

## AIDE MEMOIRE: CABINET PAPER

<b>Title</b>	<b>Road User Charges (Exemption Period for Light Electric RUC Vehicles) Order 2016</b>
<b>Committee</b>	Cabinet Legislation Committee
<b>Issues</b>	Authorise the submission of the Order to the Executive Council
<b>Ministerial Consultation</b>	None required

### Talking points

- I propose that the Cabinet Legislation Committee authorise the submission of the Road User Charges (Exemption Period for Light Electric RUC Vehicles) Order 2016 (the proposed Order) to Executive Council.
- Road user charges (RUC) are payable on all vehicles with a gross vehicle mass of more than 3,500 kilograms, or vehicles with motive power that is not wholly derived from petrol.
- In 2009, as a first step in encouraging the uptake of electric vehicles, the Government decided that light electric vehicles would be exempt from RUC starting from 1 October 2009 until 2013.
- Following a review of the RUC exemption, Cabinet agreed on 16 April 2012 that the RUC exemption for light electric RUC vehicles be extended until 30 June 2020.
- On 21 March 2016, as part of the electric vehicles package, Cabinet agreed to rescind their earlier decision and instead extend RUC exemption for light electric RUC vehicles until they comprise two percent of the light vehicle fleet, which is expected to occur by December 2021.
- The proposed Order will amend the Road User Charges (Exemption Period for Light Electric RUC Vehicles) Order 2012 and extend the RUC exemption period for light electric RUC vehicles from 30 June 2020 to 31 December 2021.
- The work on extending the RUC exemption to heavy electric vehicles is being progressed separately through the Energy Innovation Bill.