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**AN BILLE UM MÓTARFHEITHICLÍ (DLEACHTANNA AGUS  
CEADÚNAIS) 2003**  
**MOTOR VEHICLE (DUTIES AND LICENCES) BILL 2003**

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**EXPLANATORY MEMORANDUM**

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*General*

The primary purpose of the Bill is to give legislative form to the increases in motor tax rates and trade plate licences contained in the Financial Resolution passed by the Dáil on 12 December 2002. A standard across-the-board increase of 12% is provided. The Bill also contains two technical amendments to motor tax law and an enabling power to the Minister to facilitate the processing of on-line motor tax applications. The technical changes relate to extending the national vehicle records to include vehicles that are registered but not yet taxed and to remove a redundant (£) amount that has already its euro equivalent in place.

The increased revenue that will arise will be paid into the Local Government Fund.

*Background*

Since the establishment of the Local Government Fund in January 1999, all motor tax receipts including driver licences etc. are paid into the Fund. In addition to the proceeds of motor taxation, the Fund is also supplemented by an Exchequer contribution. The Fund is ringfenced exclusively for local authority purposes and is distributed to local authorities as discretionary grants in respect of day-to-day spending requirements and also as grants in respect of expenditure on non-national roads.

*Provisions*

*Section 1* is the interpretation section containing definitions used throughout the Bill.

*Section 2* provides that the new rates of motor tax and fees for trade plates apply to licences taken out for periods beginning on or after 1 January 2003.

*Sections 3 to 5* provide for various amendments to the Finance (Excise Duties) (Vehicles) Act 1952, viz:

- a technical change removing the £90 amount and retaining its euro equivalent of €114,
- a new Schedule incorporating the various taxation classes and relevant rates,
- revised motor tax rates for vintage vehicles.

*Section 6* provides for increased fees for trade plate licences and replacement trade plate licences in respect of motorcycles and all other vehicles.

*Section 7* provides a technical amendment to extend the national vehicle file records to include vehicles prior to first taxing.

*Section 8* provides the initial legal framework to enable the Minister to process on-line motor tax applications.

*Section 9* provides for the short title.

#### *Schedule*

The Schedule sets out the new rates of motor tax for all vehicles except the rates for vintage/veteran vehicles which are provided in Part II of the Schedule to the Finance (Excise Duties) (Vehicles) Act 1952 and the fees for trade plate licences which are contained in the Finance (No. 2) Act 1992.

The insertion of a new Schedule of rates is in keeping with past practices, so that one can see at a glance the taxation class and relevant rate of tax.

*An Roinn Comhshaoil agus Rialtais Áitiúil,  
Feabhra, 2003.*