

ANNEX C

Revision to VRT and Motor Tax Rates and Related Issues

An announcement was made in the 2012 Budget of a public consultation process to review the structure and rates of VRT and Motor Tax in line with the technological advances in motor vehicles, while maintaining a positive environmental incentive to reduce transport emissions, which has contributed to a significant reduction in revenues from both sources.

The process involved representatives of the Department of Finance, the Revenue Commissioners, the Department of the Environment, Community and Local Government and the Department of Transport, Tourism and Sport reviewing the submissions received and conducting a number of follow-up meetings to investigate further some of the proposals. The views of industry were carefully considered throughout the process.

Following consideration of the options, the tables below show the revised structures for both VRT and motor tax for vehicles taxed on the basis of CO₂ emissions which have been agreed. Increases are being applied to motor tax rates for all other categories of vehicle also. These increases will take effect from 1 January 2013. The higher rate of increase in motor tax for cars taxed on the basis of CO₂ reflects the comparatively lower rate of tax for these cars compared to those taxed on the basis of engine capacity, and this provides a degree of protection for the tax base. The restructuring of the CO₂ and VRT Bands A and B, and the differential increases applied, maintain a positive environmental incentive towards lower emission vehicles, reflect the shift towards lower emissions vehicles evidenced to date and provide a more robust basis for maximising the environmental incentive into the future.

In addition, consultation took place with relevant stakeholders on a proposal for the introduction of a second vehicle registration period in the year, beginning in 2013, in an effort to (i) generate an additional sales peak in the second half of each year, and (ii) to stabilise employment in the motor industry, which it was felt could arise from the effect of that second peak. As a result, 2013 will see the introduction of a second registration period. The sequence will take the form of a separate 3-digit year identifier for the first and second 6 month periods in the year, i.e. 131 and 132 respectively, and the number sequence will revert to "1" for the second period.

The VRT reliefs currently in place for electric vehicles (up to €5,000), plug-in hybrid electric vehicles (up to €2,500), and hybrid and flexible fuel vehicles (up to €1,500) are being retained for a further 12 months to end December 2013. It should also be noted that the motor tax on electric cars is being reduced to €120.

Revised Motor Tax Rates with effect from 1 January, 2013.

PRIVATE CARS registered before 1 July 2008

Engine Capacity (c.c.)	Old rate €	New rate €	Difference €
Not over 1,000	185	199	14
1,001 to 1,100	278	299	21
1,101 to 1,200	307	330	23
1,201 to 1,300	333	358	25
1,301 to 1,400	358	385	27
1,401 to 1,500	384	413	29
1,501 to 1,600	478	514	36
1,601 to 1,700	506	544	38
1,701 to 1,800	592	636	44
1,801 to 1,900	626	673	47
1,901 to 2,000	660	710	50
2,001 to 2,100	843	906	63
2,101 to 2,200	885	951	66
2,201 to 2,300	925	994	69
2,301 to 2,400	962	1,034	72
2,401 to 2,500	1,005	1,080	75
2,501 to 2,600	1,204	1,294	90
2,601 to 2,700	1,251	1,345	94
2,701 to 2,800	1,294	1,391	97
2,801 to 2,900	1,342	1,443	101
2,901 to 3,000	1,390	1,494	104
3,001 or more	1,683	1,809	126
Electrical	157	120	-37

- i. **NEW PRIVATE CARS registered on or after 1 July 2008**
- ii. **NEW PRIVATE CARS registered between 1 January 2008 and 30 June 2008 where motor tax is based on CO₂.**

Band	Emissions	Old rate	New rate	Difference
		€	€	€
A0	0	160	120	-40
A1	1-80g	160	170	10
A2	More than 80g/km up to and including 100g/km	160	180	20
A3	More than 100g/km up to and including 110g/km	160	190	30
A4	More than 110g/km up to and including 120g/km	160	200	40
B1	More than 120g/km up to and including 130g/km	225	270	45
B2	More than 130g/km up to and including 140g/km	225	280	55
C	More than 140g/km up to and including 155g/km	330	390	60
D	More than 155g/km up to and including 170g/km	481	570	89
E	More than 170g/km up to and including 190g/km	677	750	73
F	More than 190g/km up to and including 225g/km	1,129	1,200	71
G	More than 225g/km	2,258	2,350	92

GOODS VEHICLES

Unladen Weight (kg)	Old Rate €	New Rate €	Difference €
Not over 3,000	310	333	23
3,001 to 4,000	391	420	29
4,001 to 5,000	505	543	38
5,001 to 6,000	700	753	53
6,001 to 7,000	948	1,019	71
7,001 to 8,000	1,193	1,282	89
8,001 to 9,000	1,474	1,584	110
9,001 to 10,000	1,755	1,886	131
10,001 to 11,000	2,036	2,188	152
11,001 to 12,000	2,317	2,490	173
12,001 to 13,000	2,598	2,792	194
13,001 to 14,000	2,879	3,094	215
14,001 to 15,000	3,160	3,396	236
15,001 to 16,000	3,441	3,698	257
16,001 to 17,000	3,722	4,000	278
17,001 to 18,000	4,003	4,302	299
18,001 to 19,000	4,284	4,604	320
19,001 to 20,000	4,565	4,906	341
20,001 or more	4,833	5,195	362
Electrical (not over 1,500 kg)	86	92	6

LARGE P.S.V. AND YOUTH/COMMUNITY BUS

Seating Capacity	Old Rate €	New Rate €	Difference €
9 to 20 seats	143	154	11
21 to 40 seats	188	202	14
41 to 60 seats	375	403	28
61 seats or more	375	403	28

TRADE LICENCES

Category of Vehicle	Initial Trade Licence /Plate Old Rate	Initial Trade Licence /Plate New Rate	Difference	Replacement Trade Licence /Plate Old Rate	Replacement Trade Licence /Plate New Rate	Difference
Motor Cycle only	€55	€59 (single plate)	€4	€35	€38 (single plate)	€3
All other vehicles	€328	€353 (pair of plates)	€25	€80	€86 (pair of plates)	€6

MISCELLANEOUS VEHICLES

Type of Vehicle	Old Rate €	New Rate €	Difference €
Off-road dumper	823	885	62
General Haulage tractor	310	333	23
Machine/workshop/contrivance (including "recovery vehicle")	310	333	23
Island Vehicles	95	102	7
Agriculture tractor, trench digger and excavator	95	102	7
Motor Caravan	95	102	7
Hearse	95	102	7
Dumper and forklift truck	95	102	7
Taxi and hackney	88	95	7
School Bus	88	95	7
Cycles and Tricycles:			
- Electrical	33	35	2
- Not over 75cc	46	49	3
- 76cc to 200cc	62	67	5
- 201cc or over	82	88	6
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Pedestrian-Controlled Vehicle	82	88	6
VETERAN AND VINTAGE			
Motorcycles	24	26	2
All other vehicles	52	56	4

CURRENT AND REVISED RATES OF VRT

Current CO2 Emission Bands	g CO2/km	Current VRT Rate (% of OMSP)	Revised CO2 Emission Bands	g CO2/km	Revised VRT Rate (% of OMSP)
A	0-120g	14%	A1	0-80g	14%
			A2	81-100g	15%
			A3	101-110g	16%
			A4	111-120g	17%
B	121-140g	16%	B1	121-130g	18%
			B2	131-140g	19%
C	141-155g	20%	C	141-155g	23%
D	156-170g	24%	D	156-170g	27%
E	171-190g	28%	E	171-190g	30%
F	191-225g	32%	F	191-225g	34%
G	226g and over	36%	G	226g and over	36%