

Budget 2011: VED increase for certain hgvs



Legislation will be introduced in the Finance Bill 2011 to apply higher exceptional rates of vehicle excise duty (VED) solely to categories of heavy goods vehicle (hgv) for which an existing rate is below the mandatory EU minimum tax rate.

Up to 12,000 vehicles will be affected, with VED rates typically rising by £40. In many cases the vehicle weight bands to which the exceptional rates of VED apply are very narrow and only vehicles with non-road friendly suspension will be affected.

Which vehicles will be affected?

A summary of hgv weight and axle configuration bands that are affected are set out below (AS = air suspension or equivalent). In practice, the actual number will be less than this, based on limiting the application of exceptional rates to hgvs that do not feature road-friendly suspension for many of the tax band affected.

Vehicle type	Weight (kg)	Scope	Number of vehicles affected	Existing annual VED rate	Annual VED rate from 1 April 2011
2 axle rigid	15,000	Standard hgvs non air suspension (AS)	4,810	£200	£238
		Reduced pollution hgvs non AS	198	£160	£238
3 axle rigid	21,000	Reduced pollution hgvs non AS	52	£160	£193
	23,000		253	£210	£299
	23,001 - 25,999		988	£280	£299
4 axle rigid	27,000		-	£280	£314
2 axle artic with 1 or more axle semi-trailer	25,000	Standard hgvs non AS	497	£165	£266
		Reduced pollution hgvs non AS	-	£160	£266
	25,001 - 27,999	Reduced pollution hgvs non AS	22	£210	£266
2 axle artic with 2 or more axle semi-trailer	28,000	Standard hgvs non AS	3,794	£165	£177
		Reduced pollution hgvs non AS	334	£160	£177
	31,000	Reduced pollution hgvs non AS	163	£280	£403
3 axle artic with 2 or more axle semi-trailer	36,000		-	£280	£394
3 axle combined transport artic with 3 or more axle semi-trailer	41,001 - 43,999		343	£280	£464
Total			11,454		

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What criteria are applied to establish road-friendly suspension?

A goods vehicle does not have road-friendly suspension if any driving axle has neither:

- (a) an air suspension (that is, a suspension system in which at least 75 per cent of the spring effect is caused by an air spring), nor
- (b) a suspension which is regarded as being equivalent to an air suspension for the purposes Directive 96/53/EC.

Can I take advantage of voluntary downplating to avoid the VED increase?

Hgv operators can elect to downplate vehicles affected to reduce the legal maximum weight their vehicle can carry and therefore the amount of VED that is payable on an hgv. In many cases the weight bands that are non-compliant with EU VED minima are very narrow, so the change needed in the vehicle plated weight will be small.

For example, a 2 axle rigid plated at exactly 15 tonnes with non-air suspension will see its VED rate rise by £38 (from £200 to £238) as a result of the change. If the vehicle's plated weight is reduced to 14,999kg, the existing band of £200 can still be paid.

What is the voluntary downplating process for hgv's?

To voluntarily downplate a vehicle, an operator must make a notifiable alteration to VOSA. There are two types of notifiable alteration:

- Type 1 – this applies to changes of weight limits for vehicles with a design capacity, tyre sizes or registration number
- Type 2 – applies to all changes not covered by Type 1, for example changes to the braking system, steering or a change to fixed equipment etc

Where the requirement is to downplate a vehicle then this would require a Type 1 notifiable alteration.

The alteration needs to be notified to VOSA using a form VTG10, available from the [Business Link website](#)

If the same alteration is to be carried out on multiple vehicles then each alteration must be submitted as an individual application

Procedure Type 1 alteration

1. Fill in VTG10 form
2. Send completed form with relevant fee and additional documentation to:

VOSA
TaSS (VTG10)
Ellipse
Padley Road
Swansea
SA1 8AN

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You must send the following supplementary documentation in these instances:

- If the vehicle is already registered – a photocopy of the current plating certificate (VTG7)
- If the vehicle has not been registered – all three copies of the Type Approval Certificate
- For a change of registration number – a photocopy of the new V5 registration document, if received by DVLA
- For vehicles with a valid and current Reduced Pollution Certificate or RPC – the RPC, a revised RPC will be returned

Most Type 1 alterations will not necessitate the need for an examination although VOSA do examine a proportion of these vehicles

What is the fee for the voluntary downplating process?

The current fee for any notifiable alteration is £27.00. For any updates to this fee, check the [Business Link website](#).

Further information

For further information FTA members can [contact the Member Advice Centre](#)

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