Classic car tax concession

Way back in the 1990s, the government changed the road tax rules so that vehicles over 25 years old qualified for a zero rate of road fund licence ('Vehicle Excise Duty'). This helped owners who, in general, covered relatively few miles in their older cars, and helped to encourage the preservation of 'modern classics'. The exemption was sensibly applied on a 'rolling' basis, so that as vehicles clocked up a quarter of a century, they automatically qualified.

However, in what many enthusiasts regarded as a cynical sleight of hand, in the late 1990s the incoming Labour administration amended the rules again, so that only cars built prior to 1st January 1973 would qualify for zero rate road tax, and this date was to be fixed in perpetuity. Situations then arose in which two identical vehicles, built just days apart, would be taxed either at zero rate or 'full' private car rate (as it was then).

Hidden amidst the small print of the Chancellor's recent budget is a small new concession, which means that with effect from 1st April 2014, the road tax exemption for classic vehicles will be extended by one year, so the cut-off date will then be 1st January 1974. This is helpful, and a step in the right direction for the future preservation of mid-1970s vehicles.

There is evidence to suggest that vehicles that qualify for zero rate road tax are worth more than identical models which fall the wrong side of the dividing line.

It will be interesting to see whether the exemption is to be advanced one year at a time, in the future, (so effectively, then, a 30 year 'rolling' exemption?).

Wheels-Alive comment:

Common sense might prevail… There are relatively small numbers of vehicles on the road, that are over 25 years old. We spoke to several owners of 1970s classics, some of whom are paying over £200 in road tax to drive their cars a couple of hundred miles annually…