



VALUE ADDED TAX

VALUE ADDED TAX AND OTHER TAXES ACT 1973

CAR TAX (ABOLITION) ORDER 1993

Approved by Tynwald 6th April, 1993

Coming into operation 13th November 1992

In exercise of the powers conferred on the Treasury by section 52 of the Value Added Tax and Other Taxes Act 1973(a) and of all other powers enabling it in that behalf, the following Order is hereby made:-

Citation and commencement

1. This Order may be cited as the Car Tax (Abolition) Order 1993 and shall be deemed to have come into operation on the 13th November 1992.

Interpretation

2. In this Order, "the Act" means the Value Added Tax and Other Taxes Act 1973.

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(a) c.1.

Price 80p.

Abolition: the basic rule

3. In section 48 of the Act after subsection (2) insert -
- "(2A) Where (apart from this subsection) car tax on a vehicle would become due on or after 13th November 1992, it shall not become due and shall be deemed never to have been charged."

Consequential amendments

4. (1) Schedule 7 to the Act shall be amended as follows.
- (2) In paragraph 14, after sub-paragraph (3) insert -
- "(4) No direction may be given under sub-paragraph (1) on or after 13th November 1992 except in relation to vehicles whose conversion or adaptation was completed before that date.
- (5) Where a person is registered in pursuance of sub-paragraph (2), the Treasury shall cancel his registration when it is satisfied that all tax due from him has been accounted for."
- (3) In paragraph 15, after sub-paragraph (1) insert -
- "(1A) Sub-paragraph (1) -
- (a) shall not make a person liable to be registered by reference to anything done in a calendar year falling after 1992;
- (b) shall not make a person liable to be registered by reference to vehicles made or imported in 1992, unless he makes or imports not less than ten chargeable vehicles before 13th November 1992."

(4) After sub-paragraph (3) of that paragraph insert -

"(3A) Without prejudice to sub-paragraph (3), the Treasury shall cancel the registration of any person when it is satisfied that all tax due from him has been accounted for."

(5) In paragraph 18, after sub-paragraph (1) insert -

"(1A) The duties under sub-paragraph (1), except so far as arising by virtue of article 17(3) of the Value Added Tax and Other Taxes Act 1973 (Amendment) (No. 2) Order 1989(a), shall be limited as follows -

(a) the duty under paragraph (a) shall apply only to records and accounts relating to tax which has become due and vehicles on which tax has become due;

(b) the duty under paragraph (b) shall apply only to records and accounts relating to vehicles on which tax has become due;

(c) the duty under paragraph (c), so far as relating to returns of vehicles, shall apply only to returns of vehicles on which tax has become due."

(6) In paragraph 19, after sub-paragraph (2) insert -

"(3) The duties under sub-paragraph (1) shall apply only to information and documents relating to vehicles on which tax has become due."

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(a) G.C. 340/89.

(4) Sub-paragraph (2) shall not apply where the conversion is completed on or after 13th November 1992."

(7) In paragraph 20, after sub-paragraph (2) insert -

"(2A) The powers under sub-paragraphs (1) and (2) shall be exercisable only for the purpose of ascertaining whether tax is due and, if so, the amount of the tax."

(8) In paragraph 21(3)(b), after "tax" insert "payable".

(9) In paragraph 25(1), at the end insert -

"Any duty imposed by regulations under paragraph (c) or (d) shall apply only where the vehicles are vehicles on which tax has become due."

(10) Paragraph 26 shall be omitted.

#### Special cases

5. After paragraph 10 of Schedule 7 to the Act insert -  
"Abolition: special cases.

10A. (1) This paragraph applies where (apart from this paragraph) car tax on a vehicle would have become due before 13th November 1992.

(2) In a case where -

(a) the tax would have become due at a time mentioned in paragraph 4(1)(b) of this Schedule, and

(b) the conditions mentioned in sub-paragraph (3) are satisfied,

the tax shall be deemed not to have become due and never to have been charged.

(3) The conditions referred to in sub-paragraph (2) are that -

- (a) the tax would have become due because an offer to sell the vehicle was made by the person to whom it was delivered as mentioned in paragraph 4(1)(b) of this Schedule and was accepted, or because an offer to purchase the vehicle was made to that person and was accepted,
- (b) at the end of 12th November 1992 no sales invoice had been issued in respect of the vehicle by that person,
- (c) at the end of that day that person had not received the full purchase price of the vehicle, and
- (d) at the end of that day the purchaser had not taken delivery of the vehicle.

(4) Where the tax would have become due at the time mentioned in paragraph 4(1)(c) of this Schedule but at the end of 12th November 1992 the vehicle -

- (a) was still in the possession of the person to whom it was sent from the premises mentioned in that paragraph, and
- (b) had not been sold by that person or appropriated to his own use,

the tax shall be deemed not to have become due and never to have been charged.

(5) In a case where -

(a) paragraph 3(2) of this Schedule would have applied in relation to the tax or (as the case may be) the tax would have become due at the time mentioned in paragraph 5 of this Schedule, and

(b) the conditions mentioned in sub-paragraph (6) are satisfied,

the tax shall be deemed not to have become due and never to have been charged.

(6) The conditions referred to in sub-paragraph (5) are that -

(a) the vehicle was made or imported by an unregistered person for the purposes of a business carried on by him,

(b) at the end of 12th November 1992 the vehicle was still in the possession of the unregistered person or was in the possession of a motor dealer who obtained it directly from him, and

(c) at the end of that day the vehicle had not been sold by, or appropriated to the use of, the unregistered person or the dealer;

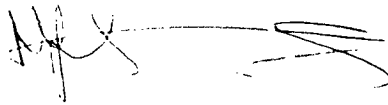
and in this subsection "unregistered person" means a person not registered under this Act or the U.K. Act."

Revocations

6. Articles 89 to 103 of, and the provisions relating to Schedule 7 in Part II of the Schedule to, the Value Added Tax and Other Taxes Act 1973 (Amendment) (No. 2) Order 1992(a) shall be deemed to have been revoked with effect from the 13th October 1992.

Made this 10th day of March

1993



Minister for the Treasury

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(a) G.C. 395/92.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order abolishes car tax with effect from 12th November 1992. It also allows for the continuing administration and enforcement of car tax which became due on or before that date and makes transitional provisions for particular cases.