

STATES OF JERSEY

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DRAFT CUSTOMS AND EXCISE (AMENDMENT No. 5) (JERSEY) LAW 200

**Lodged au Greffe on 19th February 2008
by the Minister for Treasury and Resources**

STATES GREFFE



Jersey

DRAFT CUSTOMS AND EXCISE (AMENDMENT No. 5)(JERSEY) LAW 200

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000 the Minister for Treasury and Resources has made the following statement –

In the view of the Minister for Treasury and Resources the provisions of the Draft Customs and Excise (Amendment No. 5) (Jersey) Law 200 are compatible with the Convention Rights.

(Signed) **Senator T.A. Le Sueur**

REPORT

In May 2005, as part of the States of Jersey Fiscal Strategy, the then Finance and Economics Committee working with the Public Services Committee and the Parishes were charged by the States to undertake further research and bring forward for consideration proposals relating to the introduction of environmental taxes and other taxes.

Subsequent to the Fiscal Strategy debate the Council of Ministers brought forward its Strategic Plan for the period 2006–2011, which was adopted by the States in June 2006.

The Strategic Plan included the following environmental commitments and identified the Minister for Planning and Environment as having lead responsibility for their delivery –

- To bring forward a package of environmental tax and spend measures by 2007 that will replace Vehicle Registration Duty (VRD) by 2008 and fund key deliverables as outlined in a Sustainable Travel and Transport plan.
- To bring forward for consultation and debate in 2007 a package of environmental tax and spend measures.

Detailed research work was undertaken by the Environment Minister's Department and reported to the Council of Ministers which concluded that there was a range of viable environmental taxes, the revenues from which could support the achievement of the strategic objectives for greater waste recycling, enhanced public transport and an energy efficiency program, as well as replacing VRD.

The Council of Ministers' preference was to consult on a single, simple environmental tax that was capable of raising sufficient revenue to fund both VRD replacement and the stated environmental objectives programme. The Minister for Planning and Environment made full details of this research available to the public and in the first quarter of 2007 consulted on a preferred environmental tax of an annual motor vehicle duty based on vehicle emissions.

The Minister for Planning and Environment was advised of the feedback from the consultation and took note of the many objections to an annual motor vehicle duty. In response to the feedback the Minister for Planning and Environment considered that linking the introduction of an environmental tax to the replacement of VRD had led to confusion and suggested that the two issues be dealt with separately.

As work on environmental taxes was continuing, the Minister for Treasury and Resources considered it appropriate not to introduce environmental taxes in the 2008 budget and consequently did not propose a replacement of VRD when he brought his budget proposals to the States in December 2007. However, the Minister specifically requested that attention be given to finding a replacement for VRD which could be brought into operation to coincide with the introduction of Goods and Services Tax (GST).

Whilst other environmental initiatives are being examined it is the Minister's intention to now bring legislation before the States Assembly to allow for a replacement for VRD, to commence at the same time as the introduction of GST.

This replacement, based on proposals by the Minister for Planning and Environment, will for the most part calculate the duty liability with reference to a vehicle's established CO₂ emissions rather than engine size. As is currently applicable under VRD the liability will occur on the date of first registration in Jersey.

The Draft Customs and Excise (Amendment No. 5) (Jersey) Law 2007 will amend the Customs and Excise (Jersey) Law 1999 so as to substitute paragraph 8 of Part 2 of Schedule 1 to that Law. Paragraph 8 sets out rate of excise duty payable upon the registration of a motor vehicle. The substituted paragraph contains a new provision for the rate of duty to be determined according to a vehicle's established CO₂ emissions.

For "light passenger vehicles" (vehicles designed and constructed for the carriage of passengers and comprising no more than 8 seats in addition to the driver's seat), registered on or after 1st March 2001, the duty liability will be calculated with reference to the vehicles established CO₂ emission data; for all other vehicles or vehicles without established CO₂ emission data the duty liability will be calculated with reference to engine size.

The new duty will be called Vehicle Emission Duty or VED.

Financial and manpower implications

This Draft Law will have no implications for the manpower resources of the States. It will however require the development of additional information technology at an approximate cost of £25,000 and minor financial implications related to revising existing documentation.

European Convention on Human Rights

Article 16 of the Human Rights (Jersey) Law 2000 requires the Minister in charge of a Projet de Loi to make a statement about the compatibility of the provisions of the Projet with the Convention rights (as defined by Article 1 of the Law). On 18th February 2008 the Minister for Treasury and Resources made the following statement before Second Reading of this Projet in the States Assembly –

In the view of the Minister for Treasury and Resources the provisions of the Draft Customs and Excise (Amendment No. 5) (Jersey) Law 200 are compatible with the Convention Rights.

Explanatory Note

This Law amends the Customs and Excise (Jersey) Law 1999 so as to substitute paragraph 8 of Part 2 of Schedule 1 to that Law. Paragraph 8 sets out the rate of excise duty payable upon the registration of a motor vehicle. The substituted paragraph contains a new provision for the rate of duty to be determined according to a vehicle's CO₂ emissions. The new rate applies only to light passenger vehicles first registered on or after 1st March 2001 (being the date from which emissions figures for vehicles are available). The rate of duty for all other vehicles will continue to be determined according to the cylinder capacity of the engine.

The time when duty is payable on a motor vehicle and the rules for relief and drawback are not affected by this amendment.

If the States decide to give immediate effect to this draft Law, by acte opératoire, it will come into force on 1st May 2008.



Jersey

DRAFT CUSTOMS AND EXCISE (AMENDMENT No. 5)(JERSEY) LAW 200

Arrangement

Article

- 1 Interpretation
- 2 Schedule 1 amended
- 3 Citation and commencement



Jersey

DRAFT CUSTOMS AND EXCISE (AMENDMENT No. 5)(JERSEY) LAW 200

A LAW to amend further the Customs and Excise (Jersey) Law 1999

Adopted by the States [date to be inserted]

Sanctioned by Order of Her Majesty in Council [date to be inserted]

Registered by the Royal Court [date to be inserted]

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

1 Interpretation

In this Law, “principal Law” means the Customs and Excise (Jersey) Law 1999^[1].

2 Schedule 1 amended

In Part 2 of Schedule 1 to the principal Law, for paragraph 8 there shall be substituted the following paragraph –

“8 Motor vehicles

(1) In this paragraph –

“established CO₂ mass emission figure” means, in relation to a vehicle, the grams per kilometre of carbon dioxide emitted by the vehicle, established in accordance with subparagraphs (5) and (6);

“LPV” means a light passenger vehicle, being a motor vehicle designed and constructed for the carriage of passengers and comprising no more than 8 seats in addition to the driver’s seat;

“vehicle emissions duty” means the excise duty payable as described in Article 38(3) or (5).

(2) The rate of vehicle emissions duty charged on a motor vehicle is –

(a) in the case of an LPV which has an established CO₂ mass emission figure and which is first registered, whether in Jersey or outside Jersey, on or after 1st March 2001, the rate applicable in accordance with subparagraph (3);

(b) in the case of any other motor vehicle, the rate applicable in accordance with subparagraph (4).

- (3) The rate of vehicle emissions duty applicable to an LPV first registered on or after 1st March 2001 is –
- (a) if the LPV has not, at any time, been registered outside Jersey, the amount (if any) specified in column 2 of Table 1 for the LPV's established CO₂ mass emission figure, specified in column 1;
 - (b) if the LPV was registered outside Jersey, the amount (if any) specified in column 3, 4, 5 or 6 of Table 1, according to the period within which the LPV was first registered outside Jersey, for the vehicle's established CO₂ mass emission figure, specified in column 1.

TABLE 1					
LPVs FIRST REGISTERED ON OR AFTER 1st MARCH 2001					
1 CO ₂ mass emission figure	2 LPV 1st registered in Jersey	3 LPV 1st registered outside Jersey 1 year or less ago	4 LPV 1st registered outside Jersey more than 1 but less than 2 years ago	5 LPV 1st registered outside Jersey more than 2 but less than 3 years ago	6 LPV 1st registered outside Jersey 3 years or more ago but on or after 1 March 2001
120g or less	£0	£0	£0	£0	£0
121-150g	£100	£100	£65	£50	£40
151-165g	£300	£300	£195	£150	£120
166-185g	£450	£450	£295	£225	£180
186-225g	£750	£750	£490	£375	£300
226-250g	£1,500	£1,500	£975	£750	£600
251-300g	£2,500	£2,500	£1,625	£1,250	£1,000
More than 300g	£3,125	£3,125	£2,035	£1,565	£1,250

- (4) The rate of vehicle emissions duty applicable to any motor vehicle to which subparagraph (3) does not apply is–
- (a) if the vehicle has not, at any time, been registered outside Jersey, the amount (if any) specified in column 2 of Table 2 for the cylinder capacity of the vehicle's engine, specified in column 1;
 - (b) if the vehicle was registered outside Jersey, the amount (if any) specified in column 3, 4, 5 or 6 of Table 2, according to the period within which the vehicle was first registered outside Jersey, for the cylinder capacity of the vehicle's engine, specified in column 1.

TABLE 2					
ALL OTHER MOTOR VEHICLES					

1 Cylinder capacity of engine	2 Vehicle 1st registered in Jersey	3 Vehicle 1st registered outside Jersey 1 year or less ago	4 Vehicle 1st registered outside Jersey more than 1 but less than 2 years ago	5 Vehicle 1st registered outside Jersey more than 2 but less than 3 years ago	6 Vehicle 1st registered outside Jersey 3 years or more ago
1000cc or less	£0	£0	£0	£0	£0
1001-1400cc	£375	£375	£245	£190	£150
1401-1800cc	£625	£625	£410	£315	£250
1801-2000cc	£940	£940	£615	£470	£380
2001-2500cc	£1,250	£1,250	£815	£625	£500
2501-3000cc	£1,875	£1,875	£1,220	£940	£750
3001-3500cc	£2,500	£2,500	£1,625	£1,250	£1,000
More than 3500cc	£3,125	£3,125	£2,035	£1,565	£1,250

- (5) The CO₂ mass emission figure for an LPV shall be established when the LPV is first registered in Jersey and shall be the figure specified in a document produced in accordance with the requirements for registration that are prescribed under Part 2 of the Motor Vehicle Registration (Jersey) Law 1993.
- (6) Where more than one CO₂ mass emission figure is specified in a document produced pursuant to sub-paragraph (5), the CO₂ mass emission figure established for the vehicle shall be –
- (a) the figure specified as the combined figure or, if there is more than one combined figure, the lowest of them; or
 - (b) where there is no combined figure, the lowest figure specified.”.

3 Citation and commencement

This Law may be cited as the Customs and Excise (Amendment No. 5) (Jersey) Law 200~~0~~ and shall come into force on 1st May 2008.

