



The UK trade body for the tourer, motorhome,
caravan holiday home and park home industries

www.thencc.org.uk



Vehicle tax changes from 1 April 2017

Motorhome dealer information

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This guide has been put together by the NCC in consultation with DVLA in order to help motorhome dealer members better understand and implement upcoming vehicle tax (VED) changes.

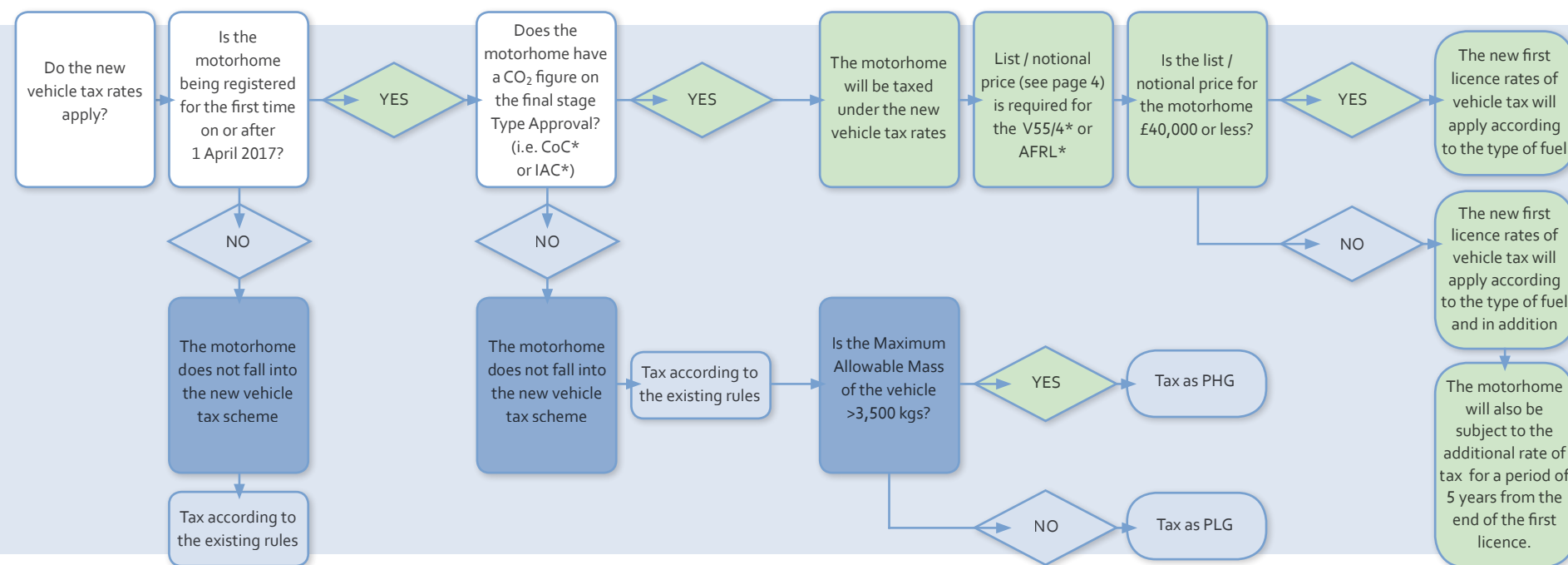
Vehicle tax is changing...

The way vehicle tax is calculated will change for cars and some motorhomes that are **first registered on or after 1 April 2017**.

Vehicles registered before this date will be unaffected by this change.

Most motorhomes registered after this date **will not be affected**.

Follow the flow chart below to ascertain whether a motorhome will be taxed under the new standard rate, or will fall outside the scheme. See also the useful FAQ section on p7.



*LEGEND

CoC:
Certificate of Conformity. This is the document supplied by the motorhome manufacturer to confirm various aspects of the motorhome

IAC:
Individual Approval Certificate – used as an approval document from the manufacturer of low volume production or bespoke vehicle production

V55/4:
This is the document that generates the ability for the DVLA to register the vehicle as a motorhome

AFRL:
Automated First Registration and Licensing – the online registration system from the mototrade to the DVLA

Does the motorhome fall into the new system?

Check:

- the **final** Type Approval Certificate of Conformity (as issued by the motorhome manufacturer, not the base vehicle manufacturer) Side 2 fields 48 and 49 – *Exhaust Emissions*
- the Individual Approval Certificate (IAC) Section 2 field no. 48 – *Emissions Regulation*

If there is a CO₂ value in any of these boxes, then the new scheme will apply. If it is blank showing no value, or marked not applicable (N/A), then the motorhome will be taxed at the existing rate, as Private Light Goods Vehicles (PLG) or Private Heavy Goods Vehicles (PHG) depending on weight. This includes most motorhomes.

Dealerships completing registration documentation, e.g. on the V55/4 should only enter a declared CO₂ value in fields 34, 37 and 38 if the CoC or IAC states a value in the appropriate fields. NOTE: Only values on the final CoC/IAC should be entered on the V55/4.

What VED is payable if the motorhome *does not* fall into the new system?

Most motorhomes will not fall into the new VED system. These will continue to be taxed as PLG or PHG vehicles.

What are the changes for motorhomes that *do fall* into the new system?

- There are new first licence rates for new motorhomes that fall into the new system
- There are new vehicle tax rates (VED) for some motorhomes registered for the first time on or after 1 April 2017
- The manufacturers, importers or dealers of affected motorhomes must provide a list price or notional price to DVLA when those motorhomes are first registered.

What is payable if the motorhome *does fall* into the new system?

The VED payable for new motorhomes that fall into the new system is made up of three parts:

1. The new **First Licence Rate** – this depends on the CO₂ emissions value. The emissions figure is determined by the motorhome manufacturer and is shown on the final stage CoC – this amount is only charged at first registration. For more information visit www.gov.uk/vehicle-tax-rate-tables/vehicles-registered-on-or-after-1-april-2017
2. The second licence and subsequent licences are charged at the basic flat rate £140 per year or a lower rate depending upon the type of fuel used - see table - regardless of the CO₂ emissions figure of the vehicle.
3. The vehicle list/notional price - this is determined by the motorhome manufacturer or importer. A special note field on the front page of the V5C will state if the additional rate of VED is applicable and the date it will end. This information can be checked through the DVLA vehicle enquiry service (VES) at www.gov.uk/check-vehicle-tax

This would not necessarily be the same as the price paid by the customer; motorhomes with a list/notional price of over £40,000 must pay a supplement of £310 per year for a period of 5 years, starting from the date of issue of the second licence.

What are the rates of VED payable for motorhomes that fall into the new system?

The first time a motorhome is taxed from new, the first licence rates will apply (as they do now) but the rates are changing. See www.gov.uk/vehicle-tax-rate-tables/vehicles-registered-on-or-after-1-april-2017

The amount of VED paid each year after the end of the first licence depends on the type of fuel the motorhome uses.

Note: The first licence may end before the first year, if the vehicle changes hands.

There are three standard rates:

Basic tax rate for affected motorhomes	
Petrol/diesel vehicles	£140
Alternative fuel vehicles e.g. hybrids, bi-ethanol and LPG	£130
Vehicles with zero emissions e.g. fully electric	£0

In addition, if the motorhome has a list price or notional price of over £40,000 it will attract an additional rate of £310 a year for 5 years. The 5-year period starts from the end of the first licence.

For affected vehicles with a list/notional price over £40,000				
Fuel Type	Standard Rate	Additional Rate	Total Payable	After 5 years
Petrol/diesel vehicles	£140	£310	£450	£140
Alternative fuel vehicles e.g. hybrids, bi-ethanol and LPG	£130	£310	£440	£130
Vehicles with zero emissions e.g. fully electric	£0	£310	£310	£0

After the 5-year period, the VED payable for the relevant vehicle will be at the standard annual rate.

Note: It is no longer possible to tax a vehicle for 6 months at first licensing and registration; however the option to tax for 6 months or 12 months and pay by Direct Debit is available from the second licence onwards.



All rates given were correct at the time of going to press (February 2017).

What is included in the list/notional price?

The list price or notional price includes any options added by the manufacturer before delivery to the dealer/retailer. It also includes any delivery charges for the motorhome, any pre-delivery inspection costs (PDI) and VAT.

The list/notional price for a motorhome would include the cost of a conversion on a base vehicle plus VAT.

The price also includes the cost of any leased items, e.g. batteries for electric vehicles.

What's included	What's not included
Manufacturers' recommended retail price (RRP)	Warranty/insurance and service packages etc.
The price of any non-standard option fitted by the manufacturer	Any non-standard option fitted by the dealer
VAT	
The conversion of the base vehicle into the finished motorhome	Modifications for disabled users
Delivery charges including pre-delivery inspection charges	First registration fee and cost of first licence
In electric vehicles, the cost of the battery constitutes part of the list price (even if the battery is leased)	

What isn't included in the list/notional price?

Any options fitted by the dealer/retailer or any incentive options such as servicing, warranties or touring/camping park tasters are not included in the list price. Mobility accessories are not included in the list price where the accessory is designed to enable a disabled driver or passenger to use the vehicle.

List/notional price - other considerations

If the motorhome has subsequent modifications prior to the customer sale which are subject to stage 2/3 Type Approval, the costs form part of the total list/notional price.

Frequently Asked Questions

1. Which motorhomes will fall into the new VED scheme?

Only new motorhomes first registered on or after 1 April 2017 could be included within the scheme and then only if there is a CO₂ value on the **final stage** CoC / IAC.

Other motorhomes will **not** fall in to the scheme. This includes any motorhome first registered before 1 April 2017 and any motorhome that does not have a CO₂ value on the **final stage** CoC/IAC.

2. Will motorhomes be affected by the additional rate of VED applied to vehicles of over £40K list price?

Only motorhomes that fall under the new scheme **and** have a list price or notional price of over £40,000 will be subject to the additional rate of VED.

If the final CoC/IAC does not have a CO₂ emissions value, the motorhome will not fall under the new scheme and will not be subject to the additional rate of VED.

3. Will PLG and PHG be affected?

No, PLG and PHG vehicles are not included in the scheme. Most motorhomes will continue to be taxed within these categories.

4. Does the list price need to be entered on to the V55/4 form (used to register a used vehicle) or on the Automated First Registration and Licensing (AFRL) record?

Yes - the dealership is obliged to enter the list price on the V55/4 at fields 44 and 45 of the new form and AFRL.

5. Are motorhome conversions on used base vehicles (i.e. where first registration takes place before conversion) affected by the changes to VED?

No, the changes only apply to new vehicles registered on or after 1 April 2017. Where a motorhome is converted after first registration its VED status remains unchanged, except where the fuel type has changed - see table in box on page 5.

6. What about motorhome conversions without a CO₂ emissions figure?

Most motorhome conversions will not have a CO₂ emissions figure shown on the final stage CoC/IAC and will therefore not be included in the new system.



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Licensing
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