (a) substitute –

"(a) a contract to purchase is entered into, and

(i) a deposit of at least 10% of the purchase price is paid,
or

(ii) the contract to purchase includes a part exchange agreement,

on dates that precede the date of commencement of this Ordinance, and",

(c) in section 3(1) of the draft Ordinance, –

(i) in the definition of "established carbon dioxide emissions figure" insert the following paragraph after the comma –

"and for the purposes of this definition, where an official document attributes more than one carbon dioxide emissions figure to a motor vehicle, the established carbon dioxide emissions figure in respect of that vehicle shall be –

(a) the figure specified as the combined figure, or if there is more than one combined figure, the lower or lowest of them, or

(b) where there is no combined figure, the lower or lowest figure specified,"

(ii) in the definition of "official document" –

(A) in paragraph (d) after "Conformity" insert "or declaration", and

(B) for paragraph (e) substitute the following paragraph –

"(e) only where none of the documents described in paragraphs (a) to (d) is available in respect of a motor vehicle, a vehicle measurement certificate, or",

- (iii) immediately after the definition of "overall width" insert the following definition –

"part exchange agreement" means an agreement to sell a motor vehicle as part payment for the purchase of a motor vehicle which is the subject of a contract to purchase," and

- (iv) immediately after the definition of "subordinate legislation", insert the following definition –

"vehicle measurement certificate" means a certificate of the overall width of a motor vehicle issued by the Committee in such form as it may determine; and for the purposes of this definition, the **"overall width"** means in relation to a motor vehicle, the width in millimetres of the vehicle, measured between vertical planes parallel to the longitudinal axis of the vehicle and passing through the extreme projecting points thereof exclusive of –

- (a) any driving mirror (including any supporting bracket or fixing),
- (b) any direction indicator,
- (c) so much of the distribution of any tyre as is caused by the weight of the vehicle,
- (d) any front corner marker lamp or side marker lamp,"

- (d) in section 5 of the draft Ordinance, for "2014" substitute "2015",

- (e) in section 6 of the draft Ordinance, for "January" substitute "March",

- (f) in paragraph 2 of the Schedule to the draft Ordinance, for Table 1, substitute the following Table –

"

TABLE 1

(1) VEHICLE'S ESTABLISHED OVERALL WIDTH FIGURE (mm)	(2) WIDTH DUTY (£)
0 to 1600	0
1601 to 1625	0
1626 to 1650	0
1651 to 1675	0
1676 to 1700	0
1701 to 1725	0
1726 to 1750	0
1751 to 1775	0
1776 to 1800	0
1801 to 1825	600
1826 to 1850	1000
1851 to 1875	1400
1876 to 1900	1800
1901 and over	2400

",

- (g) in paragraph 3 of the Schedule to the draft Ordinance for Table 2, substitute the following Table –

"

TABLE 2

(1) VEHICLE'S ESTABLISHED CARBON DIOXIDE EMISSIONS FIGURE (g/km)	(2) VEHICLE'S ESTABLISHED ENGINE SIZE FIGURE (cc)	(3) CARBON DIOXIDE EMISSIONS DUTY (£)
0 to 85	0 to 700	0
86 to 100	701 to 800	0
101 to 110	801 to 900	0
111 to 120	901 to 1000	0
121 to 130	1001 to 1100	200
131 to 140	1101 to 1200	400
141 to 150	1201 to 1500	800
151 to 165	1501 to 1800	1200
166 to 185	1801 to 2100	1600
186 to 200	2101 to 2400	2000
201 to 225	2401 to 2700	2400
226 to 255	2701 to 3000	2800
256 and over	3000 and over	3200

"

Explanatory note and information incorporated pursuant to rule 15(2):

The draft Ordinance

On the 10th December 2014, the States agreed to sursis the draft Ordinance entitled "The Motor Taxation (First Registration Duty) (Guernsey) Ordinance, 2014" until the January 2015 meeting of the States so that the Environment Department ("Department") could communicate its proposed amendments to the draft Ordinance to members and the wider

public. The purpose of this amendment is to address some of the concerns that have been raised in the community and that have arisen during discussions with interested parties.

For ease of reference, the draft Ordinance incorporating the proposed amendments is set out in track changes in the Appendix to this explanatory note. Further, the Explanatory Memorandum to the draft Ordinance published in Billet d'État No. XXVI of 2014 is also set out in the Appendix with the proposed amendments highlighted in track changes.

In summary, the amendments proposed by the Department in relation to the draft Ordinance are as follows –

a. Bands and rates of the First Registration Duty

In resolution VI.4 of Billet d'État No IX of 2014, the States agreed to introduce a banded first registration duty based on carbon dioxide emissions and vehicle width as specified in Table 1 and as described in paragraphs 29 to 36 and 38 to 45 of the Minority Report of Deputy Y Burford and Deputy B L Brehaut entitled "INTEGRATED TRANSPORT STRATEGY AND ACTION PLAN FOR GUERNSEY", and published in an annexe to the States Report dated 9th February, 2014, of the Department, with the proviso that commercial vehicles shall only be subject to the CO₂ element of the first registration duty and that commercial vehicles first registration duty shall be capped at £2,000.

For ease of reference, Table 1 is set out below –

Table 1

FIRST REGISTRATION DUTY			
Width mm	Duty £ (subsidy)	Emissions g/km	Duty £ (subsidy)
Up to 1600mm	(600)	Electric vehicles	(1000)
1601 to 1650	0	Up to 90	(400)
1651 to 1700	0	91 to 100	0
1701 to 1750	0	101 to 110	0
1751 to 1800	600	111 to 120	0
1801 to 1850	1200	121 to 130	400
1851 to 1900	1800	131 to 150	800
1901 and over	2400	151 to 165	1200
Total First Registration Duty= relevant width tax plus relevant emissions duty; subject to a cap at £2,400 total for commercial vehicles		166 to 185	1600
		186 to 200	2000
		201 to 225	2400
		226 to 255	2800
		256 and over	3200

The Department proposes that the first registration duty bands and rates set out in Table 1 are replaced with the first registration duty bands and rates set out in Table 1A below –

Table 1A

FIRST REGISTRATION DUTY					
Width mm	Duty £ (subsidy)		Emissions g/km	Engine Size Equivalent in the absence of CO ₂ data (cc)	Duty £ (subsidy)
Up to 1600mm	(400)		Electric vehicles	Not applicable	(1000)
1601 to 1625	0		Up to 85	0 to 700	(400)
1626 to 1650	0		86 to 100	701 to 800	0
1651 to 1675	0		101 to 110	801 to 900	0
1676 to 1700	0		111 to 120	901 to 1000	0
1701 to 1725	0		121 to 130	1001 to 1100	200
1726 to 1750	0		131 to 140	1101 to 1200	400
1751 to 1775	0		141 to 150	1201 to 1500	800
1776 to 1800	0		151 to 165	1501 to 1800	1200
1801 to 1825	600		166 to 185	1801 to 2100	1600
1826 to 1850	1000		186 to 200	2101 to 2400	2000
1851 to 1875	1400		201 to 225	2401 to 2700	2400
1876 to 1900	1800		226 to 255	2701 to 3000	2800
1901 and over	2400		256 and over	3000 and over	3200
Total First Registration Duty (prior to the application of any applicable exemption or preferential rate) = relevant width duty plus relevant emissions duty, with the proviso that commercial vehicles shall only be subject to the CO ₂ element of the First Registration Duty and that commercial vehicles' First Registration Duty shall be capped at £2000.					

The changes to the bandings principally affect the mid-range cars typically purchased by families. The new bandings increase the range of such vehicles that can be purchased without incurring the width duties. In addition, the CO₂ duties have been reduced for some mid-range vehicles, whilst maintaining the higher impacts for those vehicles with higher CO₂ emissions. Again, this assists those seeking to purchase a family vehicle.

It follows that the Department proposes that Table 1 (Width Duty) and Table 2 (Carbon Dioxide Emissions Duty) set out in paragraphs 2 and 3 respectively of the Schedule to the draft Ordinance are amended as follows -

TABLE 1

(1) VEHICLE'S ESTABLISHED OVERALL WIDTH FIGURE (mm)	(2) WIDTH DUTY (£)
0 to 1600	0
1601 to 1625	0
1626 to 1650	0
1651 to 1675	0
1676 to 1700	0
1701 to 1725	0
1726 to 1750	0
1751 to 1775	0
1776 to 1800	0
1801 to 1825	600
1826 to 1850	1000
1851 to 1875	1400
1876 to 1900	1800
1901 and over	2400

TABLE 2

(1) VEHICLE'S ESTABLISHED CARBON DIOXIDE EMISSIONS FIGURE (g/km)	(2) VEHICLE'S ESTABLISHED ENGINE SIZE FIGURE (cc)	(3) CARBON DIOXIDE EMISSIONS DUTY (£)
0 to 85	0 to 700	0
86 to 100	701 to 800	0
101 to 110	801 to 900	0
111 to 120	901 to 1000	0
121 to 130	1001 to 1100	200
131 to 140	1101 to 1200	400
141 to 150	1201 to 1500	800
151 to 165	1501 to 1800	1200
166 to 185	1801 to 2100	1600
186 to 200	2101 to 2400	2000
201 to 225	2401 to 2700	2400
226 to 255	2701 to 3000	2800
256 and over	3000 and over	3200

b. Transitional provision

Section 2 of the draft Ordinance sets out a transitional provision which, if satisfied, exempts a motor vehicle from the first registration duty. In order to satisfy the transitional provision, it is a requirement that a deposit of at least 10% of the purchase price of the motor vehicle is paid prior to the date of commencement of the draft Ordinance. This requirement was introduced in order to minimise any abuse of the transitional provision in the form of speculative purchases in advance of the legislation but without any commitment to purchase.

During further discussions with the industry it was requested that as the deposit is often in the form of a part exchange agreement this could also be recognised as a commitment to purchase. The Department proposes that the draft Ordinance is amended so that a part exchange agreement is a valid alternative to the deposit of 10% of the purchase price. The proposed amendment simply seeks to recognise these legitimate part exchange contracts.

c. Commencement date and citation

Section 6 of the draft Ordinance has a commencement date of the 1st January, 2015.

The Department proposes that the commencement date is amended to the 1st March, 2015.

The draft Ordinance is cited with the year 2014, and it is therefore proposed that the draft Ordinance's title and citation should be amended to the year 2015 accordingly.

d. Other changes

The Department proposes that a few changes are made to the draft Ordinance for the purposes of clarification.

Firstly, that the position is clarified where an official document contains more than one carbon dioxide emissions figure. By way of background, the current test for conventional internal combustion engine vehicles has two parts. These are an urban and an extra-urban cycle. The combined figure presented is for the urban and the extra-urban cycle together. It is therefore an average of the two parts of the test, weighted by the distances covered in each part. The Department proposes that, where an official document contains more than one carbon dioxide emissions figure, and –

- a combined carbon dioxide emissions figure is specified, then the combined figure is used (and if there is more than one combined figure, the lower or lowest of them is used), or
- no combined figure is specified, then the lower or lowest carbon dioxide emissions figure is used

to calculate the duty.

Secondly, that the definition of "official document" is revised so as to make it clear that a vehicle measurement certificate will only be issued by the Department if there is no formal documentation available which specifies the technical specifications of the motor vehicle in question. Furthermore, the definition of "official document" will also include a declaration issued by a motor vehicle's manufacturer (in addition to any certificate of conformity issued by the manufacturer).

Thirdly, "vehicle measurement certificate" has been defined so that it is clear how the width of a vehicle will be measured when vehicle measurement certificates are issued by the Department (when there is no formal documentation available which specifies the technical specifications of the vehicle).

By way of background, where an official document (for example, the certificate of conformity issued by the manufacturer or the V55 form) is available, the width of the vehicle will be the overall width figure attributed to the vehicle in that official document. The width will have been calculated according to international and European regulatory standards (and these calculations exclude wing mirrors from the width of a vehicle).

Where an official document is not available it is proposed that vehicles are measured in the same way as vehicles are currently measured in the Island under the Road Traffic (Construction and Use of Motor Vehicles) Ordinance, 2002, except that the load of the vehicle will not be taken into account. This width calculation excludes the vehicle's wing mirrors.

Regulations

For members information, the Department will be making regulations, subject to the approval of the Treasury and Resources Department, which set out the classes or uses of motor vehicles exempt from the requirement to pay first registration duty, and the classes or uses of motor vehicles entitled to preferential rates of the first registration duty.

Since the Department last published its proposals to States members it has made the following principal changes relating to proposals –

- the introduction of new exemptions for caravans and motor vehicles used solely for licensed motor racing events, and emergency vehicles used at licensed motor racing events or other sports events,
- that hire vehicles will be entitled to the preferential rate at the date of first registration (rather than paying the full amount of the duty and then claiming the preferential rate at a later date),
- the introduction of an imported second hand vehicle preferential rate, depending on the age of the vehicle when first registered in the Island as follows –

(1) SECOND HAND VEHICLE'S AGE (in years)	(2) PERCENTAGE OF THE AMOUNT OF THE FIRST REGISTRATION DUTY PAYABLE (%)
more than or equal to one, but less than two	80%
more than or equal to two, but less than three	65%
more than or equal to three, but less than four	55%
more than or equal to four, but less than five	45%
more than or equal to five	35%

In summary, the classes or uses of motor vehicles that will be exempt from the requirement to pay first registration duty are emergency vehicles used by the police, fire and rescue or ambulance services or emergency vehicles used at licensed motor racing events or other sports events, motorcycles, agricultural tractors, road repairing machines, vehicles specifically converted for use by disabled persons, classic cars, mini buses that are registered in the name of a charity, caravans, and motor vehicles used only for licensed motor racing events.

The classes or uses of motor vehicles that will be entitled to preferential rates on the amount of first registration paid are hire vehicles, commercial vehicles and second hand vehicles. Hire vehicles will be entitled to a preferential rate of 15% of the amount of the first registration duty payable provided that the hire car is exported from the island within twelve months of the first registration in Guernsey and is not re-imported back to the island within two years of the vehicle's exportation. Commercial vehicles will not be subject to the width duty and the carbon dioxide emissions duty will be capped at £2000. Second hand vehicles, that are first registered outside of Guernsey, will be entitled to a preferential rate of between 35% and 80% of the amount of the first registration duty, depending on the age of the vehicle.

It is intended that the Regulations will come into force on the 1st March, 2015.

Information incorporated pursuant to Rule 15(2)

For the purposes of rule 15(2):

- i. The Department estimate that the amendment (including the application of the new first registration duty bands and rates and the application of the age related preferential rates to the first registration of second hand vehicles imported into Guernsey) would, without actions to mitigate the impact, reduce the first registration duty income by approximately £1,600,000. Thus, unless other actions are taken this would increase revenue expenditure;
- ii. Such increase could be funded by a combination of measures:

- a. Removing the circa £1 million per annum allocation as part of the capital reserve fund to build a future bus depot;
- b. Reducing, by approximately 60%, the reduction in the amount of fuel duty collected as a result of lost duty income on petrol and gas oil resulting from reduced fuel sales. This reduction is justifiable as, in light of –
 - the amendments to the bands and rates of the first registration duties,
 - the various amendments to, and undertakings concerning, the Transport Strategy during the April and May debates (including, removing the Width duty from commercial vehicles and reducing the duty cap on commercial vehicles);
 - the delay in introducing paid parking pending the introduction of the improved bus services and Residents' Parking Scheme,

the speed with which modal shift and a change in vehicle buying behaviour will take place will be slower, and hence there will be a reduced impact on fuel sales and therefore lost fuel duty income;

- c. Reducing the spend on developing and promoting the alternative transport methods including pedestrian infrastructure, cycling infrastructure and public realm improvements, by approximately one third. This reflects a slightly softer introduction of the Transport Strategy measures reflecting the reduced tax take from first registration duty.

The Department recognises that some of these funding changes would require the Department to report back to the States to address, where necessary, existing States resolutions set out in the Transport Strategy which may be impacted by the changes.

- iii. The measures listed above are being discussed with officers within the Treasury and Resources Department, and the calculations and assumptions will be tested by that Department. The Environment Department is satisfied that these measures will balance the reduced income from the first registration duties and hence there will be no impact on the Budget Reserve or the Fiscal and Economic Policy Plan.

APPENDIX TO THE EXPLANATORY NOTE

DRAFT ORDINANCE INCORPORATING PROPOSED AMENDMENTS (IN TRACK CHANGE)

**The Motor Taxation (First Registration Duty) (Guernsey)
Ordinance, ~~2014~~2015**

THE STATES, in pursuance of their Resolution of the 14th May, 2014^a, and in exercise of the powers conferred on them by sections 2 and 28A of the Motor Taxation and Licensing (Guernsey) Law, 1987^b, hereby order:-

Taxation upon first registration of a motor vehicle.

1. Motor tax based on a motor vehicle's carbon dioxide emissions and a motor vehicle's overall width shall be charged and paid upon the first registration of a motor vehicle ("**first registration duty**") at the rates, and in accordance with the calculation, set out in the Schedule.

Transitional provision.

2. Where, in relation to a motor vehicle -

~~(a) a contract to purchase is entered into, and a deposit of at least 10% of the purchase price is paid, on dates that precede the date of commencement of this Ordinance, and~~

(a) a contract to purchase is entered into, and

^a Article VI of Billet d'État No. IX of 2014.

^b Ordres en Conseil Vol. XXX, p. 341; amended by Vol. XXXI, p. 278; Vol. XXXIII, p. 127, Vol. XXXVI, p. 256; Vol. XL, p. 298; Order in Council No. XIX of 2007; Recueil d'Ordonnances Tome XXVI, p. 90; and Tome XXIX, p.406.

(i) a deposit of at least 10% of the purchase price is paid, or

(ii) the contract to purchase includes a part exchange agreement,

on dates that precede the date of commencement of this Ordinance, and

- (b) the importation of the vehicle to Guernsey takes place, and the application for first registration of the vehicle is made, within one year of the date of the contract to purchase,

the motor vehicle shall be exempt from first registration duty.

Interpretation.

3. (1) In this Ordinance -

"**carbon dioxide emissions**" means, in relation to a motor vehicle, the grams per kilometre of carbon dioxide emitted by the vehicle,

"**carbon dioxide emissions duty**" has the meaning given in paragraph 3 of the Schedule,

"**contract to purchase**" means a contract to purchase a motor vehicle which includes the vehicle's full specification (including, without limitation, the vehicle's make, model, colour, engine size and factory fitted options), delivery date and price,

"**enactment**" means any Law, Ordinance or subordinate legislation,

"**engine size**" means, in relation to a motor vehicle, the cylinder capacity in cubic centimetres of the vehicle's engine,

"**established carbon dioxide emissions figure**" means the carbon dioxide emissions figure attributed to a motor vehicle in an official document,

and for the purposes of this definition, where an official document attributes more than one carbon dioxide emissions figure to a motor vehicle, the established carbon dioxide emissions figure in respect of that vehicle shall be –

(a) the figure specified as the combined figure, or if there is more than one combined figure, the lower or lowest of them, or

(b) where there is no combined figure, the lower or lowest figure specified.

"**established engine size figure**" means the engine size figure attributed to a motor vehicle in an official document,

"**established overall width figure**" means the overall width figure attributed to a motor vehicle in an official document,

"**first registration**" means -

(a) the first registration in Guernsey of a motor vehicle

that has not been registered outside of Guernsey, and

- (b) the re-registration in Guernsey of a motor vehicle that has previously been registered outside of Guernsey provided that the vehicle has not been previously registered in Guernsey,

and for the purposes of this definition -

- (i) the expression "**first registered**" shall be construed accordingly, and
- (ii) the expression "**registered outside of Guernsey**" includes registered in Alderney,

and for the avoidance of doubt, a motor vehicle registered in Alderney includes a motor vehicle registered in the Alderney part of the register of motor vehicles,

"first registration duty" has the meaning given in section 1,

"official document" means an original copy of -

- (a) a motor vehicle registration certificate or motor vehicle log book issued by the government authority responsible for managing the central register of motor vehicles -
 - (i) in Jersey, the Isle of Man, or

- (ii) of a member state of the European Union,
- (b) the official form for registration of a new motor vehicle or new imported vehicle issued by the United Kingdom's government authority responsible for managing the central register of motor vehicles (including, without limitation, the V55 Form),
- (c) a European Community Whole Vehicle Type Approval Certificate (ECWVTA) or a Type Approval Certificate issued by a government authority responsible for managing the central register of motor vehicles of a member state of the European Union,
- (d) a Certificate of Conformity or declaration issued by a motor vehicle's manufacturer,
- (e) only where none of the documents described in paragraphs (a) to (d) is available in respect of a motor vehicle, a vehicle measurement certificate ~~issued by the Committee,~~ or
- (f) any other document prescribed by the Committee,

"overall width" means, in relation to a motor vehicle, the width in millimetres of the vehicle,

"part exchange agreement" means an agreement to sell a motor vehicle as part payment for the purchase of a motor vehicle which is the subject of a contract to purchase,

"**principal Law**" means the Motor Taxation and Licensing (Guernsey) Law, 1987,

"**register of motor vehicles**" means the register of motor vehicles required under the principal Law, and maintained under the 1932 Ordinance,

"**subordinate legislation**" means any regulation, rule, order, rule of court, resolution, scheme, byelaw or other instrument made under any enactment and having legislative effect,

"vehicle measurement certificate" means a certificate of the overall width of a motor vehicle issued by the Committee in such form as it may determine; and for the purposes of this definition, the "overall width" means in relation to a motor vehicle, the width in millimetres of the vehicle, measured between vertical planes parallel to the longitudinal axis of the vehicle and passing through the extreme projecting points thereof exclusive of –

(a) any driving mirror (including any supporting bracket or fixing),

(b) any direction indicator,

(c) so much of the distribution of any tyre as is caused by the weight of the vehicle,

(d) any front corner marker lamp or side marker lamp,

"**width duty**" has the meaning given in paragraph 2 of the Schedule,

"**1932 Ordinance**" means the Ordonnance supplémentaire à l'Ordonnance ayant rapport au Trafic Véhiculaire en cette Île^c,

and other expressions have the same meanings as in the principal Law.

(2) Any reference in this Ordinance to an enactment is a reference thereto as from time to time amended, re-enacted (with or without modification), extended or applied.

Extent.

4. This Ordinance has effect in the islands of Guernsey, Herm and Jethou.

Citation.

5. This Ordinance may be cited as the Motor Taxation (First Registration Duty) (Guernsey) Ordinance, ~~2014~~2015.

Commencement.

6. This Ordinance shall come into force on the 1st ~~March~~January, 2015.

^c Recueil d'Ordonnances Tome VI, p. 89; as amended by Recueil d'Ordonnances Tome XXIX, p. 406; and Tome XXXII, p. 93 (there are other amendments not relevant to this Ordinance).

SCHEDULE

Sections 1 and 3

FIRST REGISTRATION DUTY RATES AND CALCULATION

First registration duty calculation.

1. First registration duty, in respect of a motor vehicle, shall be the sum of the vehicle's width duty and the vehicle's carbon dioxide emissions duty.

Width duty.

2. The width duty in respect of a motor vehicle with an established overall width figure specified in column 1 of Table 1 shall be the corresponding amount set out in column 2 of Table 1 ("**width duty**").

TABLE 1

<u>(1)</u> <u>VEHICLE'S ESTABLISHED</u> <u>OVERALL WIDTH FIGURE</u> <u>(mm)</u>	<u>(2)</u> <u>WIDTH DUTY (£)</u>
<u>0 to 1600</u>	<u>0</u>
<u>1601 to 1625</u>	<u>0</u>
<u>1626 to 1650</u>	<u>0</u>
<u>1651 to 1675</u>	<u>0</u>
<u>1676 to 1700</u>	<u>0</u>
<u>1701 to 1725</u>	<u>0</u>
<u>1726 to 1750</u>	<u>0</u>
<u>1751 to 1775</u>	<u>0</u>

<u>1776 to 1800</u>	<u>0</u>
<u>1801 to 1825</u>	<u>600</u>
<u>1826 to 1850</u>	<u>1000</u>
<u>1851 to 1875</u>	<u>1400</u>
<u>1876 to 1900</u>	<u>1800</u>
<u>1901 and over</u>	<u>2400</u>

(1) VEHICLE'S ESTABLISHED OVERALL WIDTH FIGURE (MM)	(2) WIDTH DUTY (£)
0 to 1600	0
1601 to 1650	0
1651 to 1700	0
1701 to 1750	0
1751 to 1800	600
1801 to 1850	1200
1851 to 1900	1800
1901 and over	2400

Carbon dioxide emissions duty.

3. The carbon dioxide emissions duty in respect of a motor vehicle with -

- (a) an established carbon dioxide emissions figure specified in column 1 of Table 2, or
- (b) an established engine size figure specified in column 2

of Table 2, where item (a) does not apply because the motor vehicle does not have an established carbon dioxide emissions figure,

shall be the corresponding amount set out in column 3 of Table 2 in relation to the established carbon dioxide emissions figure, or established engine size figure, as the case may be ("**carbon dioxide emissions duty**").

TABLE 2

<u>(1)</u> <u>VEHICLE'S</u> <u>ESTABLISHED CARBON</u> <u>DIOXIDE EMISSIONS</u> <u>FIGURE (g/km)</u>	<u>(2)</u> <u>VEHICLE'S</u> <u>ESTABLISHED</u> <u>ENGINE SIZE</u> <u>FIGURE (cc)</u>	<u>(3)</u> <u>CARBON DIOXIDE</u> <u>EMISSIONS DUTY (£)</u>
<u>0 to 85</u>	<u>0 to 700</u>	<u>0</u>
<u>86 to 100</u>	<u>701 to 800</u>	<u>0</u>
<u>101 to 110</u>	<u>801 to 900</u>	<u>0</u>
<u>111 to 120</u>	<u>901 to 1000</u>	<u>0</u>
<u>121 to 130</u>	<u>1001 to 1100</u>	<u>200</u>
<u>131 to 140</u>	<u>1101 to 1200</u>	<u>400</u>
<u>141 to 150</u>	<u>1201 to 1500</u>	<u>800</u>
<u>151 to 165</u>	<u>1501 to 1800</u>	<u>1200</u>
<u>166 to 185</u>	<u>1801 to 2100</u>	<u>1600</u>
<u>186 to 200</u>	<u>2101 to 2400</u>	<u>2000</u>
<u>201 to 225</u>	<u>2401 to 2700</u>	<u>2400</u>
<u>226 to 255</u>	<u>2701 to 3000</u>	<u>2800</u>
<u>256 and over</u>	<u>3000 and over</u>	<u>3200</u>

(1) VEHICLE'S ESTABLISHED CARBON DIOXIDE EMISSIONS FIGURE (G/KM)	(2) VEHICLE'S ESTABLISHED ENGINE SIZE FIGURE (CC)	(3) CARBON DIOXIDE EMISSIONS DUTY (£)
0 to 85	0 to 700	0
86 to 120	701 to 1000	0
121 to 130	1001 to 1200	400
131 to 150	1201 to 1500	800
151 to 165	1501 to 1800	1200
166 to 185	1801 to 2100	1600
186 to 200	2101 to 2400	2000
201 to 225	2401 to 2700	2400
226 to 255	2701 to 3000	2800
256 and over	3000 and over	3200

**EXPLANATORY MEMORANDUM AS PUBLISHED IN BILLET D'ÉTAT
NO. XXVI OF 2014 WITH PROPOSED AMENDMENTS HIGHLIGHTED IN
TRACK CHANGES**

**MOTOR TAXATION (FIRST REGISTRATION DUTY) ORDINANCE,
201~~5~~4**

This Ordinance establishes an obligation to pay motor tax upon the first registration of a motor vehicle ("first registration duty"). First registration duty is based on a motor vehicle's carbon dioxide emissions and overall width. The rates and method of calculation are set out in the Schedule to the Ordinance.

There is a transitional provision (see clause 2) in relation to vehicles where a contract to purchase was entered into prior to the commencement of the Ordinance. These vehicles are exempt from first registration duty.

The Ordinance is effective on 1st ~~March~~January, 2015.

For information it should be noted that the Environment Department intends to make regulations, subject to the approval of the Treasury and Resources Department, which will prescribe the classes or uses of motor vehicles exempt from the requirement to pay first registration duty, and the classes or uses of motor vehicles entitled to preferential rates of first registration duty.

The classes or uses of motor vehicles that it is intended will be exempt from the requirement to pay first registration duty are emergency vehicles used by the police, fire and rescue or ambulance services, or emergency vehicles used at licensed motor racing events or other sports events, motorcycles, agricultural tractors, road repairing machines, vehicles specifically converted for use by disabled persons, classic cars, and mini buses that are registered in the name of a charity, ~~—caravans, and motor vehicles used only for licensed motor racing events.~~

The classes or uses of motor vehicles that it is intended will be entitled to preferential rates on the amount of first registration paid are hire vehicles and, commercial vehicles and second hand vehicles ~~caravans~~. Hire vehicles will be entitled to a preferential rate of 15% of the amount of the first registration duty payable provided that the hire car is exported from the island within twelve months of the first registration in Guernsey and is not re-imported back to the island within two years of the vehicle's exportation. Commercial vehicles ~~and caravans~~ will not be subject to the width duty but a first registration duty, based only on the vehicle's carbon dioxide emissions, will be payable and capped at £2,000. Second hand vehicles, that are first registered outside of Guernsey, will be entitled to a

preferential rate of between 35% and 80% of the amount of the first registration duty, depending on the age of the vehicle.

It is intended that the Regulations will come into force on the 1st ~~March~~ January, 2015.