

## **Douglas Borough Council Responses to Consultation Document on changes to Vehicle Excise Duty**

**Question 1:** The repair of the Island's roads is largely funded by the £13m raised from vehicle duty. How should road maintenance be funded?

- a. Continuation of a vehicle duty system
- b. Charge per mile driven
- c. An additional vehicle purchase tax
- d. None of the above

**Response:** a; the current banded system is effective.

**Question 2:** Should vehicle tax be used to influence people's purchasing decisions?

- a. No
- b. Yes- to modernise the Island's vehicle fleet
- c. Yes- to increase the adoption of safer vehicles
- d. Yes- to penalise high emissions
- e. Yes- to reduce engine size
- f. Yes- to promote electric vehicles

**Response:** a: the sole purpose should be to fund highway maintenance.

**Question 3:** Would this change your vehicle purchasing decisions?

- a. No
- b. Yes

**Response:** a, but the Council already takes running costs, including vehicle duty, into account when replacing vehicles.

**Question 4:** What main outcome should the Department seek from the tax system in addition to raising a given amount of money?

- a. No other outcome, just collect the money needed
- b. It should give a simple flat rate for all vehicles
- c. It should reduce the burden on the less well off
- d. It should help protect the environment
- e. It should help protect the road from damage
- f. It should encourage safer and less polluting vehicles
- g. It should reduce the number of cars people own

**Response:** a: the sole priority should be maintenance and improvement of the highway infrastructure.

**Question 5:** How much more should the highest tax charge be compared to the lowest charge?

- a. 20 time more
- b. 10 times more
- c. 5 times more
- d. 2 times more
- e. It should be the same

**Response:** the question is not relevant; charges should not be fixed by some formula of proportionality but rather in a structured and systematic way.

**Question 6:** How many different payment bands should there be for cars and motorbikes?

- a. 1
- b. 2-4
- c. 4-10
- d. More

**Response:** current banding should be retained.

**Question 7:** Should there be a Vehicle First Registration tax on the Isle of Man?

- a. No- it will put people off buying modern clean and safe vehicles
- b. Yes- people with the money to replace their existing car can afford to pay more

**Response:** a.

**Question 8:** Should older vehicles progressively pay more vehicle tax on the Isle of Man?

- a. No- it penalise those who cannot afford to upgrade
- b. Yes- it will encourage people to drive more modern cars, which are safer and better for the environment

**Response:** a: older vehicles are not necessarily any more damaging than newer ones.

**Question 9:** Should classic vehicles continue to benefit from reduced tax rates?

- a. No- if people can afford to keep an old vehicle as a hobby they should pay for the roads like anyone else.
- b. Yes- classic vehicles tend to be used only occasionally and make an important contribution to lots of community events

**Response:** b: the use of such vehicles and consequent damage to roads are limited

**Question 10:** Should a visiting vehicle pay a contribution whilst it is on the Island?

- a. Yes
- b. No

**Response:** b, as long as the vehicle is on the Island for less than four weeks and there is an exemption for specialist vehicles.

**Question 11:** Should changes to vehicle tax be targeted only to new registrations?

- a. Yes – it could adversely affect some people more than others
- b. No – we need to simplify the complex bands
- c. All vehicles should be included but the changes should be brought in over a number of years so there are no sudden changes

**Response:** a, any changes should be implemented for new registrations immediately, with a structured phasing of implementation for existing vehicles.

**Question 12:** The cost of collecting vehicle tax could be reduced by the use of simplified charging systems and/or technology. Which of these would you support?

- a. Enforcement through Automated Number Plate Recognition systems
- b. Create a very simple tax system focused on simplicity of administration and payment
- c. Neither, the charging system needs to be complex to facilitate the many groups, interests and objectives that Government wants to pursue

**Response:** a, the Council supports the use of ANPR.

**Question 13:** Should the Island introduce a congestion charge to drive into major centres of population?

- a. Yes
- b. No

**Response:** b: no, the Government and local authorities are investing heavily in regenerating town and village centres so to introduce congestion charges in the hope of deterring visitors could damage economic development.

**Question 14:** Do you have any further comments that you would like to make

**Response:** The Council supports the raising of funding for roads maintenance through vehicle duty using the existing charging bands.