

Treasury and Exchequer Ministerial Decision Report



ALLOWING EXCISE DUTY RELIEF ON THE IMPORTATION OF TWO BUSES BY LIBERTY BUS

1. Purpose of Report

The purpose of this report is to outline the reasons for allowing excise duty relief on the importation of two buses by Liberty Bus.

2. Background

Schedule 1 of the Customs and Excise (Jersey) Law 1999 (the "C&E Law") sets out the rates of excise duty for various goods, including motor vehicles. Excise duty on motor vehicles is known as Vehicle Emissions Duty (VED) and is charged when a vehicle is first registered in Jersey.

The VED rates are applied depending on whether a vehicle is a commercial vehicle or a non-commercial vehicle. The commercial vehicle category is itself split into two sub-categories, with reduced rates of VED for lower emission commercial vehicles.

Currently, buses do not fall into the commercial category because the definition of a commercial vehicle is as follows:

"commercial vehicle" means a vehicle of a type that is designed to be used to transport goods or materials (rather than passengers)

Later in 2025, the Minister for Treasury and Resources intends to lodge an amendment – as part of the Finance (2026 Budget) (Jersey) Law – to reclassify buses in the C&E Law as commercial vehicles.

If that amendment is adopted by the States, it would mean that lower emission buses (including those meeting Euro 5 and Euro 6 standards) would attract a reduced rate of VED on importation. The changes would take effect from 1 January 2026.

Before that law change is made, the Minister is aware that Liberty Bus plans to import two buses in March 2025. If no action is taken, and on the assumption that the buses are fossil fuel vehicles, those importations will face the full non-commercial VED charge of £9,921 per bus.

Under Article 2 of the Excise Duty (Relief and Drawback) (Jersey) Order 2000 (the "Excise Relief Order"), the Minister of Treasury and Resources may allow relief on excise duty.

3. Decision

Using the power provided in Article 2 of the Excise Relief Order, the Minister for Treasury and Resources decided to allow the excise duty relief on the importation of the two buses to be imported by Liberty Bus in 2025.

As a result of that decision, rather than a VED charge of £9,921 per bus, the VED charged is to be:

- £834 per bus, if a CO₂ rating is available; or
- £1,112 per bus, if a CO₂ rating is not available.

4. Recommendation

It is recommended that the Minister for Treasury and Resources allows excise duty relief in respect of the importation of the two buses to be imported by Liberty Bus in 2025.

5. Reason for decision

The Minister intends to reclassify buses as commercial vehicles from 1 January 2026. Future importations of lower emissions buses will attract a lower rate of VED. In the meantime, the Minister is using the power in the Excise Relief Order to reduce the VED charged on the importation of the two buses in 2025.

This aligns with the priority in the [Common Strategic Policy 2024-2026](#) to address the climate emergency through the implementation of the Carbon Neutral Roadmap. This decision also supports Priority 3 of the [Sustainable Transport Policy: Next Steps](#), to raise the profile of public transport.

6. Resource implications

There are no resource implications arising from the making of this decision. VED revenue is expected to reduce by c.£18,000.

Report author: Manager – Tax Policy	Document date: 20 February 2025
Quality Assurance / Review: Agent of the Impots	File name and path:
MD Sponsor: Comptroller of Revenue	