



House of Commons

## **Resolutions to be moved by the Chancellor of the Exchequer**

**Wednesday 3 March 2021**

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***These Motions are to be moved at the conclusion of the Budget Debate, after the decision on Motion No. 1 (Income tax (charge)) which is currently before the House. They will be decided without debate (Standing Order No. 51(3)).***

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### **2. Income tax (main rates)**

That for the tax year 2021-22 the main rates of income tax are as follows—

- (a) the basic rate is 20%,
- (b) the higher rate is 40%, and
- (c) the additional rate is 45%.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

### 3. Income tax (default and savings rates)

That—

- (1) For the tax year 2021-22 the default rates of income tax are as follows—
  - (a) the default basic rate is 20%,
  - (b) the default higher rate is 40%, and
  - (c) the default additional rate is 45%.
- (2) For the tax year 2021-22 the savings rates of income tax are as follows—
  - (a) the savings basic rate is 20%,
  - (b) the savings higher rate is 40%, and
  - (c) the savings additional rate is 45%.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

### 4. Income tax (starting rate limit for savings)

That—

- (1) For the tax year 2021-22, the amount specified in section 12(3) of the Income Tax Act 2007 (the starting rate limit for savings) is “£5,000”.
- (2) Accordingly, section 21 of that Act (indexation) does not apply in relation to the

starting rate limit for savings for that tax year.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

#### 5. Basic rate limit and personal allowance (future years)

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made taking effect in a future year for each of the following amounts to remain at the amount specified for the tax year 2021-22—

- (a) the amount specified in section 10(5) of the Income Tax Act 2007 (basic rate limit), and
- (b) the amount specified in section 35(1) of that Act (personal allowance).

#### 6. Corporation tax (charge and main rate for financial years 2022 and 2023)

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills)

provision may be made for the charging of corporation tax, and for setting the main rate of corporation tax, for the financial years 2022 and 2023.

#### 7. Corporation tax (small companies rate)

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made taking effect in a future year—

- (a) charging corporation tax at a rate lower than the main rate on profits not exceeding a specified amount,
- (b) reducing the amount of corporation tax chargeable in cases where profits exceed that amount but do not exceed a higher specified amount, and
- (c) amending Chapter 3A of Part 8 of the Corporation Tax Act 2010 (corporation tax rates on ring fence profits).

#### 8. Rate of diverted profits tax

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be

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made increasing the percentage specified in section 79(2)(a) of the Finance Act 2015.

#### 9. Capital allowances (super-deduction etc)

That provision may be made for temporary first-year allowances in respect of expenditure incurred on plant or machinery by companies within the charge to corporation tax, including provision for the amount of expenditure qualifying for an allowance to be treated as being greater than the actual amount of the expenditure.

#### 10. Extension of temporary increase in annual investment allowance

That provision may be made extending the temporary increase in the maximum amount of annual investment allowance under section 51A of the Capital Allowances Act 2001 from two years to three years.

#### 11. Capital allowances (oil and gas)

That provision may be made about expenditure incurred in relation to the decommissioning of offshore plant or machinery

for the purposes of sections 164 and 165 of the Capital Allowances Act 2001.

12. Capital allowances (extensions of leases for reasons related to coronavirus)

That provision (including provision having retrospective effect) may be made disapplying sections 70YB and 70YC of the Capital Allowances Act 2001 in cases involving the extension of long funding operating leases, or plant or machinery leases that are not long funding leases, for reasons related to coronavirus.

13. Temporary extension of periods to which trade losses etc may be carried back

That provision may be made for a temporary extension of the periods to which losses made in a trade, profession or vocation may be carried back.

14. Corporation tax (R&D tax credits)

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made for limiting the amount

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of R&D tax credit to which a small or medium-sized enterprise may be entitled.

15. Extension of social investment tax relief

That provision may be made substituting a later date for the date mentioned in—

- (a) section 257K(1)(a)(iii) of the Income Tax Act 2007 (date by which investment must be made to qualify for social investment tax relief), and
- (b) paragraphs 1(3)(b) and 2(2)(b) of Schedule 8B to the Taxation of Chargeable Gains Act 1992 (date by which gains re-invested in social enterprises must accrue to qualify for hold-over relief).

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16. Income tax (workers' services provided through intermediaries)

That—

- (1) Chapter 10 of Part 2 of the Income Tax (Earnings and Pensions) Act 2003 (workers' services provided through intermediaries to public authorities or medium or large clients) is amended as follows.
- (2) In section 61N (worker treated as receiving earnings from employment)—
  - (a) in subsection (3), for "and 61V" substitute ", 61V and 61WA";
  - (b) in subsection (5), for "section 61V" substitute "sections 61V and 61WA";
  - (c) in subsection (5A), in the words before paragraph (a), for "and 61V" substitute ", 61V and 61WA".
- (3) In section 61O (conditions where intermediary is a company)—
  - (a) in subsection (1), for paragraph (b) substitute—

“(b) subsection (1A) or (1B) is satisfied.”;
  - (b) after subsection (1) insert—

“(1A) This subsection is satisfied where the worker has a material interest in the intermediary.



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- (1B) This subsection is satisfied where—
- (a) the worker has a non-material interest in the intermediary,
  - (b) the worker—
    - (i) has received,
    - (ii) has rights which entitle, or which in any circumstances would entitle, the worker to receive, or
    - (iii) expects to receive, a chain payment from the intermediary, and
  - (c) the chain payment does not, or will not, wholly constitute employment income of the worker (apart from as a result of this Chapter).”;
- (c) after subsection (4) insert—
- “(4A) The worker is treated as having a non-material interest in the intermediary if—
- (a) the worker, alone or with one or more associates of the worker, or
  - (b) an associate of the worker, with or without other associates of the worker,
- has a non-material interest in the intermediary.

- (4B) For this purpose a non-material interest means—
- (a) beneficial ownership of, or the ability to control, directly or through the medium of other companies or by any other indirect means, 5% or less of the ordinary share capital of the company,
  - (b) possession of, or entitlement to acquire, rights entitling the holder to receive 5% or less of any distributions that may be made by the company, or
  - (c) where the company is a close company, possession of, or entitlement to acquire, rights that would in the event of the winding up of the company, or in any other circumstances, entitle the holder to receive 5% or less of the assets that would then be available for distribution among the participators.
- (4C) In subsection (4B)(c) “participator” has the meaning given by section 454 of CTA 2010.”

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- (4) In section 61S(4) (deductions from chain payments), for “services-provider” substitute “relevant person”.
- (5) In section 61T(3) (client-led status disagreement process), for “section 61V” substitute “sections 61V and 61WA”.
- (6) In section 61U (information to be provided by worker and consequences of failure)—
- (a) in the heading, after “worker” insert “or intermediary”;
  - (b) in subsection (1), for “the worker” substitute “the relevant person”;
  - (c) in subsection (2), for “the worker” substitute “the relevant person”;
  - (d) in subsection (3), after “In this section” insert “—  
“relevant person” means the worker or, in a case where the worker has not complied with subsection (1), the intermediary;”.
- (7) In section 61V (consequences of providing fraudulent information)—
- (a) in subsection (2), in the words before paragraph (a), for “services-provider” substitute “relevant person (or if more than one, the first relevant person) in relation to whom the fraudulent documentation condition is met”;

(b) in subsection (3), for “involves the services-provider” substitute “may involve a services-provider”;

(c) in subsection (5), after paragraph (c) insert—

“(d) a person in the chain who is resident in the United Kingdom or has a place of business in the United Kingdom.”

(8) After section 61W insert—

### **“61WA Anti-avoidance**

(1) This section applies if in any case at least one relevant person in a chain participates in a relevant avoidance arrangement.

(2) An arrangement is a “relevant avoidance arrangement” if its main purpose, or one of its main purposes, is to secure a tax advantage by securing that at least one of the conditions mentioned in section 61O or 61P is not met in relation to an intermediary.

(3) Section 61N(3) has effect as if the reference to the fee-payer were a reference to the participating person, but—

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- (a) section 61N(4) continues to have effect as if the reference to the fee-payer were a reference to the deemed employer, and
    - (b) Step 1 of section 61Q(1) continues to have effect as referring to the chain payment made by the deemed employer.
  - (4) The participating person is—
    - (a) in a case where only one relevant person participates in the arrangement, that person;
    - (b) in any other case the highest relevant person in the chain who participated in the arrangement and from whom HMRC considers there is a realistic prospect of recovering, within a reasonable period, the amount of tax that would have been paid (or not repaid) in the absence of the arrangement.
  - (5) Subsection (3) has effect even though that may involve a participating person being treated as both employer and employee in relation to the deemed employment under section 61N(3).
  - (6) In this section—
    - “arrangement” includes any agreement, understanding, scheme,

transaction or series of transactions (whether or not legally enforceable);

“deemed employer” means a person who would, but for this section, be treated by section 61N(3) as making a payment to the worker;

“relevant person” means—

(a) the worker;

(b) a person who is resident in the United Kingdom or who has a place of business in the United Kingdom;

“tax” means income tax (and “tax advantage” is to be construed accordingly”);

“tax advantage” includes—

(a) avoidance or reduction of a charge to tax or an assessment to tax,

(b) repayment or increased repayment of tax,

(c) avoidance of a possible assessment to tax, and

(d) deferral of a payment of tax or advancement of a repayment of tax.”

(9) In section 688AA(2)(a) (workers’ services provided through intermediaries: recovery of

PAYE), after “to a worker” insert “(other than by virtue of section 61WA)”.

- (10) The amendments made by this Resolution have effect in relation to deemed direct payments treated as made on or after 6 April 2021.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

## 17. Income tax (payments on termination of employment)

That—

- (1) Section 27 of the Income Tax (Earnings and Pensions) Act 2003 (UK-based earnings for year when employee not resident in UK) is amended in accordance with paragraphs (2) to (5).
- (2) In subsection (1)—
- (a) omit the “or” at the end of paragraph (a), and
  - (b) at the end of paragraph (b) insert “, or
  - (c) general earnings to which section 402B (termination payments, and other benefits, that cannot

benefit from the section 403 threshold, to be treated as earnings) applies.”

(3) In subsection (2), for “(1)” substitute “(1)(a) or (b)”.

(4) After subsection (2) insert—

“(2A) The percentage of the general earnings within subsection (1)(c) that are an amount of “taxable earnings” from the employment in the tax year in which they are received is given by—

$$\frac{A}{B} \times 100$$

where—

B is the total amount of general earnings from the employment that it is reasonable to assume the employee would have received in respect of the post-employment notice period (within the meaning given by section 402E(5)) if the employee’s employment had not been terminated until the end of that period, and

A is the total amount of those general earnings that it is reasonable to assume would have been taxable



earnings by virtue of subsection (1)(a) or (b)."

- (5) In subsection (3), for "Subsection (2) applies" substitute "Subsections (2) and (2A) apply".
- (6) In section 402B of the Income Tax (Earnings and Pensions) Act 2003 (termination payments, and other benefits, that cannot benefit from the section 403 threshold, to be treated as earnings), in subsection (1)—
  - (a) the words from "is treated" to the end become paragraph (a), and
  - (b) after that paragraph insert ", but
    - (b) is not capable of being an amount to which section 27 applies by virtue of subsection 1(a) or (b) of that section (UK-based taxable earnings for year when employee not resident in UK)."
- (7) In section 402D of the Income Tax (Earnings and Pensions) Act 2003 (post-employment notice pay)—
  - (a) in subsection (3), for "and (6)" substitute ", (6) and (6A)";
  - (b) in subsection (6), after "month, " insert "the employee's basic pay is paid in equal monthly instalments,";
  - (c) after subsection (6) insert—

“(6A) In any other case where the last pay period of the employee to end before the trigger date is a month and the employee’s basic pay is paid in equal monthly instalments, then—

BP is the employee’s basic pay from the employment in respect of the last pay period of the employee to end before the trigger date,

P is 30.42, and

D is the number of days in the post-employment notice period.”

- (8) The amendments made by this Resolution have effect in relation to general earnings to which section 402B of the Income Tax (Earnings and Pensions) Act 2003 applies that are paid—
- (a) on or after 6 April 2021, and
  - (b) in connection with a termination of employment that takes place on or after that date.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

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18. Income tax (cash equivalent benefit of a zero emissions van)

That—

- (1) Section 155 of the Income Tax (Earnings and Pensions) Act 2003 (cash equivalent of the benefit of a van) is amended in accordance with this Resolution.
- (2) In subsection (1B)—
  - (a) in paragraph (a), for “2021-22” substitute “2020-21”;
  - (b) omit the “and” at the end of that paragraph;
  - (c) after that paragraph insert—

“(aa) if the van cannot in any circumstances emit CO<sub>2</sub> by being driven and the tax year is 2021-22 or a subsequent tax year, the cash equivalent is nil, and”.
- (3) In subsection (1C) omit paragraph (g).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

### 19. Income tax (enterprise management incentives)

That provision (including provision having retrospective effect) may be made modifying requirements relating to enterprise management incentives in relation to persons who are not required to work for reasons connected with coronavirus disease.

### 20. Income tax (cycle to work)

That provision may be made for Condition B in section 244(3) of the Income Tax (Earnings and Pensions) Act 2003 (requirement that cycle or cyclist's safety equipment is used mainly for commuting etc) to be treated as met for the period commencing with 16 March 2020 and ending with 5 April 2022 in relation to the provision for an employee of a cycle or cyclist's safety equipment that was first provided before 21 December 2020.

### 21. Income tax (coronavirus tests in 2021-22)

That—

- (1) For the tax year 2021-22, no liability to income tax arises in respect of—

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- (a) the provision to an employee of a coronavirus test, or
  - (b) the payment or reimbursement, to or in respect of an employee, of the cost of such a test.
- (2) In this Resolution “coronavirus test” means a test which detects the presence of a viral antigen or viral ribonucleic acid (RNA) specific to severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).
- (3) This Resolution has effect as if it were contained in Part 4 of the Income Tax (Earnings and Pensions) Act 2003 (employment income: exceptions).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

## 22. Income tax (coronavirus tests in other years)

That—

- (a) provision may be made that, for the tax year 2020-21, no liability to income tax arises on the provision of coronavirus tests to employees, or on the payment or reimbursement of the costs of such tests, and

- (b) (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be made to the same effect.

### 23. Income tax (statutory parental bereavement pay)

That provision (including provision having retrospective effect) may be made that the reference to variation in paragraph 62(6) of Schedule 2 to the Finance Act 2017 (optional remuneration arrangements) does not include any variation which occurs in connection with a person's entitlement to statutory parental bereavement pay.

### 24. Standard lifetime allowance (2021-22)

That section 218(2C) and (2D) of the Finance Act 2004 (indexation of standard lifetime allowance) do not apply in relation to the standard lifetime allowance for the tax year 2021-22 (so that the amount of the standard lifetime allowance for that tax year remains at the amount for the tax year 2020-21, namely £1,073,100).

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And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

25. Standard lifetime allowance (future years)

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be made for the amount of the standard lifetime allowance to remain at the amount for the tax year 2020-21.

26. Pension schemes (collective money purchase benefits)

That provision may be made about the treatment under Part 4 of the Finance Act 2004 of collective money purchase benefits.

## 27. Construction industry scheme

That—

### *Introductory*

- (1) Chapter 3 of Part 3 of the Finance Act 2004 (construction industry scheme) is amended as follows (and, in the following provisions, that Act is referred to as “FA 2004”).

### *Contractors*

- (2) Section 59 of FA 2004 (contractors) is amended in accordance with paragraphs (3) and (4).
- (3) In subsection (1), for paragraph (l) substitute—
  - “(l) a person carrying on a business at any time if, in the period of one year ending with that time, the person’s expenditure on construction operations exceeds £3,000,000.”
- (4) For subsections (2) and (3) substitute—
  - “(2) But this section only applies to a body or person falling within any of paragraphs (b) to (fa) or (h) to (k) of subsection (1) at any time if, in the period of one year ending with that time, the body or



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person's expenditure on construction operations exceeds £3,000,000.

- (3) Where the condition in subsection (1)(l) or (2) is met in relation to a body or person at any time, the body or person may elect for the condition to be treated as no longer being met if, at that time, the body or person is not expected to make any further expenditure on construction operations.
- (3A) Where the condition in subsection (1)(l) or (2) ceases to be met in relation to a body or person at any time, the body or person may elect for the condition to be treated as continuing to be met until the body or person is not expected to make any further expenditure on construction operations.
- (3B) Subsections (3) and (3A) do not prevent the condition in subsection (1)(l) or (2) from being met again in relation to the body or person."
- (5) Paragraph (6) applies where—
- (a) the condition in section 59(1)(l) or (2) of FA 2004 was met in relation to a body or person immediately before the

- amendments made by paragraphs (3) and (4) come into force, and
- (b) on the coming into force of those amendments, that condition would (but for paragraph (6)) cease to be met in relation to the body or person.
- (6) The condition in section 59(1)(l) or (2) of FA 2004 (as the case may be) is treated as continuing to be met in relation to the body or person until the body or person is not expected to make any further expenditure on construction operations (within the meaning given by section 74 of FA 2004).

### *Deductions for materials*

- (7) In section 61(1) of FA 2004 (deductions on account of tax from contract payments), for "any other person" substitute "the sub-contractor".

### *Grace period*

- (8) In section 61 of FA 2004 (deductions on account of tax from contract payments), after subsection (3) insert—
- "(4) Subsection (5) applies where the contractor is a person falling within section 59(1)(l).

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- (5) An officer of Revenue and Customs may, if the officer considers it appropriate to do so, by notice in writing—
- (a) exempt the contractor from the requirement to deduct sums from contract payments under subsection (1) for a specified period;
  - (b) treat the contractor as if such an exemption had applied in relation to—
    - (i) specified contract payments made before the date of the notice, or
    - (ii) contract payments made during a specified period before the date of the notice.
- (6) The period referred to in subsection (5)(a)—
- (a) must not exceed 90 days, but
  - (b) may be extended by one or more further notices under subsection (5).
- (7) In subsection (5) “specified” means specified in the notice.”

### *Restrictions on set-off*

- (9) Section 62 of FA 2004 (treatment of sums deducted) is amended as follows.

(10) After subsection (3) insert—

“(3A) Regulations under subsection (3) may include provision authorising an officer of Revenue and Customs to—

- (a) correct an error or omission relating to a set-off claim;
- (b) remove a set-off claim;
- (c) prohibit a person from making a further set-off claim, for a specified period or indefinitely.

(3B) Regulations under subsection (3) that include provision of the kind mentioned in subsection (3A) may, for example, include provision—

- (a) allowing the things mentioned in subsection (3A)(a) to (c) to be done by amending a return (including a return not made under the regulations) or otherwise;
- (b) allowing a set-off claim to be removed where the claimant is not eligible to make the claim (including where the claimant is not a company, not a sub-contractor, or is registered for gross payment);
- (c) requiring information to be given to the Commissioners of Revenue and Customs, at such times as may be specified in the regulations.

- (3C) In subsections (3A) and (3B), “set-off claim” means a claim for treating a sum deducted under section 61 as paid on account of any relevant liabilities.”
- (11) In subsection (4), for “subsection (3)” substitute “this section”.

### *Penalties*

- (12) For section 72 of FA 2004 (penalties) substitute—

#### **“72Penalties**

- (1) This section applies in a case within subsection (2), (3) or (4).
- (2) A case is within this subsection if a person (“A”)—
- (a) makes a statement, or furnishes a document, which A knows to be false in a material particular, or
  - (b) recklessly makes a statement, or furnishes a document, which is false in a material particular,
- for the purpose of becoming registered for gross payment or for payment under deduction.
- (3) A case is within this subsection if a person (“A”) who exercises influence or

control over another person ("B") or is in a position to do so —

(a) makes a statement, or furnishes a document, which A knows to be false in a material particular, or

(b) recklessly makes a statement, or furnishes a document, which is false in a material particular,

for the purpose of enabling or facilitating B to become registered for gross payment or for payment under deduction.

(4) A case is within this subsection if a person ("A") who exercises influence or control over another person ("B") or is in a position to do so—

(a) encourages B to make a statement, or furnish a document, which A knows to be false in a material particular, or

(b) encourages B to make a statement or furnish a document—

(i) which is false in a material particular, and

(ii) where A is reckless as to whether the statement or document is false in a material particular,

for the purpose of enabling or facilitating B to become registered for gross payment or for payment under deduction.

- (5) In a case where this section applies, A is liable to a penalty not exceeding £3,000.”

### *Commencement*

(13) The amendments made by this Resolution have effect for the tax year 2021-22 and subsequent tax years.

(14) But the amendment made by paragraph (12) has no effect in relation to a statement made, or document furnished, before 6 April 2021.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

## 28. Covid-19 support scheme (working households receiving tax credits)

That—

- (1) This Resolution applies to a payment which—

- (a) is made by Her Majesty's Revenue and Customs in the exercise of a function which they have as a result of a direction given by the Treasury under section 76 of the Coronavirus Act 2020, and
  - (b) is made to a person by reason of the person's receipt of any tax credit specified in the direction on a date so specified.
- (2) No liability to income tax arises in respect of a payment to which this Resolution applies.
- (3) But paragraph (2) does not prevent the application of paragraph 8 of Schedule 16 to the Finance Act 2020 (charge to income tax where person not entitled to coronavirus support payment) in relation to a payment to which this Resolution applies.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

## 29. Self-employment income support scheme

That provision may be made—

- (a) for payments made under the self-employment income support scheme, other than a payment in respect of a



partner of a firm where the payment is distributed amongst the partners, to be treated as receipts of a revenue nature of the tax year in which they are received, and

- (b) amending section 106(3) of, and paragraph 8 of Schedule 16 to, the Finance Act 2020 in relation to the self-employment income support scheme.

### 30. Deductions for voluntary repayments

That provision (including provision having retrospective effect) may be made for a payment made to a public authority in respect of a charge to be deductible for income tax or corporation tax purposes in circumstances where that charge has been waived or reduced for purposes connected with the provision of support to businesses in connection with coronavirus.

### 31. Repeal of provisions relating to the Interest and Royalties Directive

That—

- (1) The following provisions are repealed—
  - (a) sections 757 to 767 of the Income Tax (Trading and Other Income) Act 2005 (exemption from income tax for certain

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- interest and royalty payments) and the italic heading before those sections, and
- (b) sections 914 to 917 of the Income Tax Act 2007 (discretion to make royalty payments gross) and the italic heading before those sections;
- and the remainder of this Resolution makes amendments consequential on the repeal of those provisions.
- (2) In section 98 of the Taxes Management Act 1970 (special returns, etc)—
- (a) in subsection (4A)(b) omit “, (4DA)”, and
- (b) omit subsection (4DA).
- (3) In section 42(9) of the Finance Act 2016 (section 758 of the Income Tax (Trading and Other Income) Act 2005 not to apply to certain royalty payments)—
- (a) in paragraph (b), at the end insert “under arrangements (within the meaning of section 917A of Income Tax Act 2007) entered into before that day”,
- (b) omit paragraph (c) (but not the “and” at the end of it), and
- (c) for the words after paragraph (d) substitute “the arrangements are to be regarded as DTA tax avoidance arrangements for the purposes of section 917A of ITA 2007”.

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- (4) In consequence of the repeal of section 762 of the Income Tax (Trading and Other Income) Act 2005 made by paragraph (1), the Exemption From Tax For Certain Interest Payments Regulations 2004 (S.I. 2004/2622) are revoked (and, accordingly, exemption notices issued in accordance with those regulations are cancelled).
  - (5) The amendments made by this Resolution have effect in relation to—
    - (a) payments made on or after 1 June 2021, and
    - (b) payments made in disqualifying circumstances on or after 3 March 2021 but before 1 June 2021.
  - (6) A payment is made in “disqualifying circumstances” if it is made directly or indirectly in consequence of, or otherwise in connection with, any arrangements the main purpose, or one of the main purposes, of which is to secure that the provisions mentioned in paragraph (1)(a) or (b) continue to have effect in relation to it.
  - (7) For this purpose “arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

### 32. Payments made to victims of modern slavery etc

That provision may be made (including provision having retrospective effect) exempting from income tax any payments made by or on behalf of a public authority for the purpose of providing assistance and support to persons reasonably regarded as victims of slavery or human trafficking.

### 33. Hybrid and other mismatches

That provision may be made (including provision having retrospective effect) amending Part 6A of the Taxation (International and Other Provisions) Act 2010.

### 34. Corporation tax (relief for losses and other amounts)

That provision (including provision having retrospective effect) may be made—

- (a) amending Part 7ZA of the Corporation Tax Act 2010 (restrictions on deductions for carried-forward losses and other amounts), and
- (b) amending sections 137 (deductions from total profits for in-year group relief), 188BE (restriction on surrendering carried-forward losses for group relief), 188DD (claimant company's relevant maximum for overlapping period), and 719 and 721 (which concern changes in the ownership of a company) of that Act.

35. Corporate interest restriction (minor amendments)

That provision (including provision having retrospective effect) may be made amending—

- (a) section 452 of the Taxation (International and Other Provisions) Act 2010 (Real Estate Investment Trusts), and
- (b) Schedule 7A to that Act in relation to penalties under paragraph 29 of that Schedule.

36. Northern Ireland Housing Executive

That provision (including provision having retrospective effect) may be made exempting the

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Northern Ireland Housing Executive from corporation tax.

37. Capital gains tax (annual exempt amount for 2021-22)

That section 1L of the Taxation of Chargeable Gains Act 1992 (which provides for an increase in the annual exempt amount to reflect increases in CPI) does not apply for the tax year 2021-22 (so that the annual exempt amount for that tax year remains at the amount for the tax year 2020-21, namely £12,300).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

38. Capital gains tax (annual exempt amount for future years)

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be made for the annual exempt amount to remain at the amount for the tax year 2020-21.

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39. Capital gains tax (hold-over relief for foreign-controlled companies)

That provision may be made amending section 167(2) of the Taxation of Chargeable Gains Act 1992.

40. Plastic packaging tax

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be made for a new tax to be charged on plastic packaging components produced in, or imported into, the United Kingdom.

41. Inheritance tax (nil rate band etc)

That provision may be made for inheritance tax purposes for the amount of the nil rate band, the residential enhancement and the taper threshold to remain at their current amounts, including provision (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) taking effect in a future year.

42. Stamp duty land tax (reduced rates on residential property for temporary period)

That—

- (1) The Stamp Duty Land Tax (Temporary Relief) Act 2020 is amended as follows.
- (2) In section 1 (reduced rates of SDLT on residential property for a temporary period)—
  - (a) in subsection (1)(b) (which specifies the end of that temporary period), for “31 March 2021” substitute “30 June 2021”,
  - (b) in subsections (1) and (6)(a), for “temporary” substitute “initial temporary”, and
  - (c) in the heading, for “a temporary” substitute “an initial temporary”.
- (3) After that section insert—

**“1A Further period for reduced rates of SDLT on residential property**

- (1) This section makes modifications of Part 4 of the Finance Act 2003 in relation to any land transaction the effective date of which falls in the period (“the further temporary relief period”)—
  - (a) beginning with 1 July 2021, and
  - (b) ending with 30 September 2021.



- (2) Section 55(1B) (amount of stamp duty land tax chargeable: general) has effect as if for Table A there were substituted—

“TABLE A: RESIDENTIAL

<i>Part of relevant consideration</i>	<i>Percentage</i>
So much as does not exceed £250,000	0%
So much as exceeds £250,000 but does not exceed £925,000	5%
So much as exceeds £925,000 but does not exceed £1,500,000	10%
The remainder (if any)	12%”.

- (3) Schedule 4ZA (higher rates of stamp duty land tax for additional dwellings etc) has effect as if for the Table A in section

55(1B) mentioned in paragraph 1(2) there were substituted—

“TABLE A: RESIDENTIAL

<i>Part of relevant consideration</i>	<i>Percentage</i>
So much as does not exceed £250,000	3%
So much as exceeds £250,000 but does not exceed £925,000	8%
So much as exceeds £925,000 but does not exceed £1,500,000	13%
The remainder (if any)	15%”.

- (4) Paragraph 2(3) of Schedule 5 (amount of SDLT chargeable in respect of rent) has effect as if for Table A there were substituted—

“TABLE A: RESIDENTIAL

<i>Rate bands</i>	<i>Percentage</i>
£0 to £250,000	0%
Over £250,000	1%”.

- (5) In a case where—
- (a) as a result of section 44(4) of the Finance Act 2003 the effective date of a land transaction falls in the further temporary relief period, and
  - (b) the contract concerned is completed by a conveyance after that period ends,
- section 44(8) of that Act is not to apply in relation to that conveyance if the sole reason that (but for this subsection) it would have applied is that the modifications made by this section have no effect in relation to that conveyance.
- (6) Section 44(10) of the Finance Act 2003 applies for the purposes of subsection (5).”

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

43. Stamp duty land tax (increased rates for non-resident transactions)

That—

- (1) In the Finance Act 2003, Part 4 (stamp duty land tax) is amended in accordance with paragraphs (2) to (5).
- (2) After section 75 insert—

*“Increased rates for non-resident transactions*

**75ZA Increased rates for non-resident transactions**

- (1) In its application for the purpose of determining the amount of tax chargeable in respect of a chargeable transaction that is a non-resident transaction, this Part has effect as if 2% were added to each rate specified in the rate-specifying provisions.
- (2) The “rate-specifying provisions” are—
  - (a) in section 55(1B), Table A;

- (b) in Schedule 4ZA, in paragraph 1(2), Table A;
  - (c) in Schedule 4A, paragraph 3(1)(a);
  - (d) in Schedule 5, in paragraph 2(3), Table A;
  - (e) in Schedule 6ZA, in paragraph 4, Table A;
  - (f) in section 74(1A), Step 4.
- (3) Schedule 9A defines “non-resident transaction” and makes further provision in connection with this section.

*Anti-avoidance”.*

- (3) In section 101 (unit trust schemes), in subsection (7), at the end insert “, or Schedule 9A (increased rates for non-resident transactions).”
- (4) In section 122 (index of defined expressions), in the table, at the appropriate place insert—

“non-resident transaction	Schedule 9A, paragraph 2”
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- (5) After Schedule 9 insert—

## “SCHEDULE 9A

### INCREASED RATES FOR NON-RESIDENT TRANSACTIONS

#### PART 1

#### INTRODUCTION

- 1 This Schedule is arranged as follows—
  - (a) Part 2 explains how to determine for the purposes of this Part of this Act whether a chargeable transaction is a “non-resident transaction”;
  - (b) Part 3 explains how to determine for the purposes of this Schedule whether an individual is “non-resident” in relation to a chargeable transaction;
  - (c) Part 4 explains how to determine for the purposes of this Schedule whether a company is “non-resident” in relation to a chargeable transaction;
  - (d) Part 5 contains special rules applying in relation to particular purchasers and transactions;
  - (e) Part 6 contains supplementary provision.

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PART 2

MEANING OF "NON-RESIDENT TRANSACTION"

*Meaning of "non-resident transaction"*

- 2(1) A chargeable transaction is a "non-resident transaction" for the purposes of this Part of this Act if—
- (a) the purchaser is, or (if there is more than one) the purchasers include, a person who is non-resident in relation to the transaction,
  - (b) the main subject-matter of the transaction consists of—
    - (i) a major interest in one or more dwellings, or
    - (ii) a major interest in one or more dwellings and other property,
  - (c) that major interest, at the beginning of the effective date of the transaction, is not a term of years absolute or leasehold estate that has 7 years or less to run, and
  - (d) the de minimis threshold is exceeded.
- (2) A reference in sub-paragraph (1)(b) or (c) to a major interest in a dwelling

includes an undivided share in a major interest in a dwelling.

- (3) For the purposes of sub-paragraph (1)(d), the de minimis threshold is exceeded if—
- (a) in a case in which the chargeable consideration for the transaction does not consist of or include rent, the chargeable consideration for the transaction is £40,000 or more;
  - (b) in a case in which the chargeable consideration for the transaction consists of or includes rent—
    - (i) the chargeable consideration other than rent is £40,000 or more, or
    - (ii) the annual rent is £1,000 or more.
- (4) In sub-paragraph (3) “annual rent” in relation to a transaction, means the average annual rent over the term of the lease to which the transaction relates or, if—
- (a) different amounts of rents are payable for different parts of the term, and
  - (b) those amounts (or any of them) are ascertainable at the effective date of the transaction,



the average annual rent over the period for which the highest ascertainable rent is payable.

- (5) For provision modifying sub-paragraph (1)(a) in its application to chargeable transactions of particular descriptions, see—
- paragraph 13 (bare trust acquiring new lease);
  - paragraph 14 (purchases by certain settlements).
- (6) Sub-paragraph (1) is subject to paragraph 17 (completion of contract previously substantially performed).

### PART 3

#### “NON-RESIDENT” IN RELATION TO A CHARGEABLE TRANSACTION: INDIVIDUALS

##### *Whether individual “non-resident” in relation to a chargeable transaction*

- 3 For the purposes of this Schedule, an individual is “non-resident” in relation to a chargeable transaction if the individual is not UK resident in relation to the transaction (see paragraphs 4 and 5).

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*Whether individual “UK resident” in relation to a chargeable transaction: basic rule*

- 4(1) For the purposes of this Schedule, an individual is “UK resident” in relation to a chargeable transaction if the individual is present in the United Kingdom on at least 183 days during any continuous period of 365 days that falls within the relevant period.
- (2) “The relevant period” means the period that—
  - (a) begins with the day 364 days before the effective date of the chargeable transaction, and
  - (b) ends with the day 365 days after the effective date of the chargeable transaction.
- (3) This paragraph does not apply in relation to a chargeable transaction to which paragraph 5 applies.
- (4) References in this paragraph to an individual being present in the United Kingdom on a day are to the individual being present in the United Kingdom at the end of that day.

- (5) This paragraph is subject to paragraph 12 (spouses and civil partners of UK residents).

*Whether individual “UK resident” in relation to a chargeable transaction: special cases*

- 5(1) For the purposes of this Schedule, an individual is “UK resident” in relation to a chargeable transaction to which this paragraph applies if the individual is present in the United Kingdom on at least 183 days during the period that—
- (a) begins with the day 364 days before the effective date of the chargeable transaction, and
  - (b) ends with the effective date of the chargeable transaction.
- (2) This paragraph applies to a chargeable transaction if any of conditions A to C is met in relation to the transaction.
- (3) Condition A is that the purchaser is, or (if there is more than one) the purchasers include—
- (a) a company, or
  - (b) a person acting as a trustee of a unit trust scheme.

- (4) Condition B is that the purchaser is, or (if there is more than one) the purchasers include, an individual who is treated as entering into the transaction by virtue of paragraph 2 of Schedule 15 (transaction entered into for the purposes of a partnership treated as entered into by partners).
- (5) Condition C is that—
  - (a) the purchaser is, or (if there is more than one) the purchasers include, an individual who is acting as a trustee of a settlement, and
  - (b) under the terms of the settlement no beneficiary is entitled—
    - (i) to occupy the dwelling or dwellings for life, or
    - (ii) to income earned in respect of the dwelling or dwellings.
- (6) References in this paragraph to an individual being present in the United Kingdom on a day are to the individual being present in the United Kingdom at the end of that day.
- (7) This paragraph is subject to paragraph 12 (spouses and civil partners of UK residents).

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*Crown employment*

- 6(1) For the purposes of paragraphs 4 and 5, an individual is (subject to sub-paragraph (3)) treated as present in the United Kingdom at the end of a day if at that time the individual—
- (a) is in Crown employment, and
  - (b) is present in a country or territory outside the United Kingdom for the purpose of performing activities in the course of that employment.
- (2) For the purposes of paragraphs 4 and 5, an individual is (subject to sub-paragraph (3)) treated as present in the United Kingdom at the end of a day if at that time the individual—
- (a) is the spouse or civil partner of an individual who is treated as present in the United Kingdom at the end of that day under sub-paragraph (1), and
  - (b) is living with that spouse or civil partner.
- (3) Sub-paragraph (1) or (2) applies in relation to an individual only if a claim that it should so apply is included in a

land transaction return or an amendment of such a return.

- (4) "Crown employment" means employment under the Crown—
- (a) which is of a public nature, and
  - (b) the earnings from which are payable out of the public revenue of the United Kingdom or of Northern Ireland.
- (5) Section 1011 of the Income Tax Act 2007 (references to married persons, or civil partners, living together) applies for the purposes of this paragraph.

#### PART 4

#### "NON-RESIDENT" IN RELATION TO A CHARGEABLE TRANSACTION: COMPANIES

#### *Whether company is "non-resident" in relation to a chargeable transaction*

- 7(1) For the purposes of this Schedule a company is "non-resident" in relation to a chargeable transaction if either of the following conditions is met.
- (2) The first condition is that, on the effective date of the chargeable

transaction, the company is not UK resident for the purposes of the Corporation Tax Acts (see Chapter 3 of Part 2 of CTA 2009).

- (3) The second condition is that, on the effective date of the chargeable transaction, the company (though UK resident for the purposes of the Corporation Tax Acts)—
  - (a) is a close company (see paragraph 8),
  - (b) meets the non-UK control test in relation to the transaction (see paragraphs 9 and 10), and
  - (c) is not an excluded company (see paragraph 11).
- (4) This paragraph is subject to—
  - (a) paragraph 15 (co-ownership authorised contractual schemes);
  - (b) paragraph 16 (alternative property finance).

### *Meaning of “close company”*

- 8(1) For the purposes of this Schedule, a company is a “close company” if it is a close company within the meaning given by Chapter 2 of Part 10 of CTA 2010 (basic definitions), applying that

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Chapter subject to the following modifications.

- (2) Section 444 (companies involved with close companies) applies as if condition A in that section were omitted.
- (3) Section 446 (particular types of quoted company not treated as close) is treated as omitted.

### *Non-UK control*

- 9(1) For the purposes of this Schedule, a company meets the “non-UK control test” in relation to a chargeable transaction if it is a close company within the meaning given by Chapter 2 of Part 10 of CTA 2010 (basic definitions), applying that Chapter subject to the following modifications.
- (2) Section 439 (“close company”) applies as if—
  - (a) references to a participator were to a relevant participator, and
  - (b) references to five or fewer participators were to any number of relevant participators.



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- (3) In sub-paragraph (2), “relevant participator” means a participator (within the meaning given by Chapter 2 of Part 10 of CTA 2010) who—
    - (a) is non-resident in relation to the chargeable transaction (within the meaning of this Schedule), and
    - (b) is not a general partner in a limited partnership.
  - (4) Section 444 (companies involved with close companies) applies as if condition A in that section were omitted.
  - (5) Section 446 (particular types of quoted company not treated as close) is treated as omitted.
  - (6) Section 451 (attribution of rights and powers) has effect subject to the limitations set out in paragraph 10.
  - (7) The reference in sub-paragraph (3)(b) to a general partner does not include a general partner who possesses, or is entitled to acquire, rights that entitle the general partner, in the event of the winding up of the company or in any other circumstances, to receive more than 1% of the assets of the company which would then be

available for distribution among its members.

*Non-UK control: attribution of rights and powers*

10(1) This paragraph sets out limitations on the rights and powers of a person (A) that, apart from this paragraph, would be capable of being attributed to another person (B) under section 451(4) of CTA 2010, as that provision applies for the purposes of paragraph 9(1).

(2) Where A and B are partners in a partnership, no rights and powers of A may be attributed to B under paragraph (c) or (d) of section 451(4) of CTA 2010 by virtue of that fact.

(3) Where—

(a) A and B are spouses or civil partners of each other,

(b) A and B are living together, and

(c) A is UK resident in relation to the chargeable transaction,

no rights and powers of A may be attributed to B under paragraph (c) or (d) of section 451(4) of CTA 2010 by

virtue of the fact mentioned in paragraph (a).

- (4) Where A's interest in a company is de minimis, no rights and powers of A in relation to the company may be attributed to B under any of paragraphs (a) to (d) of section 451(4) of CTA 2010.
- (5) For this purpose, A's interest in a company is "de minimis" if—
  - (a) the proportion of the share capital or issued share capital in the company that A possesses or is entitled to acquire is less than 5%,
  - (b) the proportion of the voting rights in the company that A possesses or is entitled to acquire is less than 5%,
  - (c) the issued share capital in the company that A possesses or is entitled to acquire would, on the assumption that the whole of the income of the company were distributed among the participators, entitle A to receive less than 5% of the income so distributed, and
  - (d) A's rights in the company entitle A, in the event of the winding up of

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the company or in any other circumstances, to less than 5% of the assets of the company which would then be available for distribution among the participators.

- (6) Any rights A has as a loan creditor are to be disregarded for the purposes of the assumption in sub-paragraph (5)(c).
- (7) Section 1011 of the Income Tax Act 2007 (references to married persons, or civil partners, living together) applies for the purposes of this paragraph.

### *Excluded companies*

- 11(1) A company is an “excluded company” for the purposes of paragraph 7(3)(c) if it is any of the following—
  - (a) a PAIF;
  - (b) a body corporate that is a 51% subsidiary of PAIF;
  - (c) a company UK REIT;
  - (d) a company that is a member of a group UK REIT.
- (2) In this paragraph—

- (a) "PAIF" means a body corporate that is a property AIF for the purposes of Schedule 7A to this Act by virtue of paragraph 2(2) of that Schedule;
- (b) "51% subsidiary" has the same meaning as in the Corporation Tax Acts (see Chapter 3 of Part 24 of CTA 2010);
- (c) "company UK REIT" has the same meaning as in Part 12 of CTA 2010 (see section 524(5) of that Act);
- (d) "group UK REIT" has the same meaning as in Part 12 of CTA 2010 (see section 523(5) of that Act).

## PART 5

### SPECIAL RULES FOR PARTICULAR PURCHASERS AND TRANSACTIONS

#### *Spouses and civil partners of UK residents*

12(1) This paragraph applies where—

- (a) there are two or more purchasers in relation to a chargeable transaction who are or will be jointly entitled to the interest acquired, and
- (b) the following conditions are met in relation to those purchasers.

- (2) The conditions are—
- (a) that, on the effective date of the transaction, the purchasers, or (if there are more than two) two of them, are spouses or civil partners of each other;
  - (b) that, on the effective date of the transaction, those spouses or civil partners are living together;
  - (c) that one of those spouses or civil partners is UK resident in relation to the chargeable transaction;
  - (d) that (apart from this paragraph) one of those spouses or civil partners is non-resident in relation to the chargeable transaction;
  - (e) that neither of the spouses or civil partners is acting as a trustee of a settlement.
- (3) For the purposes of this Schedule, the spouse or civil partner mentioned in sub-paragraph (2)(d) is UK resident in relation to the chargeable transaction.
- (4) Section 1011 of the Income Tax Act 2007 (references to married persons, or civil partners, living together) applies for the purposes of this paragraph.

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*Bare trust acquiring new lease*

- 13(1) Sub-paragraph (2) applies to a chargeable transaction if—
- (a) the purchaser is, or (if there is more than one) the purchasers include, a person (P) who is acting as a trustee of a bare trust, and
  - (b) paragraph 3(3) of Schedule 16 (trustee of bare trust granted a lease treated as purchaser of the whole of the interest acquired) applies in relation to P.
- (2) In determining for the purposes of this Part of this Act whether the chargeable transaction is a “non-resident transaction”, paragraph 2(1)(a) (condition that purchaser be non-resident) has effect as if a reference to the purchaser or purchasers—
- (a) included the beneficiary or beneficiaries of the bare trust, and
  - (b) did not include P.

*Purchase by settlement if beneficiary entitled to occupy, or to income from, dwelling*

- 14(1) Sub-paragraph (2) applies to a chargeable transaction if—

- (a) the purchaser is, or (if there is more than one) the purchasers include, a person (P) who is acting as a trustee of a settlement, and
  - (b) under the terms of the settlement a beneficiary is entitled—
    - (i) to occupy the dwelling or dwellings for life, or
    - (ii) to income earned in respect of the dwelling or dwellings.
- (2) In determining for the purposes of this Part of this Act whether the chargeable transaction is a “non-resident transaction”, paragraph 2(1)(a) (condition that purchaser be non-resident) has effect as if a reference to the purchaser or purchasers—
  - (a) included the beneficiary or beneficiaries of the settlement, and
  - (b) did not include P.
- (3) In this paragraph “settlement” does not include a settlement under a unit trust scheme.



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*Co-ownership authorised contractual schemes*

- 15(1) Subject to sub-paragraph (2), a co-ownership authorised contractual scheme is not “non-resident” in relation to any chargeable transaction.
- (2) A collective investment scheme that is a co-ownership authorised contractual scheme by virtue of section 102A(7) (EEA schemes) is “non-resident” in relation to all chargeable transactions.

*Alternative property finance*

- 16(1) Sub-paragraph (2) applies in relation to a chargeable transaction within section 71A(1)(a) (purchase of land by financial institution as part of alternative property finance arrangements).
- (2) The financial institution that enters into the transaction is “non-resident” in relation to the transaction if and only if the person with whom it enters into the arrangements mentioned in section 71A(1) is non-resident in relation to the transaction.

- (3) Sub-paragraph (4) applies in relation to a chargeable transaction within section 73(1)(a)(i) (purchase of land by financial institution as part of alternative property finance arrangements).
- (4) The financial institution that enters into the transaction is "non-resident" in relation to the transaction if and only if the person with whom it enters into the arrangements mentioned in section 73(1) is non-resident in relation to the transaction.

*Completion of contract previously substantially performed*

- 17 In a case within section 44(8) (contract substantially performed and subsequently completed by a conveyance) the later of the notifiable transactions mentioned in that provision is a "non-resident transaction" for the purposes of this Part if and only if the earlier of those notifiable transactions is a non-resident transaction for the purposes of this Part.

## PART 6

## SUPPLEMENTARY PROVISION

*Completion of land transaction return*

18(1) Sub-paragraph (2) applies in relation to a land transaction return in respect of a chargeable transaction if—

- (a) in order to determine whether the chargeable transaction is a non-resident transaction, it is necessary to determine whether one or more individuals are UK resident in relation to the transaction under paragraph 4(1), and
- (b) that individual or any of those individuals, at the beginning of the day on which the land transaction return is delivered, has not yet met the condition in that provision (but might turn out to do so depending on their residence during the remainder of the relevant period).

(2) The land transaction return must be prepared on the assumption that the individual or (as the case may be) each of the individuals is resident outside

the United Kingdom throughout the period—

- (a) beginning with the day on which the land transaction return is delivered, and
- (b) ending at the end of the relevant period.

(3) In this paragraph “the relevant period” has the same meaning as in paragraph 4(1).

*Amendment of return where individual becomes UK resident after return delivered*

19(1) Sub-paragraph (2) applies where—

- (a) a land transaction return in respect of a chargeable transaction is prepared on the assumption mentioned in paragraph 18(2), and
- (b) the individual or (as the case may be) each of the individuals in respect of whom the assumption was made subsequently meets the condition in paragraph 4(1) (with the result that the transaction is not a non-resident transaction).

- (2) The land transaction return may be amended, at any time before the end of the period of 2 years beginning with the day after the effective date of the transaction, to take account of the fact that the transaction is not a non-resident transaction.
- (3) Where a land transaction return is amended under sub-paragraph (2), paragraph 6(2A) of Schedule 10 (notice of amendment of return to be accompanied by the contract for the transaction etc) does not apply in relation to the amendment.

### *What counts as a dwelling*

- 20(1) This paragraph sets out rules for determining what counts as a dwelling for the purposes of this Schedule.
- (2) A building or part of a building counts as a dwelling if—
  - (a) it is used or suitable for use as a single dwelling, or
  - (b) it is in the process of being constructed or adapted for such use.
- (3) Land that is, or is to be, occupied or enjoyed with a dwelling as a garden or

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grounds (including any building or structure on that land) is taken to be part of that dwelling.

(4) Land that subsists, or is to subsist, for the benefit of a dwelling is taken to be part of that dwelling.

(5) The main subject-matter of a transaction is also taken to consist of or include an interest in a dwelling if—

(a) substantial performance of a contract constitutes the effective date of that transaction by virtue of a relevant deeming provision,

(b) the main subject-matter of the transaction consists of or includes an interest in a building, or a part of a building, that is to be constructed or adapted under the contract for use as a single dwelling, and

(c) construction or adaptation of the building, or part of a building, has not begun by the time the contract is substantially performed.

(6) In sub-paragraph (5)—

“contract” includes any agreement;

“relevant deeming provision” means any of sections 44 to 45A or paragraph 5(1) or (2) of Schedule

2A or paragraph 12A of Schedule 17A;

“substantially performed” has the same meaning as in section 44.

- (7) A building or part of a building used for a purpose specified in section 116(2) or (3) is not used as a dwelling for the purposes of sub-paragraph (2) or (5).
- (8) Where a building or part of a building is used for a purpose mentioned in sub-paragraph (7), no account is to be taken for the purposes of sub-paragraph (2) of its suitability for any other use.

### *Interpretation*

21 In this Schedule—

“CTA 2009” means the Corporation Tax Act 2009;

“CTA 2010” means the Corporation Tax Act 2010.

### *Power to modify this Schedule*

22(1) The Treasury may by regulations amend or otherwise modify this Schedule for the purpose of

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preventing certain chargeable transactions from being non-resident transactions for the purposes of this Schedule.

- (2) The provision which may be included in regulations under this paragraph by reason of section 114(6)(c) includes incidental or consequential provision which may cause a chargeable transaction to be a non-resident transaction for the purposes of this Schedule.”
- (6) The amendments made by this Resolution have effect in relation to any land transaction of which the effective date is, or is after, the commencement date.
- (7) But those amendments do not have effect in relation to—
- (a) a transaction effected in pursuance of a contract entered into and substantially performed before the commencement date, or
  - (b) a transaction that—
    - (i) is entered into pursuant to a contract entered into before 11 March 2020, and
    - (ii) is not excluded for the purposes of this sub-paragraph.



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- (8) A transaction is excluded for the purposes of sub-paragraph (b) of paragraph (7) if—
- (a) there is any variation of the contract, or assignment of rights under the contract, on or after 11 March 2020,
  - (b) the transaction is effected in consequence of the exercise on or after that date of any option, right of pre-emption or similar right, or
  - (c) on or after that date there is an assignment, subsale or other transaction relating to the whole or part of the subject-matter of the contract as a result of which a person other than the purchaser under the contract becomes entitled to call for a conveyance.
- (9) In paragraphs (6) and (7) “the commencement date” means 1 April 2021.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

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44. Stamp duty land tax (housing co-operatives etc)

That—

- (1) In Schedule 4A to the Finance Act 2003 (higher rate of SDLT for certain transactions), after paragraph 5F insert—

*“Qualifying housing co-operatives*

5FA Paragraph 3 does not apply to a chargeable transaction so far as its subject-matter consists of a higher threshold interest that is acquired by a company on a day on which the company is a qualifying housing co-operative for the purposes of section 150(3A) of the Finance Act 2013 (relief from ATED).”

- (2) In that Schedule, after paragraph 5K insert—

“5L(1) This paragraph applies where relief under paragraph 5FA (qualifying housing co-operatives) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.

- (2) References in this paragraph to a qualifying housing body are to—

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- (a) a company that is a qualifying housing co-operative for the purposes of section 150(3A) of the Finance Act 2013 (relief from ATED),
  - (b) a registered provider of social housing, or
  - (c) a registered social landlord.
- (3) The relief under paragraph 5FA is withdrawn (subject to sub-paragraph (4)) if—
- (a) on any day in the period of three years beginning with the effective date of the chargeable transaction (“the control period”), the purchaser is not a qualifying housing body, and
  - (b) immediately before the first day on which that is the case the purchaser still holds the higher threshold interest or holds a chargeable interest derived from it.
- (4) If, on any day in the control period, the purchaser is not a qualifying housing body because it ceases to exist (whether by virtue of a conversion into, or amalgamation with, another person or for any other reason), relief is not to be withdrawn under this paragraph unless—

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- (a) another person (“the first successor”) has succeeded to the engagements of the purchaser, and
    - (b) condition A or condition B is met (and if condition B is met, subject to sub-paragraph (7)).
  - (5) Condition A is that, on the day the first successor succeeds to the engagements of the purchaser (“the day of succession”), the first successor is not a qualifying housing body.
  - (6) Condition B is that—
    - (a) on any day in the part of the control period that falls after the day of succession, the first successor is not a qualifying housing body, and
    - (b) immediately before the first day on which that is the case the first successor still holds the higher threshold interest or holds a chargeable interest derived from it.
  - (7) If condition B is met because the first successor ceases to exist (whether by virtue of a conversion into, or amalgamation with, another person or for any other reason), relief is not to be withdrawn under this paragraph unless it would have been withdrawn by virtue

of sub-paragraph (4) if references in sub-paragraphs (4) to (6)—

(a) to the purchaser were references to the first successor, and

(b) to the first successor were references to the person who has succeeded to the engagements of the first successor (“the second successor”).

(8) Sub-paragraph (7) is to apply to the second successor as it applies to the first successor, and so on, subject to the necessary modifications.”

(3) Part 4 of the Finance Act 2003 (stamp duty land tax) is further amended in accordance with paragraphs (4) to (10).

(4) In section 81 (further return where relief withdrawn)—

(a) for subsection (1A) substitute—

“(1A) Where relief is withdrawn to any extent under—

(a) any of paragraphs 5G to 5L of Schedule 4A (relief from higher rate under Schedule 4A (higher rate for certain transactions)),

(b) paragraph 6 of Schedule 7A (PAIF seeding relief), or

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- (c) paragraph 14 or 16 of Schedule 7A (COACS seeding relief),  
the purchaser must deliver a further return before the end of the period of 30 days after the relevant date.”;
  - (b) in subsection (1B), after paragraph (e) insert—
    - “(ea) in the case of relief under paragraph 5FA of that Schedule (qualifying housing co-operatives), the date determined in accordance with subsection (1C);”;
  - (c) after subsection (1B) insert—
    - “(1C) For the purposes of subsection (1B)(ea) (relief under paragraph 5FA of Schedule 4A withdrawn because the conditions in paragraph 5L(3) of that Schedule are met), the date is—
      - (a) where paragraph 5L(4) of Schedule 4A does not apply, the first day in the period mentioned in paragraph 5L(3)(a) of that Schedule on which the purchaser is not a qualifying housing body;
      - (b) where paragraph 5L(4) or (7) of that Schedule applies and relief is withdrawn because condition A in paragraph 5L(5) of that Schedule is met, the day of succession of the relevant successor;

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- (c) where paragraph 5L(4) or (7) of that Schedule applies and relief is withdrawn because condition B in paragraph 5L(6) of that Schedule is met, the first day in the part of the control period that falls after the day of succession of the relevant successor on which the relevant successor is not a qualifying housing body.
- (1D) Where relief is withdrawn to any extent under paragraph 5L of Schedule 4A in a case to which paragraph 5L(4) or (7) applies, the reference in subsection (1A) to the purchaser is to be read as a reference to the relevant successor.”;
- (d) for subsection (3) substitute—
    - “(3) The provisions of Schedule 10 (returns, assessments and other matters) apply for the purposes of this section with the following modifications—
      - (a) references to a return under section 76 (general requirement to deliver land transaction return) are to be read as references to a return under subsection (1) or (1A);
      - (b) references to the transaction to which a return relates are to be read as references to the withdrawal of

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- relief in respect of which the return is required under subsection (1) or (1A);
- (c) references to a chargeable transaction to which (as yet) no return relates are to be read as references to the withdrawal of relief under any of the provisions mentioned in subsection (1) or (1A);
  - (d) references to the effective date of a transaction—
    - (i) in relation to the withdrawal of relief under any of the provisions mentioned in subsection (1), are to be read as references to the date on which the disqualifying event occurs, and
    - (ii) in relation to the withdrawal of relief under any of the provisions mentioned in subsection (1A), are to be read as references to the relevant date (see subsections (1B) and (1C));
  - (e) where, by virtue of subsection (1D), a return is to be made by the relevant successor, references to the purchaser are to be read as references to the relevant successor;



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- (f) paragraph 36(5A) is to be read as if it also permitted an appeal under paragraph 35(1)(e) on the ground that no further return is required.”;
    - (e) omit subsection (5);
    - (f) at the end insert—
      - “(6) In subsections (1C), (1D) and (3)(e) (which relate to the withdrawal of relief under paragraph 5L of Schedule 4A) “the relevant successor” means the person who is the most recent successor in the chain of succession at the time relief is withdrawn (and that person could be the first successor, the second successor or a subsequent successor).
      - (7) Terms used in subsections (1C) and (6) which are defined for the purposes of paragraph 5L of Schedule 4A have the same meaning in those subsections as they have in that paragraph.”
  - (5) In section 81ZA (alternative finance arrangements: return where relief withdrawn)—
    - (a) in subsection (1), for “or 6H” substitute “, 6H or 6I”;
    - (b) for subsection (2) substitute—
      - “(2) The provisions of Schedule 10 (returns, assessments and other matters) apply

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for the purposes of this section with the following modifications—

- (a) references to a return under section 76 (general requirement to deliver land transaction return) are to be read as references to a return under subsection (1);
- (b) references to the transaction to which a return relates are to be read as references to the withdrawal of relief in respect of which the return is required under subsection (1);
- (c) references to a chargeable transaction to which (as yet) no return relates are to be read as references to the withdrawal of relief under any of the provisions mentioned in subsection (1);
- (d) references to the effective date of a transaction are to be read as references to the date of the disqualifying event;
- (e) references to the purchaser are to be read as references to the relevant person so far as that is necessary as a result of subsection (1) of this section or section 85(3) (payment of additional tax by relevant person where relief withdrawn);

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- (f) paragraph 36(5A) is to be read as if it also permitted an appeal under paragraph 35(1)(e) on the ground that no further return is required.”;
  - (c) in subsection (3), for the words from “the first day” to the end substitute “—
    - (a) where the relief was given under paragraph 5, 5B, 5C, 5D or 5F of Schedule 4A, the first day in the control period on which a relevant requirement was not met;
    - (b) where the relief was given under paragraph 5FA of Schedule 4A, the date determined in accordance with subsection (5A).”;
  - (d) in subsections (4) and (5), for “subsection (3)” substitute “subsection (3)(a)”;
  - (e) after subsection (5) insert—

“(5A) For the purposes of subsection (3)(b) (relief withdrawn because the conditions in paragraph 6I(2) of Schedule 4A are met), the date is—

    - (a) where paragraph 6I(3) of Schedule 4A does not apply, the first day in the period mentioned in paragraph 6I(2)(a) of that Schedule on which the relevant person is not a qualifying housing body;
    - (b) where paragraph 6I(3) or (6) of that Schedule applies and relief is

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- withdrawn because condition A in paragraph 6I(4) of that Schedule is met, the day of succession of the relevant successor;
- (c) where paragraph 6I(3) or (6) of that Schedule applies and relief is withdrawn because condition B in paragraph 6I(5) of that Schedule is met, the first day in the part of the control period that falls after the day of succession of the relevant successor on which the relevant successor is not a qualifying housing body.”;
- (f) in subsection (6), for the definition of “the relevant person” substitute—
- ““the relevant person” means—
- (a) the person (other than the financial institution) who entered into the arrangements in question, or
- (b) where relief is withdrawn to any extent under paragraph 6I of Schedule 4A in a case to which paragraph 6I(3) or (6) applies, the relevant successor;
- “the relevant successor” means the person who is the most recent successor in the chain of succession at the time relief is withdrawn (and

that person could be the first successor, the second successor or a subsequent successor.”;

(g) after subsection (6) insert—

“(7) Terms used in subsection (5A), and in the definition of “the relevant successor” in subsection (6), which are defined for the purposes of paragraph 6I of Schedule 4A have the same meaning in those provisions as they have in that paragraph.”

(6) In section 85 (liability for tax)—

(a) after subsection (2) insert—

“(2A) Where relief is withdrawn to any extent under paragraph 5L of Schedule 4A (qualifying housing co-operatives) in a case to which paragraph 5L(4) or (7) applies—

(a) subsection (1) does not apply in relation to the additional tax payable as a result of the withdrawal of the relief, and

(b) the relevant successor is liable to pay that additional tax.

(2B) In subsection (2A) “the relevant successor” has the same meaning as it has in subsections (1C), (1D) and (3)(e) of

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- section 81 (see subsections (6) and (7) of that section).";
- (b) in subsection (3), for "and 6H" substitute ", 6H and 6I";
  - (c) in subsection (4), for the words from "means" to the end substitute "has the same meaning as in section 81ZA (see subsections (6) and (7) of that section)".
- (7) In section 86 (payment of tax)—
- (a) in subsection (2)(za), for "5K" substitute "5L";
  - (b) in subsection (2A), for "and 6H" substitute ", 6H and 6I".
- (8) In section 87(3) (interest on unpaid tax)—
- (a) in paragraph (za), for "5K" substitute "5L";
  - (b) after paragraph (za) insert—
    - "(zb) in the case of an amount payable because relief is withdrawn under any of paragraphs 6D, 6F, 6G, 6H and 6I of Schedule 4A, the date which is the date of the disqualifying event for the purposes of section 81ZA (see subsection (3) of that section);".
- (9) In Schedule 4A (stamp duty land tax: higher rate for certain transactions)—

- (a) in paragraph 2(6)(a)—
  - (i) for “5K” substitute “5L”;
  - (ii) for “6H” substitute “6I”;
- (b) in paragraph 6A—
  - (i) in sub-paragraph (4), for “and 5F(1)” substitute “, 5F(1) and 5FA”;
  - (ii) in sub-paragraph (5), for “or 5F(1)” substitute “, 5F(1) or 5FA”;
- (c) in paragraph 6C(2)(b), for “and 5F(1)” substitute “, 5F(1) and 5FA”;
- (d) after paragraph 6H insert—

“6I(1) This paragraph applies where relief under paragraph 5FA (qualifying housing co-operatives) has been allowed, in accordance with paragraph 6A(4), in relation to the purchase of a major interest in land.

- (2) The relief is withdrawn (subject to sub-paragraph (3)) if—
  - (a) on any day in the period of three years beginning with the effective date of the first transaction (“the control period”), the relevant person is not a qualifying housing body, and
  - (b) immediately before the first day on which that is the case the relevant person holds a relevant

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interest (whether jointly, or in common, or otherwise).

- (3) If, on any day in the control period, the relevant person is not a qualifying housing body because it ceases to exist (whether by virtue of a conversion into, or amalgamation with, another person or for any other reason), relief is not to be withdrawn under this paragraph unless—
- (a) another person (“the first successor”) has succeeded to the engagements of the relevant person, and
  - (b) condition A or condition B is met (and if condition B is met, subject to sub-paragraph (6)).
- (4) Condition A is that, on the day the first successor succeeds to the engagements of the relevant person (“the day of succession”), the first successor is not a qualifying housing body.
- (5) Condition B is that—
- (a) on any day in the part of the control period that falls after the day of succession, the first successor is not a qualifying housing body, and



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- (b) immediately before the first day on which that is the case the first successor still holds a relevant interest (whether jointly, or in common, or otherwise).
- (6) If condition B is met because the first successor ceases to exist (whether by virtue of a conversion into, or amalgamation with, another person or for any other reason), relief is not to be withdrawn under this paragraph unless it would have been withdrawn by virtue of sub-paragraph (3) if references in sub-paragraphs (3) to (5)—
- (a) to the relevant person were references to the first successor, and
  - (b) to the first successor were references to the person who has succeeded to the engagements of the first successor ("the second successor").
- (7) Sub-paragraph (6) is to apply to the second successor as it applies to the first successor, and so on, subject to the necessary modifications.
- (8) In this paragraph—

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- (a) “qualifying housing body” means—
    - (i) a company that is a qualifying housing co-operative for the purposes of section 150(3A) of the Finance Act 2013 (relief from ATED),
    - (ii) a registered provider of social housing, or
    - (iii) a registered social landlord;
  - (b) “relevant interest” has the same meaning as in paragraph 6D;
  - (c) “the relevant person” means the person (other than the financial institution) who enters into the arrangements mentioned in section 71A(1) or 73(1);
  - (d) references to a major interest include an undivided share in a major interest in land.”;
  - (e) in paragraph 9, in the definition of “financial institution”, for “6H” substitute “6I”.
- (10) In Schedule 10 (returns, assessments and other matters), in paragraph 12(2A) (notice of enquiry)—
- (a) in paragraph (b), omit “in respect of the same land transaction”;

(b) in the words after paragraph (b), for “land transaction” substitute “return”.

(11) The amendments made by this Resolution have effect in relation to any land transaction of which the effective date is 3 March 2021 or a later date.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

#### 45. Annual tax on enveloped dwellings (housing co-operatives)

That—

(1) In section 150 of the Finance Act 2013 (providers of social housing)—  
(a) after subsection (3) insert—

“(3A) A day in a chargeable period is relievably in relation to a single-dwelling interest if on that day a qualifying housing co-operative (as defined by section 150A) is entitled to the interest.”, and

(b) in the heading, at the end insert “etc”.

(2) After that section insert—

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**“150A Meaning of “qualifying housing co-operative”**

- (1) A company is a “qualifying housing co-operative” for the purposes of section 150(3A) on any day if on that day—
  - (a) it is a housing association within the meaning of—
    - (i) the Housing Associations Act 1985, or
    - (ii) Part 2 of the Housing (Northern Ireland) Order 1992,
  - (b) it is a registered society within the meaning of—
    - (i) the Co-operative and Community Benefit Societies Act 2014, or
    - (ii) the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, and
  - (c) the rules of the association comply with subsection (2).
- (2) The rules of the association—
  - (a) must restrict membership to persons who are tenants, or prospective tenants, of the association,
  - (b) must preclude the granting or assignment of tenancies to persons other than members,

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- (c) must prevent members from transferring any of their shares,
  - (d) must prevent members from receiving any more than the nominal value of their shares on a return of share capital, and
  - (e) must confer on members equal voting rights.”
- (3) The amendments made by this Resolution have effect in relation to—
- (a) the chargeable period beginning with 1 April 2021 and all subsequent chargeable periods;
  - (b) the chargeable period beginning with 1 April 2020 but only in relation to a person and a single-dwelling interest falling within case A or case B.
- (4) Case A is that the first day in the chargeable period on which the person is within the charge with respect to the single-dwelling interest is on or after 3 March 2021.
- (5) Case B is that the person was within the charge with respect to the single-dwelling interest on one or more days in the chargeable period before 3 March 2021 but has not delivered an annual tax on enveloped dwellings return for the period with respect to the interest by 3 March 2021.

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- (6) For the purposes of paragraphs (3) to (5), “single-dwelling interest”, “within the charge” and “annual tax on enveloped dwellings return” have the same meanings that they have for the purposes of Part 3 of the Finance Act 2013.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

46. Annual tax on enveloped dwellings  
(repayment claim)

That—

- (1) A claim for repayment of annual tax on enveloped dwellings paid, before 3 March 2021, by or on behalf of a chargeable person with respect to a single-dwelling interest may be made by the person for each day (if any) in the chargeable period beginning with 1 April 2020 on which—
- (a) the person was within the charge with respect to the interest and not treated as being outside the charge by virtue of section 132(2) of the Finance Act 2013 (effect of reliefs under sections 133 to 150), and

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- (b) a qualifying housing co-operative was entitled to the interest.
- (2) For the purposes of a claim under this Resolution with respect to a single-dwelling interest—
- (a) a company is a qualifying housing co-operative on any day if on that day it would have been a qualifying housing co-operative for the purposes of section 150(3A) of the Finance Act 2013 (if sections 150(3A) and 150A of the Finance Act 2013 (as inserted by the preceding Resolution) had been in force on that day);
  - (b) each day on which the conditions in paragraph (1)(a) and (b) are met with respect to the interest is a “relievable day”;
  - (c) references to “the relevant return” are to the annual tax on enveloped dwellings return for the chargeable period beginning with 1 April 2020 with respect to the interest.
- (3) Where a claim is made under this Resolution with respect to a single-dwelling interest, HMRC must repay the total of the daily amounts for all the relievable days.
- (4) A claim under this Resolution must be made by amending the relevant return under

paragraph 3 of Schedule 33 to the Finance Act 2013 on the same basis as it would have been amended if, on each of the relievable days, the chargeable person had been entitled to claim the type of relief numbered 8 in the table in section 159A(9) of that Act.

- (5) Terms used in this Resolution and in Part 3 of the Finance Act 2013 have the same meaning in this Resolution as in that Part.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

47. Value added tax (temporary 5% rate for hospitality and tourism)

That in Articles 2 and 5 of the Value Added Tax (Reduced Rate) (Hospitality and Tourism) (Coronavirus) Order 2020 (S.I. 2020/728), for "31st March 2021" substitute "30th September 2021".

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.



48. Value added tax (temporary 12.5% rate for hospitality and tourism)

That provision may be made for a temporary 12.5% rate of value added tax on supplies within Groups 14 to 16 in Schedule 7A to the Value Added Tax Act 1994.

49. Value added tax (extending digital record-keeping to all businesses)

That provision may be made repealing paragraph 6(7) to (9) of Schedule 11 to the Value Added Tax Act 1994.

50. Value added tax (deferring payment by reason of the coronavirus emergency)

That—

(1) In this Resolution—

“the Commissioners” means the Commissioners for Her Majesty’s Revenue and Customs;

“HMRC” means Her Majesty’s Revenue and Customs;

“relevant VAT sum” means a sum to meet all or part of a liability described in article 5 of the Finance Act 2008, Section

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135 (Coronavirus) Order 2020 (S.I. 2020/934).

- (2) The Commissioners (having agreed that payment of relevant VAT sums may be deferred until 31 March 2021) may—
  - (a) agree that payment of a relevant VAT sum may be further deferred, and
  - (b) make such arrangements as they consider appropriate for persons to pay relevant VAT sums.
- (3) The period for which payment is further deferred under paragraph (2) may be different for different cases.
- (4) Arrangements made under paragraph (2) may, among other things—
  - (a) require that, in order to participate in the arrangements, a person must meet specified conditions,
  - (b) require or enable a sum to be paid in instalments, including instalments of different amounts, and
  - (c) make different provision for different cases.
- (5) Nothing in paragraphs (2) to (4) affects the powers otherwise available to the Commissioners in connection with the collection and management of relevant VAT sums or other sums.

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- (6) No liability to a surcharge on a relevant VAT sum arises under section 59 of the Value Added Tax Act 1994 (the default surcharge).
  - (7) A person who is liable to pay a relevant VAT sum is liable to a penalty if the person—
    - (a) fails to pay the sum on or before 30 June 2021, and
    - (b) fails to enter into payment arrangements in respect of the sum on or before that day.
  - (8) In paragraph (7), “payment arrangements” means arrangements with HMRC (whether general or individually tailored) under which the sum is to be paid and includes arrangements entered into before this Resolution comes into force.
  - (9) A person is not liable to a penalty under this Resolution in respect of a relevant VAT sum if the person satisfies HMRC or, on appeal, a tribunal that there is a reasonable excuse for the failures described in paragraph (7)(a) and (b).
  - (10) In paragraph (9), “tribunal” has the same meaning as in the Value Added Tax Act 1994 (see section 82 of that Act).
  - (11) The amount of the penalty under this Resolution is 5% of so much of the relevant VAT sum as has not been paid immediately

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before the day on which the amount due by way of penalty is assessed under paragraph (12).

- (12) Where a person is liable to a penalty under this Resolution, HMRC may assess the amount due by way of penalty and notify it to the person (subject to paragraph (15)).
- (13) If it appears to HMRC that the amount that ought to have been assessed in an assessment under paragraph (12) exceeds the amount that was assessed, HMRC may make a supplementary assessment of the amount of the excess and notify it to the person (subject to paragraph (15)).
- (14) If it appears to HMRC that the amount that was assessed in an assessment under paragraph (12) exceeds the amount that ought to have been assessed, HMRC may, by notice to the person, amend the assessment so as to reduce the amount due.
- (15) An assessment under paragraph (12) or (13) may not be made after the end of the period of 2 years beginning with the time when facts sufficient in the opinion of HMRC to indicate that the person had failed as described in paragraph 7(1)(a) and (b) came to HMRC's knowledge.

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- (16) An amendment under paragraph (14) may be made after the last day on which the assessment in question could have been made.
- (17) A penalty under this Resolution must be paid before the end of the period of 30 days beginning with the day on which notification of the assessment of the penalty under paragraph (12) is issued.
- (18) Where HMRC make a supplementary assessment under paragraph (13), the additional amount must be paid before the end of the period of 30 days beginning with the day on which they issue the notification of that assessment.
- (19) Where HMRC amend an assessment under paragraph (14) that does not affect when the penalty must be paid.
- (20) If an amount is assessed and notified to a person under this Resolution then unless, or except to the extent that, the assessment is withdrawn or reduced, the amount is recoverable as if it were VAT due from the person.
- (21) In paragraph (20), "VAT" has the same meaning as in the Value Added Tax Act 1994 (see section 96 of that Act).

- (22) Part 5 of the Value Added Tax Act 1994 (reviews and appeals) has effect in relation to—
- (a) any liability to a penalty under this Resolution, and
  - (b) the amount of a penalty under this Resolution,
- as if those matters were listed in section 83(1) of that Act.
- (23) Section 84(3), (3B) and (3C) of that Act (requirement to deposit sum payable with HMRC) have effect in relation to appeals against decisions with respect to those matters.
- (24) A person is not liable to a penalty under this Resolution in respect of a failure in respect of which the person has been convicted of an offence.
- (25) Section 98 of the Value Added Tax Act 1994 (service of notices) applies to notices and notifications to be given under this Resolution as it applies to notices and notifications to be given under that Act.
- (26) For the purposes of this Resolution, a notice or notification given to a personal representative, trustee in bankruptcy, trustee in sequestration, receiver, liquidator or other

representative of a person is to be treated as having been given to that person.

(27) In paragraph (26), “trustee in sequestration” has the same meaning as in the Value Added Tax Act 1994 (see section 96 of that Act).

(28) This Resolution comes into force on 9 March 2021.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

#### 51. Value added tax (refunds to S4C)

That provision may be made about refunds of value added tax to S4C.

#### 52. Customs duty (removal of steel to Northern Ireland)

That—

(1) The Customs (Northern Ireland) (EU Exit) Regulations 2020 (S.I. 2000/1605) are amended as follows.

*Duty on certain steel products imported on or after 3 March 2021*

(2) After regulation 7 insert—

**“7A Amount of section 30A(3) duty for certain steel products**

- (1) This regulation applies to goods if—
- (a) they are imported into the United Kingdom as a result of their entry into Northern Ireland,
  - (b) they are not relevant goods,
  - (c) they are not Union goods,
  - (d) the origin of the goods (as determined in accordance with the provisions of Union customs legislation in force relating to non-preferential origin) is neither in the United Kingdom nor in the European Union,
  - (e) they are declared, in accordance with Union customs legislation, for a procedure corresponding to the free-circulation procedure or the authorised use procedure,
  - (f) they would (ignoring this regulation) have been subject to the EU steel safeguarding measure, and
  - (g) if they had instead been imported into a member State they would



have benefitted from tariff-rate quota in relation to that measure.

- (2) For the purpose of determining the amount of duty charged under section 30A(3) of the Act in respect of goods to which this regulation applies—
  - (a) the EU steel regulation does not apply, and
  - (b) the steel safeguards notice applies as if references to import duty were to duty charged under section 30A(3)."
- (3) In regulation 8 (determination of section 30A charge), after "7" insert ", 7A".
- (4) In regulation 9 (relief from section 30A duty), in sub-paragraph (c)—
  - (a) for "regulation" substitute "regulations";
  - (b) after "7" insert "and 7A".
- (5) The amendments made by paragraphs (2) to (4)—
  - (c) have effect in relation to goods declared on or after 3 March 2021, in accordance with Union customs legislation, for a procedure corresponding to the free-circulation procedure or the authorised use procedure, and

- (d) have effect as if made under section 30B of the Taxation (Cross-border Trade) Act 2018 (and may be amended or revoked accordingly).

*Duty on certain steel products imported before 3 March 2021*

- (6) Before regulation 8 insert—

**“7B Amount of section 30A(3) duty for certain steel products before 3 March 2021**

- (1) This regulation applies to goods if—
  - (a) they are imported into the United Kingdom as a result of their entry into Northern Ireland,
  - (b) they are declared before 3 March 2021, in accordance with Union customs legislation, for a procedure corresponding to the free-circulation procedure or the authorised use procedure,
  - (c) they are not relevant goods,
  - (d) they are not Union goods,
  - (e) the origin of the goods (as determined in accordance with the provisions of Union customs legislation in force relating to non-preferential origin) is neither in the

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- United Kingdom nor in the European Union,
- (f) they would (ignoring this regulation) have been subject to an EU steel safeguarding measure,
  - (g) if they had instead been imported into a member State they would have benefitted from tariff-rate quota in relation to that measure, and
  - (h) they would not have been subject to a domestic steel safeguarding measure (whether they would have benefited from a quota or were otherwise not subject to the measure) if—
    - (i) the goods had been declared for the free-circulation procedure or the authorised use procedure in Great Britain, and
    - (ii) that declaration had been accepted at the same time as the actual declaration was accepted.
- (2) Where the person declaring the goods makes a relevant claim that is accepted by HMRC, the EU steel regulation does not apply for the purpose of determining the amount of duty

charged under section 30A(3) of the Act in respect of the goods.

- (3) In this regulation “relevant claim” means a claim made in accordance with the procedure set out in the steel notice provided all conditions in that notice are complied with.”
- (7) In regulation 8 (determination of section 30A charge), before “and 9” insert “, 7B”.
- (8) The amendments made by paragraphs (6) and (7)—
- (a) have effect in relation to goods declared on or after IP completion day, in accordance with Union customs legislation, for a procedure corresponding to the free-circulation procedure or the authorised use procedure, and
- (b) have effect as if made under section 30B of the Taxation (Cross-border Trade) Act 2018 (and may be amended or revoked accordingly).

*Duty on certain steel products removed to Northern Ireland on or after 3 March 2021*

- (9) After regulation 13 insert—

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**“13A Amount of section 40A(1) duty for certain steel products**

- (1) This regulation applies to goods if—
- (a) they are removed to Northern Ireland from Great Britain,
  - (b) they are declared, in accordance with Union customs legislation, for a procedure corresponding to the free-circulation procedure or the authorised use procedure,
  - (c) they are not relevant goods,
  - (d) they are not Union goods,
  - (e) they are not domestic goods,
  - (f) they are not goods to which regulation 11 applies,
  - (g) the origin of the goods (as determined in accordance with the provisions of Union customs legislation in force relating to non-preferential origin) is neither in the United Kingdom nor in the European Union,
  - (h) they would (ignoring this regulation) have been subject to an EU steel safeguarding measure, and
  - (i) if they had instead been imported into a member State they would have benefitted from tariff-rate quota in relation to that measure.

- 
- (2) For the purpose of determining the amount of duty charged under section 40A(1) of the Act in respect of goods to which this regulation applies—
- (a) the EU steel regulation does not apply, and
  - (b) the steel safeguards notice applies as if references to import duty were to duty charged under section 40A(1)."
- (10) In regulation 14 (determination of section 40A charge), after "13" insert "13A,".
- (11) In regulation 16 (relief from section 40A duty), in paragraph (1)(c)—
- (a) for "regulation" substitute "regulations";
  - (b) after "13" insert "and 13A".
- (12) The amendments made by paragraphs (9) to (11)—
- (a) have effect in relation to goods declared on or after 3 March 2021, in accordance with Union customs legislation, for a procedure corresponding to the free-circulation procedure or the authorised use procedure, and
  - (b) have effect as if made under section 40B of the Taxation (Cross-border Trade) Act

2018 (and may be amended or revoked accordingly).

*Duty on certain steel products removed to Northern Ireland after IP completion day*

(13) Before regulation 14 insert—

**“13B Amount of section 40A(1) duty for certain domestic steel products**

- (1) This regulation applies to goods if—
- (a) they are removed to Northern Ireland from Great Britain,
  - (b) they are declared, in accordance with Union customs legislation, for a procedure corresponding to the free-circulation procedure or the authorised use procedure,
  - (c) they are domestic goods,
  - (d) they are not relevant goods,
  - (e) they are not Union goods,
  - (f) they are not goods to which regulation 11 applies,
  - (g) the origin of the goods (as determined in accordance with the provisions of Union customs legislation in force relating to non-preferential origin) is neither in the United Kingdom nor in the European Union,

- 
- (h) they would (ignoring this regulation) have been subject to an EU steel safeguarding measure, and
    - (i) if they had instead been imported into a member State they would have benefitted from tariff-rate quota in relation to that measure.
  - (2) Where the person declaring the goods makes a relevant claim that is accepted by HMRC, the EU steel regulation does not apply for the purpose of determining the amount of duty charged under section 40A(1) of the Act in respect of the goods.
  - (3) In this regulation “relevant claim” means a claim—
    - (a) made in accordance with a procedure specified in a notice given by HMRC Commissioners, or
    - (b) if no such notice is in force, made in accordance with the procedure set out in the steel notice provided all conditions in that notice are complied with.
  - (4) HMRC Commissioners may by notice provide that a person who makes a relevant claim of the type mentioned in paragraph (3)(a) must notify the



Secretary of State of the making of the claim.

- (5) The notice may provide—
  - (a) that specified information must be included in the notification to the Secretary of State;
  - (b) for the form and manner in which such a notification must be given;
  - (c) that such a notification must be given within such period as is specified in the notice.
- (6) A notice under paragraph (3)(a) or (4)—
  - (a) must be published;
  - (b) may be withdrawn;
  - (c) may be amended from time to time.

### **13C Amount of section 40A(1) duty for certain steel products before 3 March 2021**

- (1) This regulation applies to goods if—
  - (a) they are removed to Northern Ireland from Great Britain,
  - (b) they are declared before 3 March 2021, in accordance with Union customs legislation, for a procedure corresponding to the free-circulation procedure or the authorised use procedure,

- 
- (c) they are not domestic goods,
  - (d) they are not relevant goods,
  - (e) they are not Union goods,
  - (f) they are not goods to which regulation 11 applies,
  - (g) the origin of the goods (as determined in accordance with the provisions of Union customs legislation in force relating to non-preferential origin) is neither in the United Kingdom nor in the European Union,
  - (h) they would (ignoring this regulation) have been subject to an EU steel safeguarding measure,
  - (i) if they had instead been imported into a member State they would have benefitted from tariff-rate quota in relation to that measure, and
  - (j) they would not have been subject to a domestic steel safeguarding measure (whether they would have benefitted from a quota or were otherwise not subject to the measure) if—
    - (i) the goods had been declared for the free-circulation procedure or the authorised use procedure in Great Britain, and

- 
- (ii) that declaration had been accepted at the same time as the actual declaration was accepted.
  - (2) Where the person declaring the goods makes a relevant claim that is accepted by HMRC, the EU steel regulation does not apply for the purpose of determining the amount of duty charged under section 40A(1) of the Act in respect of the goods.
  - (3) In this regulation “relevant claim” means a claim made in accordance with the procedure set out in the steel notice provided all conditions in that notice are complied with.”
- (14) In regulation 14 (determination of section 40A charge), before “15” insert “13B, 13C,”.
- (15) The amendments made by paragraphs (13) and (14)—
- (a) have effect in relation to goods declared on or after IP completion day, in accordance with Union customs legislation, for a procedure corresponding to the free-circulation procedure or the authorised use procedure, and

- (b) have effect as if made under section 40B of the Taxation (Cross-border Trade) Act 2018 (and may be amended or revoked accordingly).

### *Interpretation*

- (16) In regulation 3 (interpretation of Part 2), at the appropriate places insert—

““domestic steel safeguarding measure” means an additional rate of duty payable as a result of the steel safeguards notice (and goods are subject to that measure if that additional rate is payable in respect of the goods);”;

““EU steel safeguarding measure” means an additional rate of duty payable as a result of Article 1 of the EU steel regulation (and goods are subject to that measure if that additional rate is payable in respect of the goods);”;

““EU steel regulation” means Commission Implementing Regulation (EU) 2019/159 as it may be amended, or replaced, from time to time;”;

““steel notice” means the notice on movements of steel into Northern

Ireland published by HMRC on 3 March 2021;”;

““steel safeguards notice” means Taxation Notice 2020/06: safeguard measures on certain steel products – application of tariff rate quotas published on 30 September 2020 by the Secretary of State, as that notice may be amended, or replaced, from time to time;”.

- (17) The amendments made by paragraph (16)—
- (a) are treated as having come into force on IP completion day, and
  - (b) have effect as if made under sections 30B and 40B of the Taxation (Cross-border Trade) Act 2018 (and may be amended or revoked accordingly).

*Power to extend application of the regulations to other goods*

- (18) Paragraph (19) applies to a power conferred by the Taxation (Cross-border Trade) Act 2018 where provision inserted by this Resolution—
- (a) relates to particular goods, and
  - (b) is to have effect as if made under that power.

(19) A power to which this paragraph applies may (amongst other things) be exercised to make similar provision relating to other goods, including provision having retrospective effect provided any such retrospective provision does not impose or increase taxation.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

53. Hydrocarbon oil duties (restriction of use of rebated diesel and biofuels)

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be made amending the Hydrocarbon Oil Duties Act 1979 to restrict the use of rebated diesel and biofuels to specified categories of machine.

54. Rates of tobacco products duty

That provision may be made substituting the Table in Schedule 1 to the Tobacco Products Duty Act 1979.

## 55. Vehicle excise duty (rates)

That—

- (1) Schedule 1 to the Vehicle Excise and Registration Act 1994 (annual rates of vehicle excise duty) is amended as follows.
- (2) In paragraph 1 (general rate)—
  - (a) in sub-paragraph (2) (vehicle not covered elsewhere in Schedule with engine cylinder capacity exceeding 1,549cc), for “£270” substitute “£280”, and
  - (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£165” substitute “£170”.
- (3) In paragraph 1B (graduated rates for light passenger vehicles registered before 1 April 2017), for the Table substitute—

<i>“CO<sub>2</sub> emissions figure</i>		<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>
100	110	10	20

<i>"CO<sub>2</sub> emissions figure</i>		<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>
110	120	20	30
120	130	120	130
130	140	145	155
140	150	160	170
150	165	200	210
165	175	240	250
175	185	265	275
185	200	305	315
200	225	330	340
225	255	575	585
255	—	590	600".

(4) In the sentence immediately following the Table in that paragraph, for paragraphs (a) and (b) substitute—

"(a) in column (3), in the last two rows, "330" were substituted for "575" and "590", and



(b) in column (4), in the last two rows, "340" were substituted for "585" and "600".

- (5) In paragraph 1GC (graduated rates for first licence for light passenger vehicles registered on or after 1 April 2017), for Table 1 (vehicles other than higher rate diesel vehicles) substitute—

<i>"CO<sub>2</sub> emissions figure</i>		<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>
0	50	0	10
50	75	15	25
75	90	105	115
90	100	130	140
100	110	150	160
110	130	170	180
130	150	210	220
150	170	545	555
170	190	885	895

<i>"CO<sub>2</sub> emissions figure</i>		<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>
190	225	1335	1345
225	255	1900	1910
255	—	2235	2245"

(6) In that paragraph, for Table 2 (higher rate diesel vehicles) substitute—

<i>"CO<sub>2</sub> emissions figure</i>		<i>Rate</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>
0	50	25
50	75	115
75	90	140
90	100	160
100	110	180

<i>"CO<sub>2</sub> emissions figure</i>		<i>Rate</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>
110	130	220
130	150	555
150	170	895
170	190	1345
190	225	1910
225	255	2245
255	—	2245".

- (7) In paragraph 1GD(1) (rates for any other licence for light passenger vehicles registered on or after 1 April 2017)—
- (a) in paragraph (a) (reduced rate), for "£140" substitute "£145", and
  - (b) in paragraph (b) (standard rate), for "£150" substitute "£155".
- (8) In paragraph 1GE(2) (rates for light passenger vehicles registered on or after 1 April 2017 with a price exceeding £40,000)—
- (a) in paragraph (a), for "£465" substitute "£480", and

- 
- (b) in paragraph (b), for “£475” substitute “£490”.
- (9) In paragraph 1J(a) (rates for light goods vehicles that are not pre-2007 or post-2008 lower emission vans), for “£265” substitute “£275”.
- (10) In paragraph 2(1) (rates for motorcycles)—
- (a) in paragraph (a) (engine cylinder capacity not exceeding 150cc), for “£20” substitute “£21”,
  - (b) in paragraph (b) (motorbicycles with engine cylinder capacity exceeding 150cc but not exceeding 400cc), for “£44” substitute “£45”,
  - (c) in paragraph (c) (motorbicycles with engine cylinder capacity exceeding 400cc but not exceeding 600cc), for “£67” substitute “£69”, and
  - (d) in paragraph (d) (other cases), for “£93” substitute “£96”.
- (11) The amendments made by this Resolution have effect in relation to licences taken out on or after 1 April 2021.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

56. Vehicle excise duty (rebates where higher rate of duty paid)

That—

- (1) Section 19 of the Vehicle Excise and Registration Act 1994 (rebates of vehicle excise duty) is amended as follows.
- (2) In subsection (3A) for “subsection (3B)” substitute “subsections (3B) and (3C)”.
- (3) After subsection (3B) insert—

“(3C) Where the annual rate of duty chargeable on a vehicle licence at the time when it was taken out is determined in accordance with paragraph 1GE(2) of Schedule 1 (higher rates of duty: vehicles with a price exceeding £40,000) the relevant amount is given by—

$$\frac{(H \times R) + (L \times P)}{12}$$

where—

H is the annual rate of duty chargeable on the licence at the time when it was taken out;

R is the number of complete months (if any) of that part of the of the currency of the licence which is unexpired—

- (a) in respect of which the rebate condition is satisfied, and
- (b) which are within the period of six years beginning with the day of registration;

L is the annual rate of duty that would have been chargeable on the licence at the time when it was taken out if that time had been after the period of six years beginning with the day of registration;

P is the number of complete months (if any) of that part of the of the currency of the licence which is unexpired—

- (a) in respect of which the rebate condition is satisfied, and
- (b) which are not within R.

(3D) In subsection (3C) the “day of registration” means the day on which the vehicle in respect of which the licence is in force was first registered under this Act or under the law of a country or territory outside the United Kingdom.”

(4) The amendments made by this Resolution have effect in relation to cases where a rebate condition (within the meaning of section 19 of the Vehicle Excise and

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Registration Act 1994) is satisfied on or after 1 April 2021.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

#### 57. HGV road user levy (extension of suspension)

That provision may be made amending section 88 of the Finance Act 2020 (suspension of HGV road user levy).

#### 58. Rates of air passenger duty

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made taking effect in a future year increasing the rates of air passenger duty.

#### 59. Amounts of gross gaming yield charged to gaming duty

That—

- (1) In section 11(2) of the Finance Act 1997 (rates of gaming duty), for the table substitute—

"TABLE

Part of gross gaming yield	Rate
The first £2,548,500	15%
The next £1,757,000	20%
The next £3,077,000	30%
The next £6,494,500	40%
The remainder	50%".

- (2) The amendment made by this Resolution has effect in relation to accounting periods beginning on or after 1 April 2021.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

#### 60. Rates of climate change levy (future years)

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made taking effect in a future year amending the rates of climate change levy.



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## 61. Rates of landfill tax

That—

- (1) Section 42 of the Finance Act 1996 (amount of landfill tax) is amended as follows.
- (2) In subsection (1)(a) (standard rate), for “£94.15” substitute “£96.70”.
- (3) In subsection (2) (reduced rate for certain disposals), in the words after paragraph (b)—
  - (a) for “£94.15” substitute “£96.70”, and
  - (b) for “£3” substitute “£3.10”.
- (4) The amendments made by this Resolution have effect in relation to disposals made (or treated as made) on or after 1 April 2021.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

## 62. Carbon emissions tax (repeal)

That provision may be made repealing Part 3 of the Finance Act 2019.

## 63. Freeports (designation of sites)

That—

- (1) The Treasury may by regulations designate an area in Great Britain as a special area for the purposes of—
  - (a) Part 2 of the Capital Allowances Act 2001 (plant and machinery allowances),
  - (b) Part 2A of the Capital Allowances Act 2001 (structures and buildings allowances), and
  - (c) where the area is in England, Part 4 of the Finance Act 2003 (stamp duty land tax).
- (2) An area may only be designated by regulations under this Resolution if, at the time the regulations are made—
  - (a) the area is situated in a freeport, or
  - (b) the Treasury consider that the area is being used, or is likely to be used, for purposes connected with activities carried on, or likely to be carried on, in a freeport.
- (3) An area designated under this Resolution is to be known as a “freeport tax site”.
- (4) Regulations under this Resolution must specify the date on which the designation takes effect.
- (5) In this Resolution, “freeport” means an area which is identified as a freeport in a document published by, or with the consent

of, the Treasury for the purposes of this Resolution (and not withdrawn).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

#### 64. Freeports (capital allowances)

That provision may be made about—

- (a) first-year allowances under Part 2 of the Capital Allowances Act 2001 in respect of expenditure incurred on plant and machinery for use in an area designated by the Treasury, and
- (b) allowances under Part 2A of that Act in respect of expenditure incurred on buildings or structures situated in such an area.

#### 65. Freeports (stamp duty land tax)

That—

- (1) Part 4 of the Finance Act 2003 (stamp duty land tax) is amended as follows.
- (2) After section 61 insert—

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**“61A Relief for freeport tax sites**

- (1) Schedule 6C provides for relief in the case of transactions relating to land in a freeport tax site.
- (2) In that Schedule—
  - (a) Part 1 contains definitions,
  - (b) Part 2 makes provision about the relief,
  - (c) Part 3 makes provision about the withdrawal of the relief, and
  - (d) Part 4 confers power to change the cases in which the relief is available.
- (3) Relief under that Schedule is available only in relation to a land transaction with an effective date falling on or before 30 September 2026.
- (4) Any relief under that Schedule must be claimed in a land transaction return or an amendment of such a return.
- (5) A claim for relief under that Schedule must—
  - (a) be made on or before 14 October 2027, and
  - (b) include, or be accompanied by, such information as HMRC may require.”

- 
- (3) In section 81 (further return where relief withdrawn)—
- (a) in subsection (1A), after paragraph (a) insert—
    - “(aa) Part 3 of Schedule 6C (relief for freeport tax sites),”,
  - (b) in subsection (1B), after paragraph (ea) insert—
    - “(eb) in the case of relief under Schedule 6C (relief for freeport tax sites), the last day in the control period on which the qualifying freeport land is used exclusively in a qualifying manner;”, and
  - (c) after subsection (4) insert—
    - “(4A) Terms used in paragraph (eb) of subsection (1B) which are defined for the purposes of Schedule 6C have the same meaning in that paragraph as they have in that Schedule.
    - (4B) Paragraph 10 of Schedule 6C applies for the purposes of subsection (1B)(eb) as it applies for the purposes of paragraph 8 of that Schedule.”
- (4) In section 86(2) (payment of tax), after paragraph (za) insert—

“(zb) Part 3 of Schedule 6C (relief for freeport tax sites),”.

(5) In section 87(3) (interest on unpaid tax), after paragraph (aza) insert—

“(azaa) in the case of an amount payable because relief is withdrawn under Part 3 of Schedule 6C (relief for freeport tax sites), the date which is the relevant date for the purposes of section 81(1A);”.

(6) After Schedule 6B insert—

## “SCHEDULE 6C

### STAMP DUTY LAND TAX: RELIEF FOR FREEPORT TAX SITES

#### PART 1

#### QUALIFYING FREEPORT LAND

#### *Transaction land*

- 1 In this Schedule, “transaction land”, in relation to a land transaction, means land a chargeable interest in which is the subject matter of the transaction.

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*Qualifying freeport land*

- 2 For the purposes of this Schedule, transaction land is “qualifying freeport land” if, on the effective date of the transaction—
- (a) it is situated in a freeport tax site, and
  - (b) the purchaser intends it to be used exclusively in a qualifying manner.

*Use of land in a qualifying manner*

- 3(1) For the purposes of this Schedule, transaction land is used in a qualifying manner if—
- (a) it is used by the purchaser or a connected person in the course of a commercial trade or profession,
  - (b) it is developed or redeveloped by the purchaser or a connected person for use (by any person) in the course of a commercial trade or profession,
  - (c) it is exploited by the purchaser or a connected person, in the course of a commercial trade or profession, as a source of rents or other receipts (other than excluded rents), or

- (d) it is used in two or more of the ways described in paragraphs (a) to (c).
- (2) But land is not used in a qualifying manner to the extent that it is—
  - (a) used as a dwelling or as the garden or grounds of a dwelling,
  - (b) developed or redeveloped to become residential property,
  - (c) exploited as a source of rents or other receipts payable by a person using the land as a dwelling or as the garden or grounds of a dwelling, or
  - (d) held (as stock of the business) for resale without development or redevelopment.
- (3) For the purposes of this paragraph, use of land in the course of a commercial trade or profession includes use of land for a purpose that is ancillary to the use of other land which—
  - (a) is situated in a freeport tax site, and
  - (b) is being used, or developed or redeveloped, in the course of a commercial trade or profession.



- 
- (4) The references in sub-paragraph (2) to land used as the garden or grounds of a dwelling include a building or structure on the land.
- (5) The references in this paragraph to doing something in the course of a commercial trade or profession include doing something in the course of a property rental business.
- (6) In this paragraph—
- “commercial”, in relation to a trade or profession, means carried on—
    - (a) on a commercial basis, and
    - (b) with a view to profit;
  - “excluded rents” has the same meaning as in section 133 of the Finance Act 2013;
  - “property rental business” means a property business as defined in Chapter 2 of Part 3 of the Income Tax (Trading and Other Income) Act 2005.

### *Connected persons*

- 4(1) In this Schedule, “connected person” means a person who is connected with the purchaser.

- (2) Section 1122 of the Corporation Tax Act 2010 (connected persons) has effect for the purposes of this paragraph.

## PART 2

### THE RELIEF

#### *Exemption*

- 5(1) This paragraph applies to a land transaction if at least 90% of the chargeable consideration for the transaction is attributable to qualifying freeport land.
- (2) The transaction is exempt from charge.

#### *Other relief*

- 6(1) This paragraph applies to a land transaction if the proportion of the chargeable consideration for the transaction that is attributable to qualifying freeport land ("the relevant proportion") is less than 90% but at least 10%.
- (2) The tax chargeable in respect of the transaction is reduced by the relevant proportion.

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*Attributing chargeable consideration to land*

- 7(1) For the purposes of this Schedule, the consideration attributable to qualifying freeport land must be determined on a just and reasonable basis.
- (2) Sub-paragraphs (3) and (4) apply if less than 100% of the chargeable consideration attributable to transaction land situated in a freeport tax site ("the freeport consideration") is attributable to land that satisfies the condition in paragraph 2(b).
- (3) If at least 90% of the freeport consideration is attributable to land that satisfies the condition in paragraph 2(b) then, for the purposes of this Schedule, all of the freeport consideration is to be treated as being attributable to qualifying freeport land.
- (4) If less than 10% of the freeport consideration is attributable to land that satisfies the condition in paragraph 2(b) then, for the purposes of this Schedule, all of the freeport consideration is to be treated as not

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being attributable to qualifying freeport land.

### PART 3

#### WITHDRAWAL OF RELIEF

##### *Withdrawal of relief*

- 8(1) This paragraph applies where relief under Part 2 of this Schedule has been allowed in respect of a land transaction.
- (2) The relief is withdrawn if, at any time during the control period, the qualifying freeport land is not used exclusively in a qualifying manner.
- (3) But the relief is not withdrawn where, because of a change in circumstances that is unforeseen and beyond the purchaser's control, it is not reasonable to expect the qualifying freeport land to be used exclusively in a qualifying manner at that time.
- (4) Where, at a time during the control period, the use of all or part of the qualifying freeport land in a qualifying manner has not yet begun, that land, or that part of the land, is to be

treated as being used exclusively in a qualifying manner if reasonable steps are being taken to ensure that it is used in that manner.

- (5) Where, at a time during the control period, the use of all or part of the qualifying freeport land in a qualifying manner has ceased, that land, or that part of the land, is to be treated as being used exclusively in a qualifying manner if reasonable steps are being taken—
- (a) to ensure that it is used in that manner, or
  - (b) to dispose of all chargeable interests in that land, or that part of the land, that are held by the purchaser and connected persons in a timely manner.

### *The control period*

- 9(1) In this Schedule, “the control period”, in relation to a land transaction, means the shorter of—
- (a) the period of three years beginning with the effective date of that transaction, and
  - (b) the period beginning with the effective date of that transaction

and ending with the effective date of the final transaction.

- (2) For the purposes of this paragraph, a land transaction is “the final transaction” if, immediately after the effective date of the transaction, neither the purchaser nor a connected person holds a chargeable interest in the qualifying freeport land (whether as a result of that transaction alone or as a result of that transaction and other land transactions).

*Disposal of interest in part of qualifying freeport land during control period*

- 10(1) This paragraph applies where the purchaser ceases to hold a chargeable interest in part of the qualifying freeport land during the control period.
- (2) The references in paragraphs 8 and 9 to the qualifying freeport land are to be treated as references only to the part of the qualifying freeport land in relation to which the purchaser still holds a chargeable interest (whether the chargeable interest acquired in the land transaction in respect of which relief was allowed under Part 2 of this

Schedule or another chargeable interest).

#### PART 4

#### POWER TO CHANGE WHEN RELIEF IS AVAILABLE

#### *Power to change the cases in which relief is available*

- 11(1) The Treasury may by regulations—
- (a) amend the meaning of “qualifying freeport land”,
  - (b) add other conditions that must be met in order for relief to be available under this Schedule, and
  - (c) amend or remove conditions added under paragraph (b).
- (2) Regulations under this paragraph may not remove the requirement for land to be situated in a freeport tax site.
- (3) Regulations under this paragraph may, among other things—
- (a) make provision by reference to the land, the land transaction, the purchaser or connected persons;
  - (b) impose conditions relating to accounts or other records;

- (c) impose other conditions requiring a person to take steps specified in the regulations.
- (4) Regulations under this paragraph—
- (a) may amend, repeal or otherwise modify provisions of this Schedule, and
  - (b) where made in reliance on section 114(6)(c), may amend, repeal or otherwise modify other provisions of this Act.

### *Approval of regulations*

- 12(1) An instrument containing regulations under paragraph 11 must be laid before the House of Commons after being made.
- (2) If the regulations are not approved by the House of Commons before the end of the period of 28 days beginning with the day on which they are made, they cease to have effect at the end of that period (if they have not already ceased to have effect under subparagraph (3)).
- (3) If, on any day during that period of 28 days, the House of Commons, in proceedings on a motion that (or to



the effect that) the regulations be approved, comes to a decision rejecting the regulations, they shall cease to have effect at the end of that day.

- (4) In reckoning any such period of 28 days, no account is to be taken of any time during which—
  - (a) Parliament is prorogued or dissolved, or
  - (b) the House of Commons is adjourned for more than four days.
- (5) Where regulations cease to have effect under sub-paragraph (3), their ceasing to have effect is without prejudice to anything done in reliance on them.”

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

## 66. Penalties (failure to make returns etc)

That provision may be made about the imposition of penalties—

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- (a) in respect of failures to make returns under the Taxes Management Act 1970 or returns relating to value added tax,
  - (b) on a person who, by failing to make a return under the Taxes Management Act 1970, deliberately withholds information which would enable or assist Her Majesty's Revenue and Customs to assess the person's liability to tax, and
  - (c) in respect of failures to pay amounts of income tax, capital gains tax or value added tax on time.

#### 67. Follower notice penalties

That provision may be made to—

- (a) reduce the amount of the penalty under Chapter 2 of Part 4 of the Finance Act 2014 otherwise than in cases where persons have acted unreasonably in bringing or conducting proceedings, and
- (b) make amendments to the way in which such penalties are aggregated with other penalties.

68. Late payment interest and repayment interest (value added tax)

That provision may be made about interest on sums payable to or by Her Majesty's Revenue and Customs in respect of value added tax.

69. Promoters of tax avoidance schemes

That provision may be made amending Part 5 of the Finance Act 2014.

70. Disclosure of tax avoidance schemes

That provision may be made amending Part 7 of the Finance Act 2004 and Schedule 17 to the Finance (No.2) Act 2017 for the purposes of—

- (a) allowing Her Majesty's Revenue and Customs to allocate reference numbers in relation to arrangements and proposals suspected of being notifiable,
- (b) imposing requirements relating to the disclosure of information where reference numbers are allocated, and
- (c) allowing for the publication of information.

## 71. Penalties for enablers of defeated tax avoidance

That provision may be made about—

- (a) the powers of Her Majesty's Revenue and Customs to obtain information about enablers of defeated tax avoidance for the purposes of Schedule 16 to the Finance (No. 2) Act 2017,
- (b) the assessment of penalties under that Schedule in relation to arrangements within paragraph 21 of that Schedule (multi-user schemes), and
- (c) the publication of details of persons who have incurred penalties under that Schedule.

## 72. The general anti-abuse rule (partnerships)

That provision may be made amending Part 5 of the Finance Act 2013 in relation to partnerships.

## 73. Licensing authorities (requirements to give or obtain tax information)

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made, including provision

taking effect in a future year, requiring licensing authorities, when licensing certain activities, to give or obtain information relating to tax compliance.

#### 74. Information-gathering powers

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made amending Schedule 36 to the Finance Act 2008 in relation to the giving of notices to financial institutions, the giving of notices for the purpose of collecting tax debts and for the purpose of checking whether relief from stamp duty land tax is withdrawn or otherwise removed, the imposition of increased daily default penalties and the disclosure of notices.

#### 75. Implementation of OECD model rules on the gig economy

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made to give effect to—

- (a) the OECD Model Rules for Reporting by Platform Operators with respect to

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Sellers in the Sharing and Gig Economy,  
and

- (b) any other international agreement or arrangements to which the United Kingdom is a party that make provision corresponding, or similar, to that made by those Model Rules.

#### 76. Unauthorised removal or disposal of seized goods

That provision may be made about the unauthorised removal or disposal of a thing from the place where it is seized as liable to forfeiture under an enactment relating to customs or excise.

#### 77. Temporary approvals etc pending reviews or appeals

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made for temporary approvals, registrations or licences of persons or places pending reviews or appeals under Chapter 2 of Part 1 of the Finance Act 1994.

## 78. Replacement of the London Interbank Offered Rate (LIBOR)

That provision may be made (including provision having retrospective effect)—

- (a) for the purposes of replacing LIBOR with the incremental borrowing rate, and
- (b) about the tax consequences of things done in anticipation of, or in connection with, the reform or discontinuance of LIBOR or another reference rate.

## 79. Powers of the Treasury to amend legislation relating to banks

That provision may be made—

- (a) modifying existing powers of the Treasury to amend legislation relating to banks, and
- (b) conferring new powers on the Treasury to amend interpretation provisions in legislation relating to banks.

## 80. Incidental provision etc

That it is expedient to authorise—

- (a) any incidental or consequential charges to any duty or tax (including charges having retrospective effect) that may

arise from provisions designed in general to afford relief from taxation, and

- (b) any incidental or consequential provision (including provision having retrospective effect) relating to provision authorised by any other resolution.