



FEDERATION OF MANX HISTORIC VEHICLE CLUBS

MEDIA RELEASE

Concern at Car Tax Increases

The Federation of Manx Historic Vehicle Clubs has noted with some serious concern the Vehicle Duty Order 2014 which has been approved by Tynwald.

As advised by the Department of Infrastructure (DOI) Minister, Phil Gawne MHK, the overall increase in Vehicle Excise Duty made under the Order averages 10% at a time when the annual rate of inflation is around 2%. The Duty for some categories of vehicle, however, has increased by over 20%. This represents a significant increase in the cost of living, which Government knows is unavoidable for most families. We live on a largely rural island, and travel to work is not a luxury to be highly taxed, but a necessity.

Local motorists now face levels of duty around 25% more than comparable vehicles in the UK, with some categories of vehicle paying over double the equivalent UK rate.

Mr Gawne highlights income from vehicle duty at £12.5 million, compared to highway maintenance costs of £16 million. He ignores other Government income generated from motorists. Fuel duty is around 60p per litre and VAT is payable on fuel and on all vehicle running costs and servicing. It follows that any argument that only 'car tax' should pay for all highway maintenance is unfair.

In the UK it is estimated that only 10% of Government income from motorists is derived from vehicle excise duty and, with the Island's Customs Agreement with the UK, there is every reason to expect that this proportion is the same on the Isle of Man. It should be noted that the Isle of Man has limited road mileage total, has no motorway or substantial dual-carriageway mileage and is not subject to the same extremes of weather as parts of the UK.

Chairman of the Federation, Geof Staples, commented, *'We understand the pressures on Government in relation to income but it is grossly unfair to continually apply increases that are well above inflation whilst pleading insufficient revenue to maintain the roads. Clearly Government is generating other high levels of income from motorists, which should be used to the benefit of road users.'*

The Department's general policy towards motorists leaves much to be desired when compared to that in the UK, where road tax can be paid monthly, only taken out for part year, and refunds are available in reasonable circumstances.'

Though primarily concerned with historic and cherished vehicles and their owners, the Federation, as the only general motoring organisation on the Island, is committed to opposing the unreasonable treatment of all local motorists and this Order, supported by the majority of the Members of Tynwald, is an example of such treatment.

INFORMATION FOR EDITORS.

- The Federation of Manx Historic Vehicle Clubs comprises 14 local car, motorcycle, agricultural vehicle and bus clubs with vintage, classic and modern vehicle interests. Between them they represent over 1,000 local members who collectively own around 2,000 vehicles.
- The Vehicle Duty Order 2014 has resulted in the following:
 - A 1990s car with a 5000cc engine and a value of perhaps £1,000 will pay annual road tax of £492 under the new Order. The same car in the UK would be charged £230.
 - A 'learner motorcycle' of 125cc will pay annual road tax of £39. In the UK that motorcycle would cost £17.
 - A motorcycle over 400cc will pay £74 annual road tax. A car of 1000cc pays £51.

Further information can be obtained from Federation Chairman, Geof Staples (geofstaples@aol.com) or Federation Secretary, Steve Woodward (stephen_woodward@yahoo.com).