

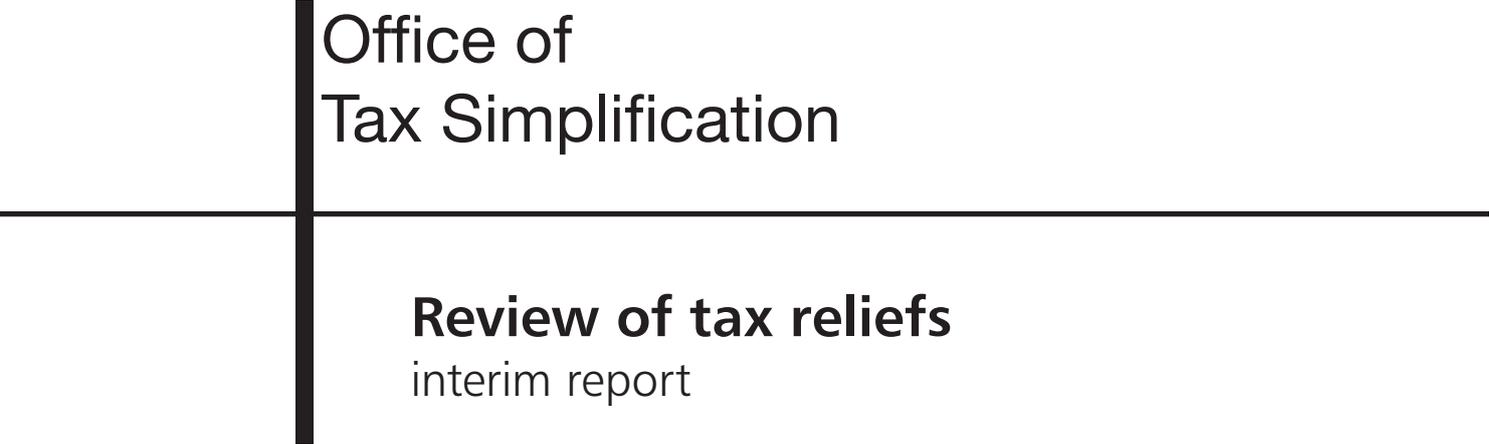
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Office of  
Tax Simplification

**Review of tax reliefs**  
interim report

December 2010





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# Foreword

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Everyone agrees that the UK has a complex tax system but this report now enables the Office of Tax Simplification to show how the process of simplifying the system can begin. Since our establishment in late July we have worked hard to define the scope and scale of the problem as far as reliefs and allowances are concerned. This culminated in November with the publication of the details of 1,042 reliefs along with our suggested criteria for their review.

Now, via this report, we are taking this work forward by demonstrating what would happen to a small cross section of reliefs when these criteria are applied to them. Our purpose in doing this is to expose, for public scrutiny and comment, the methodology we have used. We would particularly welcome your assessment as to whether you think this approach would be effective if applied to the full list of reliefs and allowances.

We want to propose real changes that will help people and businesses and make the UK tax system an asset rather than a hindrance to economic growth. If a tax or relief is not fit for purpose, we will say so; but equally if something currently works well, we will recommend it be retained, identifying improvements if we can.

Finally I would like to express my thanks to all those who have given up their time to assist us in compiling this report, in particular the members of the consultative committee, and those organisations who have provided our private sector secondees – BDO, Bauer & Cottrell Ltd, Deloitte and PwC, without whom the work of this office would not be possible.

I hope that when you have read the report you will agree that this is an important first step along the road towards a simpler tax system. All of us in the Office of Tax Simplification would really welcome your views and comments on our work so far.



Rt Hon Michael Jack

Chairman



# 1

## Introduction and background

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**1.1** This is the interim report of the Office of Tax Simplification (“OTS”) on the review of tax reliefs. The aim of the report is to test the methodology we have arrived at against a small sample of reliefs and to invite comments.

**1.2** The purpose of this interim report is not to arrive at firm conclusions on individual reliefs, but to test whether the methodology and criteria we are using are coming up with sensible results. We would welcome feedback from businesses, tax experts and other interested parties. We will publish our next report, applying our criteria to a wider selection of tax reliefs, to inform the Chancellor of the Exchequer’s 2011 Budget.

**1.3** We are also setting out our initial thoughts on what we mean by tax simplification, and again would like to hear feedback.

**1.4** Our remit for the reliefs project is to:

- review a list of all reliefs, allowances and exemptions, applying to both businesses and individuals, within the taxes and duties administered by HM Revenue and Customs (“HMRC”); and
- identify those reliefs that should be repealed or simplified to support the Government’s objective for a simpler tax system.

**1.5** We recognise that it would be a huge task to look in detail at each of the 1,042 tax reliefs that we identified in our first publication. We have therefore decided not to consider certain reliefs in detail, to ensure that we have a manageable group of reliefs to study.

**1.6** Annex A lists the 74 reliefs we plan to include in our final review.

**1.7** We are particularly interested in identifying those reliefs that:

- are largely historic or have a policy rationale that has weakened over time;
- are not frequently used;
- benefit a small number of taxpayers but may create distortions in the tax system; or
- are used by larger number of taxpayers but that are complex for business and/or HMRC to administer.

We have taken these factors into account in arriving at the methodology for our review.

**1.8** Annex B lists a further 75 reliefs that we will consider if time permits. We would welcome comments on whether we should include any of these in our final report as a priority.

**1.9** The 883 reliefs that we will not pursue in detail at this time are listed at Annex C and include:

- those subject to international agreements;
- those reliefs that are structural and an integral part of the tax system, for example to avoid double taxation;

- those reliefs that are themselves a simplification;
- reliefs that are subject to current HMRC/HM Treasury consultations, to avoid duplication of that work; and
- VAT reliefs - we have decided not to carry out any detailed review of VAT reliefs because of the particularly complex interactions between EU law and UK political commitments.

**1.10** Our review takes into account:

- the impact of removing or simplifying individual reliefs, both for specific taxpayers and the wider economy; and
- the Government's wider objectives for the tax system, including the need for it to be internationally competitive, support fairness and provide sustainable revenue.

**1.11** It is important to make clear that we cannot make decisions about any individual reliefs – we can only make recommendations. Ultimately it is for the Chancellor of the Exchequer to decide on changes to tax law; in doing so he will take account of the advice he receives from the OTS. Any changes that might result would of course be subject to the normal Finance Bill procedures.

**1.12** The impact of changing reliefs in practice is uncertain and difficult to estimate due to behavioural effects, which in many cases have not been incorporated in the broad estimates of revenue in the report. We anticipate that HMRC and HM Treasury would carry out further analysis of any proposals that the Chancellor decides to take forward.

### **Our work to date has included:**

**1.13** The first objective of the OTS was to collate all the reliefs administered by HMRC, which are the subject of the review. The list was drawn up with the help of HMRC. It was subsequently verified against tax legislation by the OTS and omissions, duplicates and inconsistencies were rectified.

**1.14** For the first time, a complete list of all 1,042 tax reliefs has been collated. This was published in November 2010. [OTS Full list of reliefs](#)

**1.15** A strategy document was published alongside this list of reliefs, which set out that our task was to make recommendations, based on analysis of evidence we would gather over the course of our review, for reliefs that could be sensibly repealed, modified, streamlined, simplified or delivered in a different way so as to make the tax system simpler.

**1.16** The provisional criteria that we suggest we base our recommendations on are set out in box 3.A in chapter 3 of this report. We have been considerably assisted in defining our review criteria by input from our consultative committee; they have also commented on an earlier draft of this report.

# 2

## What is simplification

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**2.1** Simplification of the law is not a new issue. In a proclamation in 1551 Edward VI said<sup>1</sup>:

*"... when time shall serve, the superfluous and tedious statutes were brought into one sum together and made more plain and short, to the intent that men might the better understand them, which I think shall much help to advance the profit of the commonwealth."*

### Objectives of a tax system

**2.2** As far back as 1776, Adam Smith, in *The Wealth of Nations*, set out four desirable objectives for a taxation system. These can be restated as<sup>2</sup>

- Equity: a tax should be seen to be fair in its impact on all individuals, and should be levied according to people's ability to pay.
- Certainty: taxes should not be arbitrary, the taxpayer should know his or her tax liability and when and where to pay it. It is important for a tax to be simple to understand, so that the taxpayer can calculate his or her liability.
- Convenience: it should be easy for taxpayers to pay what they owe.
- Efficiency: the tax system should not have an impact on the allocation of resources and it should be cheap to administer.

**2.3** We recognise that it is not possible to reach this nirvana of perfection in the tax system as we are not in a perfect world. However the OTS is aiming towards these objectives.

### Simplification – our starting point

**2.4** In this report we have used the above objectives as guiding principles, for which we have determined specific criteria based on work performed by various academics, taxpayers and HMRC.

**2.5** There have been many discussions on the definition of simplification, but one of the most widely used is that of G.S. Cooper in 1993.<sup>3</sup>

- Predictability – legislation and its scope should be easily and accurately understood by taxpayers and their advisers.
- Proportionality – the complexity of the solution should be no more than reasonably necessary to achieve the stated aim.
- Consistency – similar issues should be dealt with in the same way and without the need to make arbitrary distinctions.

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<sup>1</sup> W. K. Jordan, *The Chronicle and Political Papers of King Edward VI* (Ithaca, N.Y.: Cornell University Press, 1966), page 166

<sup>2</sup> A Lymer and L Oates; *Taxation: Policy and Practice* 15th ed. 2008/09; Fiscal Publications

<sup>3</sup> G.S. Cooper "Themes and issues in tax simplification" *Australian Tax Forum* Vol 10 pp 417 - 460

- Compliance – it should be easy for taxpayers to comply without incurring excessive costs.
- Administration – it should be easy for a revenue authority to administer.
- Coordination – it should fit appropriately with other tax rules.
- Expression – it should be clearly expressed.

## Parliamentary impetus

**2.6** In 1995, legislation was enacted that required the then Inland Revenue to prepare a report on tax simplification<sup>4</sup>. The report was published in December 1995<sup>5</sup>. However, although the focus of the legislation and the report was simplification, the resulting project was the Tax Law Rewrite (“TLR”), which focused entirely on rewriting the direct tax legislation, to make it simpler to understand. The project did identify some issues that warranted simplification but such action was outside its remit<sup>6</sup>.

## The views of taxpayers

**2.7** In a lecture in 1999, Adam Broke<sup>7</sup> identified the following four complexities in the UK tax system:

- Language used;
- Drafting style;
- Diversity; and
- Volume.

**2.8** Diversity was defined as the number and range of taxes, ranging from the widely based and widely known such as income tax and corporation tax, to taxes that have a narrow base and application, for example landfill tax and the climate change levy.

**2.9** A number of other users of the tax system also believe that the volume of the tax legislation is an indicator of complexity, due to the number of different rules in existence that a person may need to be aware of in order to comply with the law. Although difficult to arrive at agreed figures, the general consensus is that between 1997<sup>8</sup> and 2010, a combination of annual Finance Acts and the various rewrite acts, has resulted in the size of the Tolley’s Yellow Tax Handbook at least doubling in size. As a further indicator, over the last 60 years, the length of Finance Acts has increased significantly. Between 1945 and 1964 there were an average of 74 pages per act<sup>9</sup>, by the early 1980s this had more than doubled to 157<sup>10</sup>, and from 2000 to 2005 it had more than tripled again to 481<sup>11</sup> (however since 2005, the length of subsequent acts has generally been declining).

**2.10** However, we do not think that volume of legislation necessarily leads to complexity. A major contributing factor to the increased volume of the direct tax legislation (as measured by reference to Tolley’s Yellow Tax Handbook) has been the new acts from the TLR project. These

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<sup>4</sup> s160 FA 1995

<sup>5</sup> “The path to tax simplification” / “The path to tax simplification: a background paper” 12 December 1995

<sup>6</sup> Though the OTS has obtained various papers from the Tax Law Rewrite project setting out suggestions for simplification.

<sup>7</sup> Adam Broke, the 1999 ICAEW Tax Faculty Hardman Lecture

<sup>8</sup> The year in which Tolley’s changed the format of the Yellow Tax Handbook

<sup>9</sup> Adam Broke, Address to The 1999 ICAEW Tax Faculty Hardman Lecture

<sup>10</sup> Tax Matters: Reforming the Tax System, the report of the Tax Reform Commission, October 2006

<sup>11</sup> Tax Matters: Reforming the Tax System, the report of the Tax Reform Commission, October 2006

lengthy acts have significantly simplified the language and accessibility of tax legislation, though they have not, of course, simplified the underlying rules.

2.11 Ryesky in his 2004 paper, focused on certainty.

**Box 2.A: Certainty**

“The tax which each individual is bound to pay ought to be certain and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought to be clear and plain to the contributor, and to every other person.”

“The certainty of what each individual ought to pay is, in taxation, a matter of so great importance, that a very considerable degree of inequality, it appears...is not near so great an evil as a very small degree of uncertainty.”

Kenneth H Ryesky, “Tax Simplification: So Necessary and So Elusive” 2 Pierce L.Rev. 93 123-127 (2004)

2.12 One of the most frequent comments from our ‘roadshow’ groups has been that frequency of change is one of the biggest contributors to complexity. The corollary is that a complex system can become simple (or at least simpler) if it is left in place for many years so that taxpayers can learn it, devise ways of complying and become comfortable with requirements. Managing the volume of change to the tax system is not within our remit but it is clearly an important point to make.

2.13 A report by KPMG in 2006<sup>12</sup>, focused on the administrative burden as a symptom of the complexity rather than a cause in itself.

**Box 2.B: Administrative burden**

“Compliance costs are the costs which are imposed on a taxpayer when he or she attempts to comply with a given tax. These will include any costs related to the need to keep records for tax purposes, costs of employing tax related staff, costs of collating data to complete the tax returns and so on. Compliance costs can be significant as part of the total costs of taxation – in some cases they can be as much as five times as big as the direct costs for some types of tax.”

A Lymer and L Oates; Taxation: Policy and Practice 15th ed. 2008/09; Fiscal Publications

2.14 However, as we have discussed our work with taxpayers and advisers, it is clear that they support the view that complexity stems just as much from involved administration as from complex legislation. In fact, we think that if the procedures required of a taxpayer are simple and easy to follow, then it does not matter that the underlying legislation is complex – to the taxpayer their involvement with the tax system is simple. Consequently we have focused far more on the administrative burdens created by the reliefs we have reviewed, rather than simply focusing on the legislation.

<sup>12</sup> KPMG LLP, Administrative Burdens – HMRC Measurement Project, 20 March 2006

## Our approach

**2.15** We recognise that, operating in an imperfect world, we cannot lose complexity altogether and that, no matter how simple the legislation is, complexity will arise in its implementation.

### Box 2.C: Implementation

“The annual half shekel per capita tax levied while the Temple stood in Jerusalem is instructive. Though this tax was clearly specified as to incidence and amount – one half shekel to be paid by every man over twenty years of age<sup>13</sup> – there were potentially complicated administrative matters that came into play. The entire amount was to be remitted in a single payment and not in partial payments. A significant number of people paid their tax in coins other than the standard shekel used in the Temple, and provisions were thus necessary to address the exchange of coins. The collected funds were often administered via an intermediary, and procedures for doing so were defined, as were consequences for failure of the intermediary to properly pay over the tax. And of course, given the universal human distaste for paying taxes, there needed to be a tax collection system which efficiently facilitated voluntary compliance but which was prepared to resort to force if necessary to ensure payment of the half shekel”

Kenneth H Ryesky, “Tax Simplification: So Necessary and So Elusive” 2 Pierce L.Rev. 93 123-127 (2004)

**2.16** Taking the above research and our discussions with the consultative committee into account, our review has been conducted focusing on the following criteria, which attempt to bring together a number of the above issues into manageable criteria, for which evidence is available from HMRC statistics or taxpayer feedback:

- The policy rationale. A number of tax reliefs have been introduced over the years to fulfil a specific purpose, or to help a certain industry in need. We will examine whether there continues to be a policy rationale behind a relief and also whether the relief is the best way to deliver the aim.
- Evidence of taxpayer take up, which is a proxy for the perceived value of the relief. This is a function of understanding, complexity and whether the legislation is too tightly focused.
- The tax cost of the relief is also a key factor which we take into account but is not by any means the key driver.
- The administrative burden for the taxpayer, adviser and HMRC; determining for each relief which aspects take up the most time and resource. This includes the legislation itself, the volume of changes, the procedures and documentation required for dealing with HMRC or other bodies, and the work HMRC has to undertake to monitor claims.

## Your views

**2.17** We recognise that there are many other criteria in addition to the above, but we have focused on the issues that we believe to be the most relevant to our review. However we would welcome all comments on whether the above criteria will achieve the objective of determining

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<sup>13</sup> Exodus Ch 30 v13

whether a relief is fit for purposes, and whether it can be simplified or abolished. We would also welcome comments on whether there are other important criteria that we have not considered.



# 3

## Our methodology for the review of tax reliefs

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**3.1** The definition of a tax relief for the purposes of our review was taken to include:

- A specific deduction set out in legislation from taxable income or profits - for example specific deductions from trading or employment income.
- An allowance or a tax-free amount of income or gains – for example the personal allowance for income tax or the inheritance tax threshold.
- An exemption from the scope of tax – for example cars are not subject to capital gains tax.
- A reduction in tax due – for example double taxation relief.
- A tax credit – for example research and development tax credits for small or medium companies.
- Zero rates – for example talking books for the blind.
- Reduced rates – for example on domestic fuel and power.

**3.2** However, we have not treated items that a business deducts in arriving at its accounting profit as reliefs, and our remit specifically excludes Child Tax Credits and Working Tax Credits. In short, we are looking for items that, through legislation, alter the figure of profit, income, gain, estate, supply, etc., which would otherwise be subject to tax or national insurance.

Our task is to make recommendations, based on analysis of evidence gathered over the course of our review, for reliefs that can be sensibly repealed, modified, streamlined or delivered in a different way so as to make the tax system simpler, using the provisional criteria set out in box 3.A.

### **Box 3.A: Review criteria**

- Whether the policy rationale for the reliefs is still valid and whether it remains the optimal method to achieve the policy objective, given other potential Government interventions.
- Evaluation of whether there is currently a policy rationale for the relief.
- The likely impact of changing or repealing the relief or exemption.
- Evidence of taxpayer take-up and awareness of the reliefs.
- Evidence of complexity, compliance costs and administrative burdens in claiming the reliefs.

**3.3** In the review of each relief, we have given weighting to each of the criteria. However, based on our experience and feedback received, different criteria take precedence in different circumstances. Therefore the weighting of the criteria will be assessed on a case by case basis.

**3.4** Additional criteria could include, for example, evidence of abuse, or of the relief encouraging or rewarding behaviours other than those within the original policy rationale.

**3.5** We would welcome comments on the criteria we have chosen and also whether an alternative approach would be more appropriate, for example should we focus our attention on those taxes that affect the most taxpayers, such as income tax or corporation tax?

**3.6** In addition, there may be alternative approaches to simplification, for example, bringing all tax rules and reliefs regarding particular issues together, such as employee benefits or share schemes. At present various taxes apply to such issues and the rules and reliefs are found in different acts.

# 4

## Applying our methodology to a sample of reliefs

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**4.1** The aim of this chapter is to test our methodology against a small sample of reliefs. We have arranged the reliefs (in Box 4A) according to our preliminary assessment against the criteria, and have then carried out our review work. We are not looking to draw any final recommendations or conclusions at this stage. We are primarily requesting comments on whether our methodology is appropriate, and whether there are any additional or alternative criteria that should be used in the final report.

**4.2** We have chosen this sample of 13 reliefs to include a variety of types of relief – different sizes, taxes, taxpayers affected etc – and to draw out what we think may be the main issues in testing our methodology. Nothing else should be read into our selection of reliefs.

### Box 4.A: Reliefs under review

#### Potentially retain

- Capital gains tax relief on disposal of private residence
- Income tax relief for players in the UEFA Champions League Final 2011
- Income tax relief for repair and maintenance of work equipment

#### Potentially simplify

- VAT: supplies to charities/ sales by charities
- Gift aid
- Lease premium relief
- Capital allowances – enhanced capital allowances for energy and water efficient technologies
- Research and development tax relief

#### Potentially abolish

- Exemption from benefit charge for late night taxis
- Vaccine research relief
- Millennium gift aid
- Income tax exemption for National Savings Bank Ordinary Account interest
- Luncheon vouchers – daily income tax relief for first 15p

## *Reliefs to consider for retention*

### **Capital gains tax relief on disposal of private residence**

**4.3** Gains accruing to individuals on the disposal of their only or main residence, including land forming the garden or grounds, are wholly exempt from capital gains tax<sup>1</sup>. This is principal private residence relief (“PPR”).

#### **Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?**

**4.4** The relief ensures that an individual can replace their home with another without the proceeds of sale from the first home being diminished by a charge to capital gains tax. When the relief was introduced in Finance Bill 1965 it was seen as an important concession for owner-occupiers, not only to encourage home ownership as an attractive investment but also to assist both social and labour mobility<sup>2</sup>.

**4.5** The rationale for the relief remains as valid today as in 1965, if not more so, as not only is the measure a simplification for many taxpayers but we would expect that without this relief the residential property market could stagnate.

**4.6** The repeal of this relief would potentially bring everyone who sells their main home within the charge, which could lead to an additional 800,000 individuals<sup>3</sup> completing a self-assessment tax return (although some of these may already file a return).

**4.7** It would be difficult for HMRC to estimate the additional tax yield from the removal of this relief. We would need to understand fully the impact on individual behaviour, the housing market and wider consequences for other taxes such as Stamp Duty Land Tax (“SDLT”) yields.

#### **Taxpayer take up and awareness**

**4.8** The total number of houses sold in 2009/10 over £40,000 was almost 900,000<sup>4</sup>, however this figure varies year on year depending on the state of the housing market. We understand that there are no figures for which of these are main residences, but assuming that around 85-90% of these transactions do relate to main residences, then around 800,000 residences are sold each year.

#### **Complexity, compliance costs and administrative burden**

**4.9** This relief is a significant simplification for the vast majority of taxpayers, as it prevents them from being within the scope of capital gains tax.

**4.10** In certain cases we understand that this relief can be complex to apply as there are numerous conditions that need to be met, especially where there have been periods in which the house has not been a main residence, or has been let out. However there is no evidence that the relief itself is complex; rather the number of conditions leads to complexity and areas of uncertainty. Consequently it may simply be a case of these conditions being rewritten in an easier to understand format, for example as a checklist or a flowchart.

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<sup>1</sup> s222 TCGA 1992

<sup>2</sup> Hansard, 27 May 1965, Vol 713 col 997

<sup>3</sup> HMRC estimates

<sup>4</sup> HMRC estimates

**4.11** There must be scope for revising the various exemptions, testing how many are still necessary or valid and whether they can be replaced by simpler, more pragmatic rules. There is also the issue of the 'last three years' relief<sup>5</sup>, which is there for the sensible reason that a taxpayer who finds himself unable to sell his old house is not penalised for having bought his new house on schedule. However this supports the practice of 'flipping', and it is questionable whether the period is too long.

**4.12** In any event, it would be sensible to develop some minimum criteria for a property to qualify as a PPR – minimum period of residence, appropriate evidence etc.

### Summary

**4.13** Our methodology suggests that this relief be retained, as there is a continuing rationale, and abolition could have an adverse effect on the housing market. It is also a significant simplification for the majority of those selling houses.

**4.14** However due to the numerous conditions causing complexity in other than straightforward cases, it is proposed that these conditions be

- Rewritten in a simpler format;
- Reviewed to test which are still appropriate; and
- Researched to see whether any can be streamlined.

## Income tax relief for players in the UEFA Champions League Final 2011

**4.15** If a sports person who is not UK resident performs in the UK, then, in general, he or she is taxable on amounts received in respect of the performance<sup>6</sup>. However there is a specific exemption in s63 and schedule 20 FA 2010 from this rule for any employee or contractor of an overseas team competing in the UEFA Champions League Final, to be held in London in May 2011.

### Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?

**4.16** This relief was introduced for the UEFA Champions League Final 2011 and was a key part of the bidding process in order for London to win the right to host the final.

**4.17** The rationale behind introducing this relief remains valid and a similar exemption has been introduced for participants and officials at the London Olympic Games in 2012<sup>7</sup>.

**4.18** As set out below, there is no tax loss, and this event is likely to bring significant additional revenues to the UK with over 50,000 additional visitors.<sup>8</sup>

### Taxpayer take up and awareness

**4.19** This relief is very specifically targeted and at most it will benefit two football clubs, neither of which can be members of the various UK football associations<sup>9</sup>.

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<sup>5</sup> s223 TCGA 1992

<sup>6</sup> ss965-970 ITA 2007

<sup>7</sup> s68 FA 2006

<sup>8</sup> Based on likely ticket allocations to the competing teams

<sup>9</sup> Para 6 Sch 20 FA 2010

## Complexity, compliance costs and administrative burden

**4.20** It is very simple to operate and is designed to simplify the tax affairs of the teams concerned, in that they will not need to consider UK income tax when paying their players. It will therefore significantly reduce the time and cost for the teams concerned.

**4.21** Should one of the teams in the final be from the UK, there is a possible unfairness in that they may perceive that their opponents have a tax advantage that they do not.

**4.22** The Exchequer costs are estimated to be zero as it may not have been possible to host the event without the relief.

**4.23** Reliefs of this type could become complex if they were to be made more widely available, as there may be lack of clarity as to which sporting events were to be covered and they would need to cover a range of different circumstances. We would therefore recommend that the use of similar exemptions be restricted to those necessary for very high profile events, or where there is a necessity as part of the bidding process for the right to hold the event.

### Summary

**4.24** The usage of this relief is highly restricted, however the policy rationale remains valid, and it was promised during the bidding process. It also simplifies the tax affairs of those affected, and does not add complexity for anyone else.

**4.25** The loss to the Exchequer is zero, and there would be an overall advantage from the revenues created by additional visitors to the UK.

**4.26** The relief should be abolished once the event has passed and it should be reviewed for its effectiveness – has it met the original design principles and 'paid back'?

## Income tax relief for repair and maintenance of work equipment

**4.27** s367 ITEPA 2003 provides that a deduction may be allowed for a fixed sum representing the average annual expenses incurred by a class of employees in relation to the repair and maintenance of work equipment. The deduction may only be claimed where the expense itself would be deductible, where the expense falls on the employee and is not reimbursed by the employer. If the expense is reimbursed in part by the employer the fixed sum deduction is reduced accordingly.

**4.28** Examples of current allowances<sup>10</sup> are:

- Agricultural workers: £100
- Pattern makers £140

### Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?

**4.29** This relief was introduced to ensure that employees who are necessarily obliged to incur expenses in relation to their work equipment are not disadvantaged in comparison with those whose employers meet the expense directly.

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<sup>10</sup> HMRC Employment Income Manual (EIM) para 32712

**4.30** Per HMRC Employment Income Manual<sup>11</sup> most employers will provide the necessary equipment and so the fixed sum deduction will not be necessary; consequently the original rationale may not be as valid as it was when introduced.

**4.31** However, removal of s367 would create an additional administrative burden for both taxpayers and HMRC, as taxpayers would have to access relief under s336 ITEPA 2003, which requires more detailed record keeping and HMRC's agreement.

### **Taxpayer take up and awareness**

**4.32** This relief is currently aimed at 34 different industries<sup>12</sup> and so is widely available.

**4.33** Even though many employers provide the requisite equipment, and so the fixed sum deduction is not necessary<sup>13</sup>, over 10,000 taxpayers currently take advantage of this relief<sup>14</sup>.

### **Complexity, compliance costs and administrative burden**

**4.34** This relief relieves administrative burden, and therefore the costs to HMRC of the relief are likely to be minimal; the alternative would be to allow the actual sums incurred. As it is also a simplification for HMRC, any detriment to the yield would be, at least partially, offset by the administrative savings.

**4.35** For taxpayers who have to bear such costs themselves this relief is a simplification as there is no need to maintain records of the actual sums incurred. It is not complex for claimants and representative bodies to explain the entitlement to their members. In addition, relief is allowed through the tax coding, which further eases the administrative burden for the taxpayer, although this will reduce the benefit to HMRC.

**4.36** The current rates were those that took effect in 2008/09 and are only slightly higher than those published in the early 1990s. As these amounts are not negotiated regularly, it is not likely to take up a substantial amount of HMRC time.

### **Summary**

**4.37** This relief is a simplification for the individuals concerned and for HMRC, it is available to a wide variety of industries and it ensures employees are not disadvantaged as a result of the policy and practices of their employers.

**4.38** The methodology would therefore suggest that it be retained. To further decrease the administrative burden on the part of HMRC and the trade unions, consideration could be given to implementing a single flat rate for all the affected industries, rather than 34 different rates. In addition, given it is a simplification for the employees concerned, consideration could also be given to extending this relief to other industries.

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<sup>11</sup> EIM 32710

<sup>12</sup> EIM 32712

<sup>13</sup> EIM 32710

<sup>14</sup> HMRC estimates

## *Reliefs to consider for simplification*

### **VAT: supplies to charities/ sales by charities**

**4.39** Sales by charities of donated goods and some supplies to charities are zero rated under VATA 1994 Sch 8 Group 15.

#### **Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?**

**4.40** The zero rating of, inter alia, supplies to charities was negotiated by the UK prior to entry into the EU in 1973. If a category of zero rating is amended or abolished it will be subject to the standard or reduced rate of VAT thereafter.

**4.41** Other zero rated supplies for charities include: the construction of certain buildings to be used for charitable purposes<sup>15</sup>; supplies to charities of lifeboats and their repairs and maintenance, for providing rescue or assistance at sea<sup>16</sup>; and supplies to charities of talking books and wireless sets for the blind<sup>17</sup>.

**4.42** On 19 October 2010, the Exchequer Secretary to the Treasury stated in Parliament that the Government was committed to retaining those zero rates which charities currently benefit from<sup>18</sup>.

#### **Taxpayer take up and awareness**

**4.43** These reliefs are available to all charities in the UK of which there are in the region of 250,000<sup>19</sup>. The number of charities benefiting from these reliefs is not known.

#### **Complexity, compliance costs and administrative burden**

**4.44** The Exchequer cost of the supplies to charities relief is estimated to be over £200m<sup>20</sup>, however we understand that there are no available figures for the sales by charities relief.

**4.45** We understand that this zero rating is sometimes a complex relief for the charities to claim, owing to the need to determine whether certain goods or services are eligible for relief. Zero rating does increase the administrative burden of accounting for VAT on the sale of such goods, because a record must be kept of why the supply was zero rated. However the savings in VAT help to preserve charities' income.

#### **Summary**

**4.46** Based on our methodology above, we would propose that this relief is retained, due to the current commitment to retaining the charities zero rates and the benefits these provide to the charity sector; however the guidance could be revised and clarified.

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<sup>15</sup> VATA 1994 Sch 8 Group 5

<sup>16</sup> VATA 1994 Sch 8 Group 8

<sup>17</sup> VATA 1994 Sch 8 Group 4

<sup>18</sup> Hansard, 19 October 2010, Vol 516 col 925

<sup>19</sup> HMRC

<sup>20</sup> HMRC tentative estimates. In addition, this includes the impact of charity building relief (no. 996 in our original list) and sea rescue relief (no. 1026 in our original list)

## Gift Aid

**4.47** Gift aid may apply when an individual makes a donation to a charity or Community Amateur Sports Club (“CASC”). There are two aspects to this relief – firstly the charity is able to reclaim basic rate tax from HMRC (as the donation is treated as made out of taxed income) on the grossed up amount of the donation, and secondly if the donation is made by a higher rate or additional rate tax payer, the difference between the higher rate (or additional rate) of tax and basic rate of tax, can be claimed as a deduction against the donor’s tax bill.

### Box 4.B: Example

If an additional rate (50%) taxpayer makes a donation to charity of £100, their donation is treated as a £125 gross donation (being £100 multiplied by 100/80). The charity receives the £100 from the donor, plus a further £25 of gift aid from HMRC. The individual can reclaim £37.50 (£125 multiplied by (50%-20%)). Therefore in total the charity has received £125 and it has cost the donor £62.50 (for the purposes of this example, transitional relief, which would provide a further £3 for donations up to 31 March 2011, has been ignored).

**4.48** Budget 2002 introduced the CASC regime, allowing these organisations to access some charitable reliefs, including gift aid. The aim was to encourage wider participation in amateur sport. The administrative and regulatory burden associated with registering as a CASC is heavier than registering as a charity but the ongoing administrative/ regulatory burden is lighter.

### Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?

**4.49** This relief was introduced to encourage one-off gifts to charity, at a reasonable administrative cost and an acceptable cost in terms of tax revenue forgone. The relief has superseded reliefs such as deeds of covenant. Since its introduction the regime has been extended and it now applies to donations of any size and not just one-off gifts. The take up of gift aid and support from the charitable sector suggests that it continues to achieve its policy rationale.

### Taxpayer take up and awareness

**4.50** The relief is available to all UK taxpayers making donations to a charity or CASC, and the additional relief for the donor is available to all higher and additional rate taxpayers. It is therefore widely available.

**4.51** It is well used, as there are almost 69,000 charities and CASCs that benefit from the relief, for whom it is worth £1bn<sup>21</sup>. For the higher rate taxpayers, £310m of relief is claimed<sup>22</sup> each year. Of the 5,800 registered CASCs, approximately 810 claim gift aid repayments, worth £1.5m<sup>23</sup>

### Complexity, compliance costs and administrative burden

**4.52** There is very little additional administrative burden for basic rate taxpayers as in general there is only a single form to complete when making the donation. For a higher rate or additional rate taxpayer to claim the additional relief, the claim should be made in the tax

<sup>21</sup> HMRC estimates

<sup>22</sup> HMRC estimates

<sup>23</sup> HMRC estimates

return; this can mean some taxpayers have to keep records of donations made and complete further forms and receive the additional relief via their PAYE code.

**4.53** There is some anecdotal evidence that some taxpayers do not wish to complete the gift aid declaration for fear that it might provoke an HMRC enquiry and possible tax bill.

**4.54** There is an administrative burden for the charity in generating and retaining donor records. This would be avoided if the relief were automatic and depended only on evidence of donations. However, such a move would be a major policy shift involving considerations of public expenditure categorisation.

**4.55** At the moment it is a resource intensive process for HMRC who rely on manual processes to undertake most of the administration of the scheme. Of the c.120 staff directly involved in administering all charity tax reliefs, around 20 people are dedicated to the processing of gift aid repayment claims<sup>24</sup>.

## Summary

**4.56** The original policy rationale remains valid, and the relief is widely used, providing charities with substantial additional funding. For the individual there are no administrative burdens, unless they claim higher rate relief in which case it is only a record of donations that need to be made (which certain websites, for example justgiving.com, will keep on their behalf). However we would recommend that the process for the charities be simplified, perhaps as set out in 4.54 above, and that guidance notes are produced to make taxpayers aware of the limited reasons for not completing the gift aid declaration.

**4.57** The original gift aid scheme that applies to simple donations of money is very simple. However complexities have entered the system as gift aid has been extended over the years to apply to situations that gift aid was not designed for, for example, gift aid on the sale proceeds of donated goods. The Gift Aid Forum, set up to examine ways of improving gift aid, concluded that the scheme was a success but detailed a number of areas for improvement. Economic Secretary to the Treasury, Justine Greening, has confirmed that HMRC would be moving quickly on a number of the recommendations, and exploring others in further detail<sup>25</sup>. We will ensure that our comments above are included in this process.

## Lease premium relief

**4.58** Lease premium relief gives a deduction against trading profits for an annual equivalent of a premium paid on certain leases on property used for business purposes.

**4.59** The relief entitles traders, intermediate landlords and others leasing property for the purposes of a property business to claim a tax deduction against trading profits equal to the annual equivalent of the premium paid; this would otherwise be treated as a capital payment and would not be relievably. This applies to short leases i.e. leases of 50 years or less.

**4.60** The legislation is found in ITTOIA 2005 ss 276 – 307 and CTA 2009 ss 215 – 247. Whilst not all of the legislation applies to the relief itself, reference must be made to it in order to calculate the relief, for example the definition of a taxable premium.

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<sup>24</sup> HMRC information

<sup>25</sup> Letter to Peter Fanning, of the Gift Aid Forum, 2 December 2010

## Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?

4.61 The provisions give an annual deduction from the profits of a property business for the lease premium, for which there would otherwise be no deduction.

4.62 The relief is the mirror side of the charging provision for lease premia on the recipient. Therefore, to ensure symmetry, the rationale remains valid.

### Taxpayer take up and awareness

4.63 There are thought to be in excess of 1,000 beneficiaries each year from this relief<sup>26</sup>.

4.64 The cost of the relief is not known.

4.65 The relief is widely targeted at tenants or intermediate landlords carrying on property businesses from leased premises, where the lease is a short lease.

### Complexity, compliance costs and administrative burden

4.66 For businesses, there is a perception that it is a complex relief to claim as the lessee has to first calculate the assessable amount of the lease premium in the lessor's hands (broadly the value of the premium less 2% of the premium for each complete year of the lease after the first year), before the annual deduction for the lessee can be calculated. However once calculated the amount does remain static.

4.67 Practical considerations, which add to complexity, include determining which leases are short leases with respect to break points in the lease agreements.

4.68 Simplification of the relief was considered by HMRC's anti-avoidance simplification working group in 2008<sup>27</sup>, but following preliminary analysis and review it was decided that simplification of the regime was outside the scope of the anti-avoidance simplification project<sup>28</sup>.

### Summary

4.69 Even though the policy rationale remains valid, the practical issues and calculations make the relief complex. However as the relief is part of a wider regime addressing the taxation of the premium in the hands of the lessor, it is considered that the relief cannot be considered in isolation and it is the overall regime, rather than the relief itself, that may need simplification. We would therefore recommend that the regime covering leases be reviewed, potentially as a future project for the OTS.

## Capital allowances – enhanced capital allowances for energy and water efficient technologies

4.70 Capital allowances allow businesses to write off the costs of certain capital assets, including plant and machinery, against their taxable income and so take the place of accounting depreciation. For the majority of plant or machinery assets, capital allowances are available at 10% or 20% (to be reduced to 8% or 18% from April 2012) on a reducing balance basis.

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<sup>26</sup> HMRC estimates

<sup>27</sup> "Simplifying anti-avoidance legislation" HMRC 12 March 2008

<sup>28</sup> HMRC

**4.71** Enhanced capital allowances (“ECAs”) enable a business to claim 100% first-year allowances on their spending on certain plant and machinery. There are currently five schemes but only two are subject to review here:

- Energy-saving plant and machinery<sup>29</sup>; and
- Water conservation plant and machinery<sup>30</sup>.

The others are very low CO<sub>2</sub> emission cars, gas refuelling equipment and zero emission goods vehicles.

**4.72** ECAs enable a business effectively to obtain a tax deduction for all of the capital expenditure on qualifying technologies against taxable profits of the period during which the investment is made.

**4.73** The qualifying technologies and products are specified in either the Energy Technology List or the Water Technology List. The lists also contain the energy and water efficient criteria that have to be met for inclusion in the scheme. The products on the lists have been approved as meeting these criteria. In some cases expenditure on certain technologies, for example combined heat and power systems, must be certified by DECC<sup>31</sup> or Defra<sup>32</sup> as meeting the criteria.

**4.74** In 2008 a payable tax credit was introduced, for an initial five year period, to complement the scheme and to address concerns that the scheme only benefited profitable companies. This allows loss making companies to surrender losses attributable to ECAs in return for a payable tax credit equivalent to 19% of the cost of the asset.

### **Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?**

**4.75** This relief was introduced as part of a package of measures “to reward businesses investing in energy saving improvements”<sup>33</sup>. The relief was designed to support the Government’s programme to manage climate change by encouraging businesses to acquire ‘green’ assets rather than more polluting alternatives.

**4.76** The UK has a legally binding commitment to reduce carbon emissions by 20% by 2020 compared to 1990 levels and 80% by 2050. The Carbon Reduction Commitment (CRC)<sup>34</sup> is designed to improve energy efficiency by large private and public sector organisations. The Coalition Government’s stated aim is to be the ‘greenest government ever’<sup>35</sup> and create a greener tax system. Therefore the relief has a continuing rationale. However, given the amount of time that has passed since its introduction, it does seem appropriate to question how successful it has been.

**4.77** Encouraging behaviour through the tax system remains a policy objective, and there are a number of other tax incentives designed to encourage behaviour to reduce environmental impacts, for example, the importance of CO<sub>2</sub> emissions in the taxation of company cars.

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<sup>29</sup> CAA 2001 S45A

<sup>30</sup> CAA 2001 S45H

<sup>31</sup> Department of Energy and Climate Change

<sup>32</sup> Department for Environment, Food and Rural Affairs

<sup>33</sup> Budget speech, 7 March 2001: [www.webarchive.nationalarchives.gov.uk/20100407010852/http://hm-treasury.gov.uk/bud\\_budget01\\_speech.htm](http://www.webarchive.nationalarchives.gov.uk/20100407010852/http://hm-treasury.gov.uk/bud_budget01_speech.htm)

<sup>34</sup> Climate Change Act 2008

<sup>35</sup> David Cameron, speech to DECC civil servants, 14 May 2010

## Taxpayer take up and awareness

**4.78** This relief is available to the entire range of UK businesses, as it could apply to any capital expenditure, although the payable tax credits are only available to loss making incorporated businesses.

### **Box 4.C: Example (provided by our consultative committee)**

Company X, which manufactures products that could qualify for ECAs, believes the process for getting its products recognised under the scheme is too bureaucratic, expensive and time consuming. In addition, having a product on the list of equipment that qualifies for ECAs provides little economic benefit for the company, as a general lack of awareness of ECAs limits the demand impact. As a result, the company does not bother to take the time to get the products listed.

**4.79** Through discussions with tax advisers and businesses, there is a feeling that the relief has very little impact on the decisions of which asset to buy. In addition, the cash payment alternative for loss making companies has had minimal impact as the assets on the list are seen to be more expensive than alternative assets, even taking the tax credit into account.

**4.80** A 2007 evaluation of the scheme by HMRC indicated that there is some impact on investment decisions made by businesses, but other factors may play a greater role.<sup>36</sup>

**4.81** By 2007, a total of 7,000 claims had been made, which is considered low by HMRC. However, since that time, the introduction of the Annual Investment Allowance (AIA) in 2008 is likely to have adversely affected the impact of the scheme. As it is estimated that the current AIA threshold of £100,000 per company/ group<sup>37</sup> covers the full cost of most plant and machinery investment for 99% of businesses (and even the planned reduction to £25,000 from April 2012<sup>38</sup> will cover the investment of the majority of businesses), it will now primarily be medium and large businesses that use the ECAs.

**4.82** If the scheme were to be abolished, it is possible that large energy and water consuming businesses would be adversely affected and it may also adversely affect the low-carbon industry sector, impacting on the Coalition Government's objectives in this area.

## **Complexity, compliance costs and administrative burden**

**4.83** The list of assets that are eligible for the scheme is very specific, in that it details qualifying products, their manufacturers and product serial numbers (one criticism from taxpayers is that the list is subject to change with very little notice). In certain cases the listed qualifying products might generally be used as components in large items (for example as a motor in a conveyor belt). To avoid apportionment difficulties, the scheme provides that a particular claim value be attributed to that product.

<sup>36</sup> <http://www.hmrc.gov.uk/research/report-54.pdf>

<sup>37</sup> s5 FA 2010

<sup>38</sup> Red Book 1.61 – Budget 22 June 2010

#### Box 4.D: Example (provided by our consultative committee)

Company X is a metal treatment firm that is concerned about energy efficiency because of rising energy costs. But the firm only use ECAs on a very limited scale. While their applications for ECAs were approved, the company found the process quite cumbersome and administratively intensive. In the firm's view, unless they have changes in big equipment it's not worth their while.

**4.84** The value is identified using claim value tables. For example a £100,000 conveyor belt might incorporate a motor that attracts 100% allowances. The list will value that motor at £10,000 and that is the value of the machine that qualifies. The remaining £90,000 of the machine qualifies for either 20% or 10% writing down allowances.

**4.85** The estimated cost of the energy saving plant and machinery scheme is £80m per annum<sup>39</sup>. However, as the scheme only accelerates the tax allowances available, rather than providing additional relief, this is only a timing difference. The actual savings for each company will therefore only effectively be the cost of capital for the company concerned.

**4.86** For HMRC, there would be minor administrative savings if the relief was abolished, as there would be no need to risk assess or check the validity of claims.

#### Summary

**4.87** Even though the policy rationale remains valid, and it is widely targeted, a tentative conclusion could be to simplify the list of qualifying assets. Alternatively, these two aspects of the relief could be abolished as there appears to be a quite strong feeling amongst many businesses that, due to the complexities involved in record keeping and asset identification, the costs of claiming outweigh the benefits and consequently it is very underclaimed.

**4.88** There are a number of potential alternative methods to achieve the same policy objective, in a simpler way, such as:

- Incentives in the form of grants for the purchase of 'green' equipment;
- Adaptation of schemes such as the Feed in Tariffs, the Renewable Heat Incentive ("RHI") or the Green Deal, to aid the installation of some energy saving and water efficient technologies by businesses. Indeed the RHI already has some overlaps with some ECA qualifying technologies;
- To give an additional allowance to the manufacturer of 'green' equipment. This would help to achieve the aim by encouraging production of relevant assets, and reducing the cost to consumers. This approach would remove the purchasers' burden of identifying qualifying assets (although the allowance would still have to be targeted at particular equipment). If the tax relief were factored into a reduction in price, it may also encourage purchases of these assets. However such a special allowance is likely to raise issues around EU state aid and would not be straightforward; or
- A generally wider basis for the relief, i.e. does it cover all the items it should?

<sup>39</sup> HMRC estimate is £100m, which does not take into account the standard capital allowances that would be available, at up to 20%.

## Research and development tax relief

**4.89** There are two schemes for research and development tax relief (“R&D relief”), one for large companies and one for small and medium enterprises (“SMEs”). For the large scheme, an additional 30% tax deduction is available on qualifying R&D expenditure, and for SMEs an additional 75% tax deduction is available. For loss making SMEs, it is possible to claim a cash credit, equivalent to 24.5% of the qualifying spend. The legislation is in Part 13 CTA 2010.

**4.90** For tax purposes, R&D is defined as taking place where there is a project that seeks to achieve an advance in science or technology, through the resolution of scientific or technological uncertainties. In addition, the expenditure must fall within one of the following categories:

- Staff costs (including gross salary, employer’s NIC, pensions, bonuses and certain expenses);
- Consumable items (including heat, light and power);
- Software costs;
- Payments to clinical trial volunteers;
- Externally provided workers; and
- Payments to subcontractors. For the large company scheme, payments are only allowed in this category if they are made to unincorporated businesses or certain special bodies (e.g. universities, scientific research institutions). Within the SME scheme, payments to all subcontractors are allowed, however if the subcontractor is not ‘connected’ to the claimant, the qualifying expenditure is limited to 65% of the payment.

### Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?

**4.91** The policy was introduced in 2000 for SMEs to encourage research and development activities by UK companies. It was extended in 2002 to large companies. The two regimes are similar but there are some important differences. It is a relief that is widely used around the developed world so it may be seen as part of the UK’s competitive stance.

**4.92** The findings of an HMRC evaluation of R&D tax relief<sup>40</sup> show that there is a general consensus from different countries that tax relief for R&D expenditure results in higher levels of expenditure in that country than would otherwise occur. There is a wide range of estimates of the extent to which expenditure is increased, directly as a result of tax relief, and therefore of the cost-effectiveness of the relief. Analyses of UK claims also produce a wide range of cost-benefit estimates, but indicate that up to £3 of R&D expenditure might be stimulated by £1 of tax foregone. UK companies surveyed believe that the overall amount of R&D is increased as a result of the R&D tax relief system, whereas the availability of R&D tax relief has little effect on decisions to undertake specific R&D projects.

**4.93** We have feedback from businesses and advisers that the R&D cash credit available to loss making SMEs is important and is often factored into business plans and assists cash flow and therefore enables management to focus on running the business. However, others think a greater incentive effect could be achieved if, as in the French and Irish R&D relief schemes, the relief could be recorded in the pre-tax profits of a company rather than as a tax adjustment. This

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<sup>40</sup> <http://www.hmrc.gov.uk/research/report107.pdf>

would require redesigning the scheme so that it could be classified as a credit against operating costs under international and UK accounting standards.

### **Taxpayer take up and awareness**

**4.94** The Exchequer cost of the relief in 2008-09 was about £930m<sup>41</sup>, and there are c. 8,350 companies claiming the relief<sup>42</sup>. It has been estimated that the annual costs will increase to over £1bn over the next four years<sup>43</sup>.

**4.95** The relief is available to any company in any sector in the UK undertaking a minimum £10k of qualifying R&D in a year.

### **Complexity, compliance costs and administrative burden**

**4.96** The total administrative burden to business in claiming the relief is not significant in comparison to the benefits at around £14m each year<sup>44</sup>, i.e. c. 1.5% of the benefit.

**4.97** However for many companies there is a substantial administrative burden, as in an increasing number of cases, HMRC are requesting that documentation setting out the R&D projects undertaken is submitted with the return. Narrative is often available on the projects for other reasons (e.g. grant funding, board presentations), but this is generally in insufficient detail or is not in the format required by HMRC.

**4.98** There is also a significant burden in some cases in collating the costs, especially staff costs, as these are split by individual staff member. For each individual, a percentage is applied based on the amount of time spent working on R&D, which is usually estimated by the individual or a team leader as timesheets are rarely used in practice.

**4.99** Businesses and tax professionals have raised some particular areas of complexity with us, for example the rules for externally provided workers, the aspect of the R&D definition relating to qualifying indirect activities, and the treatment of prototypes that are sold. There are also complex interactions between the large and SME R&D schemes. A SME that has had R&D subcontracted to it from a large company can claim R&D relief under the large company scheme but with some R&D agreements it is difficult to establish whether the arrangement is in the nature of subcontracting, or just a collaboration agreement.

**4.100** A further burden for many companies arises during the process of an HMRC enquiry into the claim. In 2006 the structure of the HMRC teams working on cases involving R&D was centralised through the setting up of regional R&D units to improve consistency of treatment. This has helped to reduce variation in treatment, however some variations still remain between these units, especially in the level of detail that may be requested from the company. However, it is noted that the R&D specialist units responsible for processing claims are co-ordinated at a national level and regular meetings between senior staff are held to try and ensure consistency of treatment.

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<sup>41</sup> HMRC estimate, - this includes £770m in reduced tax liabilities, and £160m of payable tax credits.

<sup>42</sup> HMRC estimate

<sup>43</sup> [http://budgetresponsibility.independent.gov.uk/d/randd\\_tax\\_credits\\_release\\_171110.pdf](http://budgetresponsibility.independent.gov.uk/d/randd_tax_credits_release_171110.pdf)

<sup>44</sup> HMRC estimate

#### **Box 4.E: Example (provided by OTS secondee)**

Company X is an SME with no revenue yet and has claimed R&D relief for a number of years. For the year ended 31 March 2008 HMRC opened an enquiry asking for a detailed write up of the R&D work undertaken and an analysis of all staff costs and consumables (which ran to over 40 pages). Invoices were subsequently requested for many of the consumables. Overall this ended up costing a significant amount of senior management time and large amounts of adviser's fees in assisting. Even though only negligible amendments were made (which, due to the PAYE cap, only affected the £90m of losses carried forward rather than the cash credit), there have been enquiries into both subsequent years, taking up significant further time and resources.

**4.101** Even though the general rules noted above are relatively straightforward, there are a number of exceptions (for example when a prototype is sold), changes to the HMRC view of which activities can be included as R&D, and complications with the definition of whether a company should be included within the large company or the SME regime. We are aware from discussions with businesses that this has led to a number of companies that are eligible deciding not to claim as the benefit is outweighed by the administrative burden.

#### **Summary**

**4.102** The government has said that encouraging innovation continues to form a key part of its aims for the tax system<sup>45</sup>, and this relief remains widely used, which indicates that it confers a useful benefit. However it is also widely criticised in its complexity, and it places significant administrative burdens on many of the companies claiming the relief.

**4.103** In the 22 June 2010 Budget the Chancellor announced that the Government would consult with business to review the support that R&D tax relief provides for innovation. The resulting consultation document on "The taxation of innovation and intellectual property"<sup>46</sup> (released on 29 November 2010) recognised that the cost of claiming R&D tax relief and the associated information obligation acts as a barrier to companies claiming R&D relief and also imposes administrative costs. The consultation document asks for comments on improvements to the claims process to make it more streamlined and certain for companies<sup>47</sup>

**4.104** Our methodology suggests that even though the relief is generally fit for purpose, the administrative burdens should be simplified to encourage greater uptake of this relief, and there may be aspects of the rules for the relief that could be simplified.

**4.105** We would be interested in responses to our comments above, and these comments will be communicated into the consultation process. However, we do not propose to carry out any further analysis of the R&D relief scheme as this would duplicate the work being done by HM Treasury and HMRC.

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<sup>45</sup> "Corporate Tax Reform: delivering a more competitive system" Part IIB p47

<sup>46</sup> "Corporate Tax Reform: delivering a more competitive system" Part IIB

<sup>47</sup> "Corporate Tax Reform: delivering a more competitive system" Part IIB p59

## ***Reliefs to consider for abolition***

### **Exemption from benefit charge for late night taxis**

**4.106** Generally, where an employer reimburses any costs of travel for non business purposes (which includes an employee's ordinary commute) it is a taxable benefit for the employee. However, providing certain conditions are met<sup>48</sup>, where an employer provides a taxi in order for an employee to travel home after work, it is not treated as a taxable benefit.

**4.107** In summary, these conditions are that the number of such journeys in the tax year is no more than 60, and there has either been a failure of car sharing agreements, or all the following conditions are satisfied.

- the employee is required to work later than usual and until at least 9pm;
- it occurs irregularly; and
- by the time the employee ceases work, either public transport has ceased, or it would not be reasonable to expect the employee to use public transport.

#### **Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?**

**4.108** The policy rationale is that in specified circumstances, where an employee is required to work late and where public transport has ceased or it would be unreasonable for the employee to use public transport (e.g. because of the lack of reliability of the service), it would be unreasonable for the cost of an employer provided taxi to be treated as a benefit<sup>49</sup>.

**4.109** Due to changing work patterns since 1987 when the relief was introduced, in some cases it may be difficult to continue to justify the rationale for this relief. Also, employers can now enter into PAYE Settlement Agreements ("PSA") for certain benefits (including late night taxis) provided to employees, under which the employer settles the income tax and NIC liability.

#### **Taxpayer take up and awareness**

**4.110** This exemption is available to all UK employees, and so is very widely targeted. However, it is possible that it is used predominantly by those who work late in large cities, such as London.

**4.111** Due to the very small amounts involved, and the fact that they are not reported, it is not possible to calculate the number of beneficiaries or the cost of the relief to the Exchequer.

**4.112** However, the rules do not apply to shift workers, and so for example a nurse or office cleaner would not be eligible.

#### **Complexity, compliance costs and administrative burden**

**4.113** As there are a number of defined conditions set out in the legislation, this exemption should not be complex for businesses to understand and should not create a significant burden in complying with the rules. However due to some of the conditions requiring qualitative decisions (e.g. what is a "usual" time to leave the office), there is some ambiguity and evidence of businesses having arguments with HMRC over which trips qualify.

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<sup>48</sup> s248 ITEPA 2003

<sup>49</sup> IR Press release 25/9/87

**4.114** Although there are requirements to show that the taxi fare has been treated correctly for the purposes of tax and NICs, this is no different to the requirements for any other benefit or expense provision. Where an employer believes that the exemption applies, necessary management checks must be in place and sufficient records kept to be able to show that the conditions are satisfied in all cases. These checks and records should be present in most businesses for all expenses, so this is not likely to be a significant additional burden.

**4.115** In the past representations have been made to HMRC that the restriction is too tightly drawn, and that the conditions should be relaxed<sup>50</sup>. Therefore it may not be as well used as it could be.

**4.116** There is no need to account for the amounts on a form P11D, which reduces the administrative burden for both the employer and HMRC. Abolishing the relief might increase burdens on employers, as they would have to report the benefit on a form P11D – although they could avoid this by entering into a PSA with HMRC.

#### **Box 4.F: Example (provided by OTS secondee)**

X LLP is a London law firm in which staff generally leave between 6 and 7pm. However on one occasion, when they were working on a potential acquisition by one of their clients, there was a need to remain at work until 2am. One trainee lawyer (a basic rate taxpayer) usually takes the train home but due to disruption on the night bus she took a taxi costing £120. Because of the exemption there were no issues, however without it she would face a tax charge of £24, which would need to be reported on her P11D.

In the same firm the cleaners work night shifts between 6pm and 2am. At that time there were no trains running and so a cleaner (who is a basic rate taxpayer) took a taxi home, incurring a £120 fare. This would either have to be paid for out of taxed income or, if refunded by her employer, would result in a tax charge of £24 which would be reported on her P11D.

## **Summary**

**4.117** In general, even though it is a simplification for certain employees, it is not available to a large proportion of the workforce, such as shift workers.

**4.118** The methodology would therefore appear to suggest that this relief be abolished, as it does not promote fairness and creates distortions in the tax system. For employers that continued to offer this benefit, and did not want the employees to be subject to tax, it could be settled through a PSA. The alternative would be to address some of the features of the relief to improve fairness and reduce administration.

## **Vaccine Research Relief**

**4.119** Vaccine Research Relief (“VRR”) was introduced by FA 2002 and applies to expenditure incurred on or after 23 April 2003. It is now contained within CTA 2009 Part 13 Chapter 7.

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<sup>50</sup> HMRC comment

**4.120** This relief entitles a company to an additional 40% deduction against profits for all qualifying expenditure (in general terms, staff costs, consumable items, software and payments to subcontractors) on research and development into vaccines and medicines for the prevention and treatment of tuberculosis, malaria, and certain strains of HIV/AIDS. For loss making SME companies, any losses arising from VRR can be surrendered for payment of a tax credit equal to 16% of the enhanced loss (i.e. 22.4% of the qualifying expenditure).

**4.121** It is available in addition to R&D relief under CTA 2009 Part 13 Chapters 1-6.

### **Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?**

**4.122** This relief was introduced to correct a market failure in research and development into certain diseases affecting the developing world i.e. HIV/AIDS, tuberculosis and malaria. It had been recognised by pharmaceutical companies that “they have the skills and an infrastructure for research and development, but ... there is no market because the developing world does not have the resource base available to it either to put in place the infrastructure or to fund the research and to buy its product”.<sup>51</sup>

**4.123** These diseases remain prevalent in the developing world and the Government is committed to assisting and to significantly reducing infant mortality and child poverty<sup>52</sup>. As such there remains a valid policy rationale behind this relief.

### **Taxpayer take up and awareness**

**4.124** This relief is targeted at a highly specialised area of the pharmaceutical industry. As such, HMRC estimates that there are only 10 companies in the UK that claim the relief<sup>53</sup>, of which only a small number claim the cash back.

**4.125** There are only three diseases that are relevant for VRR, which severely restricts the number of companies that are able to claim. The relief is not available for research into all varieties of the HIV/AIDS virus, but only strains particular to the developing world. In practice, anecdotal evidence suggests this severely limits the number of companies eligible to claim VRR. In addition, there are a number of other diseases, for example dengue fever, that are prevalent in the developing world which do not qualify for this relief.

**4.126** The claimant companies are also able to claim R&D tax relief on the same costs, and are also likely to benefit from the patent box regime when this is introduced. Under this regime a 10% tax rate is proposed for profits from patents arising on or after 1 April 2013, where the patents are first commercialised after 29 November 2010<sup>54</sup>.

### **Complexity, compliance costs and administrative burden**

**4.127** The total annual tax savings generated from VRR in respect of all claimants is under £5m<sup>55</sup>.

**4.128** It is not simple to ascertain whether a company is able to make a claim as, in particular, HIV clades are complex and it is difficult to isolate out R&D into the specific qualifying clades. In addition, the compilation of the cost information can be complex. The eligible costs are the same as those required for R&D relief as noted above in 4.90, and the difficulties around the level of detail required by HMRC are equally valid here.

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<sup>51</sup> Finance Bill Committee debate, 23 May 2002

<sup>52</sup> Coalition agreement – Committed to the UN Development Goals

<sup>53</sup> HMRC estimates

<sup>54</sup> “Corporate Tax Reform: delivering a more competitive system” Part IIB p 52

<sup>55</sup> HMRC estimates

**4.129** However, for companies claiming both R&D relief and VRR, as the same cost information is required, economies of scale are introduced into the process and the additional administrative burden of VRR is reduced.

**4.130** There are however some small but important differences in the rules. For example, to satisfy EU state aid requirements, companies must make a declaration that the relief has led to an increase in the scale or extent of relevant research undertaken.

## Summary

**4.131** Even though the policy rationale remains valid, VRR is very rarely used, as it is so tightly defined as to the diseases that it is designed to counteract and there is no clear evidence that it encourages additional research into these vaccines.

**4.132** All the claimants are also able to claim R&D relief on the same costs, and should be able to benefit from the patent box regime when introduced, and are therefore eligible for other generous tax reliefs. In addition, even though the percentage uplift on the costs is substantial at 40%, in absolute terms the relief provides relatively small tax savings in comparison to the other reliefs available.

**4.133** Therefore our methodology suggests that this relief be abolished.

**4.134** The consultation document on “The taxation of innovation and intellectual property”<sup>56</sup> addresses VRR and in particular welcomes responses on whether it is an effective intervention to incentivise research into drugs and vaccines or whether another method would be more effective<sup>57</sup>. We would be interested in responses to our comments above, and our comments will be communicated into the consultation process.

**4.135** As with R&D relief, we do not propose to carry out any further analysis of this relief, as this would duplicate the HM Treasury/HMRC consultation.

## Millennium Gift Aid

**4.136** Millennium gift aid was introduced in FA 1998 to encourage charitable giving ahead of the millennium by widening the scope of donations that qualified for gift aid.

**4.137** The relief enabled UK resident individuals to claim tax relief on cash donations made between 31 July 1998 and 31 December 2000 to participating charities for use in education and anti-poverty projects in the world’s poorest countries. The minimum donation qualifying for tax relief was £100, which could be paid in instalments.

### Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?

**4.138** This relief extended the scope of gift aid, to enable “British citizens ... to contribute more to poverty relief and charitable work in the developing countries... This new tax relief will allow individuals to make their contribution to the reduction of world poverty”.<sup>58</sup>

**4.139** Even though it remains a valid policy, the relief expired from 31 December 2000. Indeed the gift aid minimum donation requirement was removed entirely in 2000, so there is no need for this separate relief.

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<sup>56</sup> “Corporation Tax Reform: delivering a more competitive system” Part IIB

<sup>57</sup> “Corporation Tax Reform: delivering a more competitive system” Part IIB p58

<sup>58</sup> Budget 1998.

## Taxpayer take up and awareness

4.140 As the relief has expired, it has no users.

## Complexity, compliance costs and administrative burden

4.141 As the relief has expired, there is no administrative burden.

## Summary

4.142 Our methodology above suggests that this legislation be repealed. This would not impact any taxpayers and so the relief could remain on the statute book, although it may be preferable to remove it to tidy up and shorten the tax legislation.

4.143 Several obsolete reliefs such as this have been identified and we would be interested in views as to whether it is worth putting additional clauses in future finance acts to remove these obsolete reliefs from tax legislation, and also whether in future similar reliefs could be automatically removed from statute when they become obsolete by use of “sunset clauses”, as widely used in the USA.

## Income tax relief for National Savings Bank Ordinary Account interest

4.144 Interest arising on deposits in Ordinary Accounts with the National Savings Bank (“NSB”) is exempt from income tax if the interest for the year does not exceed £70<sup>59</sup>. If interest exceeds £70 in any tax year, only the excess above £70 is liable to income tax.

### Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?

4.145 The origin of the National Savings Bank ordinary account was the Post Office Savings Bank Ordinary Account, originally set up in 1861 by the Palmerston government, designed to be a simple savings scheme to encourage ordinary wage earners “to provide for themselves against adversity and ill health”<sup>60</sup>.

4.146 Even though encouraging savings remains a valid policy, Ordinary Accounts are no longer offered by NSB. Existing deposits were transferred to a residual account, which either does not pay interest at all or pays taxable interest at a rate of 0.1%.

## Taxpayer take up and awareness

4.147 The Exchequer impact of this relief is thought to be nil.

## Complexity, compliance costs and administrative burden

4.148 For the individual investors there is no additional administrative burden.

## Summary

4.149 This relief should be abolished, as the Ordinary Account is no longer offered, and residual accounts, if they pay interest, which is taxable, only pay it at a rate of 0.1%. Abolishing the relief may have the additional benefit of encouraging some savers to re-examine their savings to see if they can achieve a better rate of interest.

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<sup>59</sup> s691 ITTOIA 2005

<sup>60</sup> [nsandi.com/youandyourmoney/aboutus/about-ns-and-i](https://www.nsb.gov.uk/youandyourmoney/aboutus/about-ns-and-i)

## Luncheon vouchers – daily income tax relief for first 15p

**4.150** Generally, where an employer provides vouchers that are readily convertible to cash, including meal vouchers, these are a taxable benefit on the employee. However, where a meal voucher is provided, the value of the taxable benefit is reduced by 15p for each working day<sup>61</sup>, where the following conditions are met:

- the vouchers must be non-transferable and used for meals only;
- they are to be used on a day the employee is at work; and
- where any restriction is placed on their issue to employees, they must be available to lower-paid staff.

### Is the policy rationale still valid, does the relief achieve it and what might be the impact of repeal?

**4.151** This relief was originally introduced in 1946 when food rationing was in place, to help employees afford reasonable meals. It was targeted at employees working for companies without workplace canteens, who did not benefit from the separate exemption available for free or subsidised meals provided by an employer in a workplace canteen. At the time of introduction the imperial equivalent was a meaningful sum, which would cover the cost of a proper cooked lunch and, whilst workplace canteens were widespread in large industrial concerns, smaller firms could not afford to have a canteen. Consequently it was the employees of these smaller firms who tended to be the beneficiaries of this relief.

**4.152** Even though the policy of ensuring individuals are able to afford reasonable meals remains valid in principle, the benefit of the relief has been eroded by inflation.

### Taxpayer take up and awareness

**4.153** This exemption is potentially available to all employees in the country, and so is very widely targeted.

**4.154** We understand that there is no information available on the number of employees benefiting from the relief but only 145 businesses use the scheme<sup>62</sup>.

### Complexity, compliance costs and administrative burden

**4.155** HMRC has no separate record of its costs in administering this relief.

**4.156** If a voucher for 15p were to be provided, the administrative burden would be minimal, however, in the majority of cases, higher values of vouchers are provided and the 15p must be deducted from the value of the vouchers to arrive at the correct amount to report on the form P11D. As such, this is an added minor complication for employers in completing the form, for very little benefit to the employer or employee.

### Summary

**4.157** This exemption no longer achieves a clear objective and as the value of the exemption has remained unchanged since 1946<sup>63</sup>, the benefit to employers and employees has been eroded. It also causes an additional administrative burden to the employer in calculating the taxable benefit to be included on form P11D.

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<sup>61</sup> s89 ITEPA 2003

<sup>62</sup> HMRC estimate

<sup>63</sup> Parliamentary debate 12 July 1979: <http://hansard.millbanksystems.com/commons/1979/jul/12/luncheon-vouchers-tax-concessions>

**4.158** As the value is so small (a maximum of less than £55 pa), and in real terms its value is reducing over time, the additional administration of claiming is disproportionate to the benefits. It should be abolished.

**4.159** There are number of similar reliefs in existence, where the value is so small that the additional burden of claiming them is not worthwhile. We would welcome views on whether a de minimis limit (such as £100 pa) be introduced, below which benefits could be ignored for income tax and national insurance purposes.

# 5

## Questions for consideration

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5.1 The OTS welcomes views from individuals, businesses, tax professionals and other interested parties on the questions asked in this interim report.

### What is simplification?

- 1 Do the criteria set out in Chapter 2 achieve the objective of determining whether a relief is fit for purpose, and whether it can be simplified or abolished?
- 2 Are there other criteria that we have not given sufficient weight to in relation to determining simplification?

### Our methodology for the review of tax reliefs

- 3 Are there any comments on the criteria that we have chosen and would an alternative approach be more appropriate?

### Applying our methodology to a sample of reliefs

- 4 Is the methodology adopted appropriate and should any additional or alternative criteria be used in the final report?
- 5 Do people agree with our tentative conclusions on the reliefs listed in this report?
- 6 Are there any potential adverse impacts of our proposals that we have not identified?

### Income tax relief for repair and maintenance of work equipment

- 7 Could there be a single flat rate allowance for all industries on the list, rather than 34 different rates?
- 8 Could a similar flat rate be extended to other industries?

### Capital allowances - enhanced capital allowances for energy and water efficient technologies

- 9 Is the relief fit for purpose? Does it incentivise investment in energy saving equipment? How can it best be simplified?
- 10 What would be the impact of abolishing the relief for energy-saving plant and machinery and water conservation plant and machinery?

### Research and development tax relief

- 11 Are there any responses to our comments on R&D relief?

## **Vaccine research relief**

12 Are there any responses to our comments on vaccine research relief?

## **Exemption from benefit charge for late night taxis**

13 Do people agree with our provisional recommendation? What are the potential impacts of abolishing this exemption?

## **Millennium gift aid**

14 Should obsolete reliefs such as Millennium Gift Aid be removed from tax legislation?

## **Income tax exemption for National Savings Bank Ordinary Account interest**

15 Is the relief for the first £70 of interest on these accounts now obsolete?

## **Luncheon vouchers – daily income tax relief for first 15p**

5.2 Should there be a de minimis limit on benefits below which various small reliefs such as the first 15p per day on employer provided luncheon vouchers, could be ignored for tax and national insurance purposes? If so, what should this de minimis be?

# 6

## Next steps

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### How to respond

**6.1** The OTS welcomes answers to the questions listed in Chapter 5 and any wider comments on the proposals in this interim report. At this stage the focus should be on the methodology adopted rather than on the thirteen reliefs considered in detail. Responses should be sent by e-mail to [ots-reliefs@ots.gsi.gov.uk](mailto:ots-reliefs@ots.gsi.gov.uk).

**6.2** Comments should ideally be received by 12 January 2011, the date of our next consultative committee meeting. We recognise that is a very short timescale, but it is driven by the need to produce a final report in time for Budget 2011.

**6.3** It is important to stress that the OTS can only make recommendations to the Chancellor. If the Chancellor decides to take any of these ideas forward, then we would expect HM Treasury to conduct a further period of more detailed consultation on the specific proposals.

### What happens next?

**6.4** The next meeting of the consultative committee for the review of reliefs is on 12 January 2011.

**6.5** Subject to comments received in response to this paper, following the committee meeting on 12 January 2011 we will work to apply the criteria outlined in this interim report to a further 74 reliefs and, if time permits, 75 more. We will publish a final report ahead of the 23 March 2011 Budget.

### Confidentiality disclosure

**6.6** Information provided in response to this discussion document, including personal information, may be published or disclosed in accordance with the access to information regimes. These are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004.

**6.7** If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, among other things, obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding the OTS.

**6.8** The OTS will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.



# A

## Reliefs we plan to include in the next stage of our review

These reliefs have been provisionally selected for inclusion in the final report. We would welcome comments on whether these are appropriate.

For a description of each relief, please see the list published on our website on 8 November 2010. The numbers in the left hand column cross-reference to that list.

Ref	Tax or Duty	Relief Title	Statutory Reference
50	Capital Gains Tax	EIS deferral	TCGA 1992 s150C & Sch 5B
53	Capital Gains Tax	Enterprise Investment Scheme	TCGA 1992 s150A(2)
54	Capital Gains Tax	Entrepreneurs' relief	TCGA 1992 Part 5 Chap 3
69	Capital Gains Tax	Private residence relief	TCGA 1992 s222 - s226B
81	Capital Gains Tax	Venture Capital Trusts	TCGA 1992 s151A
89	Capital Gains Tax & Corporation Tax	Chattels exceeding £6,000 in value (marginal relief)	TCGA 1992 s262(2)
157	Corporation Tax	Film tax relief	CTA 2009 Part 15
170	Corporation Tax	Harbour authorities	TCGA 1992 s221
171	Corporation Tax	Harbour reorganisation schemes	CTA 2010 s993
182	Corporation Tax	Land remediation relief	CTA 2009 Part 14
219	Corporation Tax	Pool betting duty payments related to safety improvement at football grounds or support for the arts	CTA 2009 s139
220	Corporation Tax	Real estate investment trusts	CTA 2010 Part 12
228	Corporation Tax	Surplus ACT	SI 1999/358 Reg 14
230	Corporation Tax	Tonnage tax	FA 2000 Sch 22
242	Customs Duty	Shipbuilders' relief	Shipbuilders Relief Orders 1966 and 1992, FA 1992
246	Excise Taxes	Angostura bitters	Alcoholic Liquor Duties Act 1979 s1(7)

247	Excise Taxes	Black beer	Alcoholic Liquor Duties Act 1979 s1 (3)(a)
300	Income Tax	Blind person's allowance	ITA 2007 s38 - s41
310	Income Tax	Charities - transitional relief on distributions	F(2)A 1997 s35
326	Income Tax	Deeply discounted securities - incidental expenses	ITTOIA 2005 s439(4)
335	Income Tax	Enterprise Investment Scheme	ITA 2007 Part 5; ITA 2007 Sch 2 Para 58
341	Income Tax	Farmers' averaging of profits	ITTOIA 2005 s221
372	Income Tax	Inter-American Development Bank securities	ITTOIA 2005 s773 & s774
380	Income Tax	Life assurance premium relief	ICTA 1988 s266, 268-272, 274, 278, Sch 14; SI 1997/1143; SI 1977/1144; SI 1978/1159; SI 1980/1947; SI 1980/1948
381	Income Tax	Life assurance premiums paid by employers under E-FRBS	ICTA88 s266A
385	Income Tax	Life insurance policies - 5% rule	ITTOIA 2005 s498 - s514
387	Income Tax	Life insurance policies - top slicing relief	ITTOIA 2007 s535 - s537
388	Income Tax	Literary and creative artists' profits	ITTOIA 2005 s221
444	Income Tax	Payroll giving 10% supplement	FA 2000 s38
457	Income Tax	Police organisations	ICTA 1988 s266(7); ITA 2007 s458
466	Income Tax	Repair and maintenance of work equipment	ITEPA 2003 s367
468	Income Tax	Reserve Bank of India and the State Bank of Pakistan	ITA 2007 s839
472	Income Tax	Seafarers' earnings deduction	ITEPA 2003 s378- 385
490	Income Tax	Trade union subscriptions	ITA 2007 s457; ICTA 1988 s266(7)
497	Income Tax	UEFA Champions League final in 2011	FA 2010 s63
507	Income Tax & Capital Gains Tax	Venture Capital Trusts	ITA 2007 Part 6; ITA 2007 Part 8 Sch 2; ITTOIA 2005 Part 6 Chap 5; SI 1995/1979; SI 2002/2661; SI 2004/2199
511	Income Tax & Corporation Tax	Approved profit sharing schemes	ICTA 1988 s85
518	Income Tax & Corporation Tax	Capital allowances - business premises renovation allowance	CAA 2001 Part 3A
521	Income Tax & Corporation Tax	Capital allowances - dredging	CAA 2001 Part 9
524	Income Tax & Corporation Tax	Capital allowances - flat conversion allowances	CAA 2001 Part 4A
530	Income Tax & Corporation Tax	Capital allowances - safety at sports grounds	CAA 2001 s30 - s32

533	Income Tax & Corporation Tax	Capital allowances - short-life assets	CAA 2001 Part 2 Chap 9
540	Income Tax & Corporation Tax	Community Investment Tax Relief	ITA 2007 Part 7; CTA 2010 Part 7
545	Income Tax & Corporation Tax	Demergers	CTA 2010 Part 5
595	Income Tax & Corporation Tax	Trustee Savings Banks income from investments with the National Debt Commissioners	ICTA 1988 s484
597	Income Tax & Corporation Tax	Woodlands	ITTOIA 2005 s768 & 980
617	Income Tax & NICs	Cycle to work days - provision of meals	SI 2002/205 Reg 3
618	Income Tax & NICs	Cycles and cyclists' safety equipment	ITEPA 2003 s244; SSCR 2001 Sch 3 Part 5 Para 5A(c)
638	Income Tax & NICs	Late night taxis	ITEPA 2003 s248; SSCR 2001 Sch 3 Part 5 Para 5(c) and Part 10, Para 8(d)
651	Income Tax & NICs	Miners' coal and allowances in lieu of coal	ITEPA 2003 s306; SSCR2001 Sch 3 Part 10 Para 14
660	Income Tax & NICs	Pension contributions - disregard for benefits referable to contributions made before 6 April 2006	ITEPA 2003 Part 7; SSCR 2001 Sch 3 Para 2
726	Inheritance Tax	Loss on sale relief (buildings)	IHTA 1984 s190 - s198
727	Inheritance Tax	Loss on sale relief (shares)	IHTA 1984 s178 - s189
737	Inheritance Tax	Pools payment for football ground improvements	FA 1990 s126
738	Inheritance Tax	Pools payment for support for games	FA 1991 s121
739	Inheritance Tax	Potentially exempt transfers	IHTA 1984 s3A
752	Inheritance Tax	Taper relief	IHTA 1984 s7 (2)-(5)
774	Insurance Premium Tax	Long term business	FA 1994 Sch 7A Part 1 Item 2
801	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Para 2(2)(b) Part 8 & Reg 40(4)
813	NICs	Class 4 - Allows deduction in next tax year of losses incurred in 89/90 or previous tax year where losses from income other than trade or profession or vocation	SSCR 2001 Sch 2 Para 3
819	NICs	Class 4 - Exception for divers and diving supervisors	SSCR 2001 Reg 92
829	NICs	Disregard for benefits from a FURBs where attributable to payments made before 6 April 1998	SSCBA 1992 Sch 3 Para 2
833	NICs	Disregard for employers contributions to which article 15(2) of the Taxational Pension schemes (Transitional Provisions) Order 2006 applies - and benefits referable to those contributions	SSCR 2001 Sch 3 Para 2
842	NICs	Payments as reward for assistance with lost or stolen credit cards	SSCR 2001 Sch 2 Para 15 Part 10

843	NICs	Payments to mariners to be disregarded	SSCR 2001 Reg 123
878	Stamp Duty	Disadvantaged area relief (DAR)	FA 2001 s92 & Sch 30
880	Stamp Duty	Exemption for certain assignments by seamen	FA 1944 s45; DGR 1939, Reg 47D
886	Stamp Duty	Issue of bearer instruments by Inter-American Development Bank	FA 1976 s131
890	Stamp Duty	Nationalisation schemes	FA 1946 s52
897	Stamp Duty	Shared ownership transactions	FA 1980 s97; FA 1987 s54
904	Stamp Duty	Transfers in relation to harbour reorganisation schemes	FA 1966 s45
905	Stamp Duty	Transfers in relation to ships and vessels	FA 1999 Sch 13 Para 24(b)
908	Stamp Duty	Transfers of International Bank stock	FA 1951 s42
914	Stamp Duty	Visiting forces and allied headquarters	FA 1960 s74

# B

## Further reliefs we will include in the next stage of our review if time permits

These reliefs have not been excluded, however we have not chosen them for inclusion in the provisional list as set out in Annex A. We would welcome comments on whether any of the reliefs below should be included in the final report.

For a description of each relief, please see the list published on our website on 8 November 2010. The numbers in the left hand column cross-reference to that list.

Ref	Tax or Duty	Relief Title	Statutory Reference
61	Capital Gains Tax	Grants for giving up agricultural land	TCGA 1992 s249
79	Capital Gains Tax	Superannuation funds	TCGA 1992 s237
137	Corporation Tax	Capital allowances: ring-fence oil business trades, first-year capital allowances for plant or machinery	CAA 2001 s45F
174	Corporation Tax	Indexation allowance - share pooling rules	TCGA 1992 s110
176	Corporation Tax	Intangible assets – exemption for regional development grants, and equivalent grants in Northern Ireland	CTA 2009 s853
210	Corporation Tax	Marginal relief	CTA 2010 s19
211	Corporation Tax	Marginal relief for companies with ring-fence profits from oil related activities	CTA 2010 s20 - s21
226	Corporation Tax	Small profits reduced corporation tax rate	CTA 2010 s18
229	Corporation Tax	Tax reserve certificates issued by HM Treasury	CTA 2009 s1283
332	Income Tax	Employment related securities for disabled employees	ITEPA 2003 s477 (5)
337	Income Tax	Entertainment deductions for non-trades and non-property businesses	ITTOIA 2005 s867
339	Income Tax	Eurobonds interest	ITA 2007 s882
343	Income Tax	Finance leasing arrangements - various reductions	ITA 2007 s614BG, BK, BL & BN
361	Income Tax	Gilts issued at discount	ITTOIA 2005 Part 4 Chap 8
414	Income Tax	Mineral royalties	ITTOIA 2005 s319

430	Income Tax	Non-resident central banks - income on securities payable out of the UK public revenue	ITA 2007 s840
442	Income Tax	Payments for the benefit of family members	ICTA 1988 s273; ITEPA 2003 s609; ITA07 s459
459	Income Tax	Post-cessation trade relief	ITA 2007 s96 - s100
501	Income Tax	Welfare counselling	SI 2000/2080
502	Income Tax & Capital Gains Tax	Compensation for mis-sold personal pensions	FA 1996 s148
504	Income Tax & Capital Gains Tax	Lloyd's insurance funds	FA 1993 Sch 20 Para 9
513	Income Tax & Corporation Tax	Authorised unit trusts and open-ended investment companies - reduced rate of tax	CTA 2010 s614 & 618
514	Income Tax & Corporation Tax	Capital allowances - 100% first-year allowance for cars with low CO2 emissions	CAA 2001 s45D
516	Income Tax & Corporation Tax	Capital allowances - annual investment allowance	CAA 2001 s38A & 38B
526	Income Tax & Corporation Tax	Capital allowances - mineral extraction allowances	CAA 2001 Part 5
527	Income Tax & Corporation Tax	Capital allowances - mining & oil industries	CAA 2001 Part 2 Chap 13
529	Income Tax & Corporation Tax	Capital allowances - research & development allowances	CAA 2001 Part 6
531	Income Tax & Corporation Tax	Capital allowances - ships	CAA 2001 Part 2 Chap 12
541	Income Tax & Corporation Tax	Company's purchase of its own shares	CTA 2010 s1033
549	Income Tax & Corporation Tax	Exemption for repayment supplement and interest on repayments made by HMRC	ITTOIA 2005 s749, 749A & 777; CTA 2009 s1286
552	Income Tax & Corporation Tax	FOTRA securities – exemption for overseas residents	ITTOIA 2005 s713; CTA 2009 s1279
555	Income Tax & Corporation Tax	Gifts of qualifying investments to charity	ITA 2007 Part 8 Chap 3; CTA 2010 Part 6 Chap 3
556	Income Tax & Corporation Tax	Gifts of trading stock to charity	ITTOIA 2005 s108; CTA 2009 s105
562	Income Tax & Corporation Tax	Landlord's Energy Saving Allowance	ITTOIA 2005 s312 - s314; CTA 2009 s251 - s253
564	Income Tax & Corporation Tax	Loss relief - losses on unquoted shares in trading companies	ITA 2007 s131; CTA 2010 s68
585	Income Tax & Corporation Tax	Sea walls	ITTOIA 2005 s315 - s318
625	Income Tax & NICs	Employer supported childcare	ITEPA 2003 s270A, 318 & 318A; SSCR 2001 Sch 3 Part 5 Para 7
643	Income Tax & NICs	Loans to employees where interest qualifies for tax relief	ITEPA 2003 s178
665	Income Tax & NICs	Security expenses	ITEPA 2003 s377; SSCBA 1992 s10 (7A)

677	Inheritance Tax	A&M trusts, Bereaved Minor Trusts, 18-25 Trusts, Pre-78 Protective Trusts, Pre-81 Disabled Trusts and Employee Benefit Trusts	IHTA 1984 s58 (1)(b)
679	Inheritance Tax	Agricultural property relief	IHTA 1984 s115 - s124B
682	Inheritance Tax	Annual exempt amount (£3,000)	IHTA 1984 s19
685	Inheritance Tax	Business property relief	IHTA 1984 s103 - s114
687	Inheritance Tax	Changes to the deceased's estate	IHTA 1984 s17 & s93
692	Inheritance Tax	Conditional exemption	IHTA 1984 s30
693	Inheritance Tax	Conditional exemption and relevant property trusts	IHTA 1984 s79
694	Inheritance Tax	Corporation sole	IHTA 1984 s271
703	Inheritance Tax	Estate duty transitional	IHTA 1984 Sch 5 Para 1(3) and Para 3(4) & Sch 6
705	Inheritance Tax	Exclusion of benefit reserved by donor	FA 1986 Sch 20 Para 6
707	Inheritance Tax	Failed PETs gifted for national purposes	IHTA 1984 s26A
708	Inheritance Tax	Fall in value relief for transfers within 7 years of death	IHTA 1984 s131 - s140
715	Inheritance Tax	Gifts on marriage and civil partnership	IHTA 1984 s22
718	Inheritance Tax	Government savings of persons domiciled in the Channel Islands or the Isle of Man	IHTA 1984 s6(3)
722	Inheritance Tax	Land in habitat schemes	IHTA 1984 s124C
728	Inheritance Tax	Newspaper and employee trusts	IHTA 1984 s72
740	Inheritance Tax	Private treaty sales	IHTA 1984 s231
746	Inheritance Tax	Reversionary interests	IHTA 1984 s48(1)
749	Inheritance Tax	Scottish agricultural leases	IHTA 1984 s177
760	Inheritance Tax	Trustees costs, payment of income, no gratuitous benefit, grants of agricultural tenancy and reduced rate of charge for A&M trusts, Bereaved Minor Trusts, 18-25 Trusts, Newspaper and Employee Trusts, Pre'78 Protective Trusts & Pre 81 Disabled Trusts	IHTA 1984 s71(5), s71B(3), s71E(3), s71E(4), s71G(3), s72(5), s73(3) & 74(3)
765	Inheritance Tax	Woodland relief	IHTA 1984 s125
769	Insurance Premium Tax	Contracts relating to the channel tunnel	FA 1994 Sch 7A Part 1 Item 10 & 11
781	Landfill Tax	Mining and quarrying waste	FA1996 Para 44

807	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Paras 3, 5, 6, 7 & 7A, Part 9 & Reg 40(2)(c)
827	NICs	Contracted-out rebate occupational schemes:	SSCBA 1992 s8(3); PA 1993 s41(1)-(1B)
830	NICs	Disregard for certain apprentices and students coming to the UK	SSCR 2001 Reg 145(3)
835	NICs	Disregard for payments subject to unauthorised payment charge	SSCR 2001 Sch 3 Para 2
846	NICs	Rebates deducted at source by employers	SSCBA 1992 s8(3); PA 1993 s41(1C)
847	NICs	Rebates paid by the Government direct to the scheme	SSCBA 1992 s8(3); PA 1993 s41(1D)
873	Stamp Duty	Certain leases granted by registered social landlords	FA 2003 s128
879	Stamp Duty	Exempt Instruments	SI 1987/516
885	Stamp Duty	Instruments relating to National Savings	FA 1953 s31
887	Stamp Duty	Issue/transfer of securities issued by designated international organisations	FA 1984 s126
892	Stamp Duty	Partial relief for company acquisitions	FA 1986 s76
913	Stamp Duty	Transfers to registered social landlords	FA 2000 s130
940	Stamp Duty Land Tax	Public Finance Initiatives and Public Private Partnership	FA 2003 Sch 4 Para 17



# Reliefs we are not examining further at this stage

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For a description of each relief, please see the list published on our website on 8 November 2010. The numbers in the left hand column cross-reference to that list.

Ref	Tax or Duty	Relief Title	Statutory Reference
1	Aggregates Levy	Aggregate exported from the UK	FA 2001 s30(1)(a)
2	Aggregates Levy	Aggregate that again becomes part of the land	FA 2001 s19(3)(e)
3	Aggregates Levy	Aggregates disposed of without further processing	SI 2002/761 Reg 13(2)(d)(i)
4	Aggregates Levy	Agriculture or forestry use	FA 2001 s19(4)
5	Aggregates Levy	Bad debt relief	FA 2001 s30(1)(e)
6	Aggregates Levy	Beach replenishment	SI 2002/761 Reg 13(2)(d)(iii)
7	Aggregates Levy	China clay or ball clay extraction and separation by-products	FA 2001 s17(3)(e)
8	Aggregates Levy	Coal, lignite, shale or slate	FA 2001 s17(4)(a)
9	Aggregates Levy	Construction and demolition material	FA 2001 s17(2)(b)
10	Aggregates Levy	Dimension stone aggregate	FA 2001 s18(2)(a)
11	Aggregates Levy	Dredging	FA 2001 s17(3)(c)
12	Aggregates Levy	Excavations for new buildings	FA 2001 s17(3)(b)

Ref	Tax or Duty	Relief Title	Statutory Reference
13	Aggregates Levy	Exempt process after the aggregates levy has been brought to account	FA 2001 s30(1)(b)
14	Aggregates Levy	Extracting certain industrial minerals	FA 2001 s18(2)(b)
15	Aggregates Levy	Highway construction	FA 2001 s17(3)(d)
16	Aggregates Levy	Industrial or agricultural process	FA 2001 s30(1)(c)
17	Aggregates Levy	Lime or cement production	FA 2001 s18(2)(c)
18	Aggregates Levy	Northern Ireland aggregates levy credit scheme	FA 2001 s30A
19	Aggregates Levy	Railway construction	FA 2001 s17(3)(da)
20	Aggregates Levy	Seabed drill cuttings	FA 2001 s17(4)(d)
21	Aggregates Levy	Separation of coal, lignite, slate and shale from other aggregate after extraction	FA 2001 s17(3)(f)(i)
22	Aggregates Levy	Soil, clay & other organic matter	FA 2001 s17(4)(f)
23	Aggregates Levy	Spoil from industrial mineral extraction	FA 2001 s17(3)(f)(ii)
24	Aggregates Levy	Spoil, waste and other by-products from any industrial combustion process	FA 2001 s17(4)(c)(i)
25	Aggregates Levy	Spoil, waste and other by-products from the refining/smelting of metal	FA 2001 s17(4)(c)(ii)
26	Aggregates Levy	Utility works	FA 2001 s17(4)(e)
27	Aggregates Levy	Waste aggregate tax credit	FA 2001 s30(1)(d)
28	Air Passenger Duty	Cabin crew	FA 1994 s43 (1)(a)(i)

Ref	Tax or Duty	Relief Title	Statutory Reference
29	Air Passenger Duty	Children under 2 without a seat	FA 1994 s31 (4)
30	Air Passenger Duty	Connecting flights	FA 1994 s31(3); SI 1994/1821
31	Air Passenger Duty	Military flights	FA 1994 S43(1)(A)
32	Air Passenger Duty	Passengers not carried for reward	FA 1994 s43 (1)(a)(iii)
33	Air Passenger Duty	Reduced rate of APD	FA 1994 s30
34	Air Passenger Duty	Scottish Highlands and Islands	FA 1994s31& (4B) - (4C); SI 2001/808
35	Air Passenger Duty	Short Pleasure Flights	FA 1994 s31 & (4A)
36	Air Passenger Duty	Transit passengers	FA 1994 s28(4) & (5)
37	Air Passenger Duty	Visiting forces, NATO military headquarters personnel	International Obligation
38	Bank Payroll Tax	Excluded remuneration from bank payroll tax	FA 2010 Sch 1 para 5
39	Bank Payroll Tax	Exempt activities	FA 2010 Sch 1 para 45 (7)
40	Capital gains tax	Alternative finance investment bonds – exemption from capital gains tax for certain transactions relating to underlying assets relating to land	FA 2009 Sch 61 Para 10-12
41	Capital Gains Tax	Annual exempt amount (half of the individual's exemption for trustees)	TCGA 1992 s3
42	Capital Gains Tax	Armed forces - medals and decorations for bravery	TCGA 1992 s268
43	Capital Gains Tax	Business incorporation relief	TCGA 1992 s162
44	Capital Gains Tax	Capital losses in year of death	TCGA 1992 s62(2)

<b>Ref</b>	<b>Tax or Duty</b>	<b>Relief Title</b>	<b>Statutory Reference</b>
45	Capital Gains Tax	Capital losses of trustees	TCGA 1992 s71(2)
46	Capital Gains Tax	Capital losses when deferred unascertainable consideration received	TCGA 1992 s279A - 279D
47	Capital Gains Tax	Compensation for damages for wrong or injury in course of profession or vocation	TCGA 1992 s51(2)
48	Capital Gains Tax	Compulsory purchase by local authorities	TCGA 1992 s243
49	Capital Gains Tax	Death - gains accrued but unrealised	TCGA 1992 s62(1)
51	Capital Gains Tax	Employee trusts	TCGA 1992 s239ZA
52	Capital Gains Tax	Employment related liabilities	TCGA 1992 s263ZA
55	Capital Gains Tax	Foreign consular officers	TCGA 1992 s271(1)(f)
56	Capital Gains Tax	Foreign currency and bank accounts for personal expenditure outside UK	TCGA 1992 s269 and 252(2)
57	Capital Gains Tax	Gifts chargeable to IHT	TCGA 1992 s260
58	Capital Gains Tax	Gifts of business assets	TCGA 1992 s165
59	Capital Gains Tax	Gifts relief - payment by instalments	TCGA 1992 s281
60	Capital Gains Tax	Gifts to the nation	TCGA 1992 s258(2)
62	Capital Gains Tax	IHT paid on transfers	TCGA 1992 s67
63	Capital Gains Tax	Lettings relief	TCGA 1992 s223(4)
64	Capital gains tax	Local authorities etc exempt	TCGA 1992 s271(3)

<b>Ref</b>	<b>Tax or Duty</b>	<b>Relief Title</b>	<b>Statutory Reference</b>
65	Capital Gains Tax	Marriage and civil partnerships	TCGA 1992 s58
66	Capital Gains Tax	Non-domiciled taxpayers	TCGA 1992 s12
67	Capital Gains Tax	Non-resident settlements with non-domiciled settlors	TCGA 1992 s86
68	Capital Gains Tax	Personal Equity Plans and Individual Savings Accounts	TCGA 1992 s151; SI 1998/1870 Reg 22
70	Capital Gains Tax	Property settled to reduce national debt	TCGA 1992 s271(1)(e)
71	Capital Gains Tax	Registered pension schemes	TCGA 1992 s271(1A)
72	Capital Gains Tax	Renewables obligation certificates	TCGA 1992 s263AZA
73	Capital Gains Tax	Repos and stock lending	TCGA 1992 s263A & 263B
74	Capital Gains Tax	Saving certificates and securities issued under the National Loan Act 1968	TCGA 1992 s121
75	Capital Gains Tax	Settled property	TCGA 1992 s76
76	Capital Gains Tax	Settlements on death of life tenant	TCGA 1992 s72 & 73
77	Capital Gains Tax	Share incentive plans	TCGA 1992 Sch 7D Part 1
78	Capital Gains Tax	Share reorganisations and company reconstructions (paper for paper transaction)	TCGA 1992 s127
80	Capital Gains Tax	Trusts for the vulnerable	FA 2005 Part 2 Chap 4
82	Capital Gains Tax	Visiting forces exemption	TCGA 1992 s11
83	Capital Gains Tax	Works of art	TCGA 1992 s258(3) - (9)

<b>Ref</b>	<b>Tax or Duty</b>	<b>Relief Title</b>	<b>Statutory Reference</b>
84	Capital Gains Tax & Corporation Tax	Authorised unit trusts etc.	TCGA 1992 s100(1)
85	Capital Gains Tax & Corporation Tax	Capital distributions in respect of shares	TCGA 1992 s122
86	Capital Gains Tax & Corporation Tax	Capital losses	TCGA 1992 s2
87	Capital Gains Tax & Corporation Tax	Cars	TCGA 1992 s263
88	Capital Gains Tax & Corporation Tax	Charities and museums etc.	TCGA 1992 s256 & s271(6) & (7)
90	Capital Gains Tax & Corporation Tax	Chattels if value is £6,000 or less on disposal	TCGA 1992 s262
91	Capital Gains Tax & Corporation Tax	Chattels which are wasting assets	TCGA 1992 s45
92	Capital Gains Tax & Corporation Tax	Compensation for deprivation of property	TCGA 1992 s268B
93	Capital Gains Tax & Corporation Tax	Compensation to victims of Nazi persecution	TCGA 1992 s268A
94	Capital Gains Tax & Corporation Tax	Compensation used to replace or restore damaged assets	TCGA 1992 s23
95	Capital Gains Tax & Corporation Tax	Compulsory acquisition of land	TCGA 1992 s247 - s248
96	Capital Gains Tax & Corporation Tax	Disposals to HM Treasury	TCGA 1992 s271(1)(a)
97	Capital Gains Tax & Corporation Tax	Exchanges of interests in land	TCGA 1992 s248A - s248E
98	Capital Gains Tax & Corporation Tax	Furnished holiday lettings	TCGA 1992 s241; CTA 2010 s65
99	Capital Gains Tax & Corporation Tax	Gambling winnings	TCGA 1992 s51(1)
100	Capital Gains Tax & Corporation Tax	Gifts to charities	TCGA 1992 s257

<b>Ref</b>	<b>Tax or Duty</b>	<b>Relief Title</b>	<b>Statutory Reference</b>
101	Capital Gains Tax & Corporation Tax	Gifts to housing associations	TCGA 1992 s259
102	Capital Gains Tax & Corporation Tax	Gilts	TCGA 1992 s115 & Sch 9
103	Capital Gains Tax & Corporation Tax	Instalment payments	TCGA 1992 s280
104	Capital Gains Tax & Corporation Tax	Irrecoverable loans to traders	TCGA 1992 s253
105	Capital Gains Tax & Corporation Tax	Life insurance policies	TCGA 1992 s210
106	Capital Gains Tax & Corporation Tax	March 1982 valuation	TCGA 1992 s35(2) & 55(2)
107	Capital Gains Tax & Corporation Tax	Mineral rights	TCGA 1992 s202
108	Capital Gains Tax & Corporation Tax	Negligible value claims	TCGA 1992 s24(2)
109	Capital Gains Tax & Corporation Tax	Part-disposals of land	TCGA 1992 s242
110	Capital Gains Tax & Corporation Tax	Payments under insurance policies and annuities	TCGA 1992 s204
111	Capital Gains Tax & Corporation Tax	Political party associations disposing of land following boundary changes	TCGA 1992 s264
112	Capital Gains Tax & Corporation Tax	Qualifying corporate bonds	TCGA 1992 s115
113	Capital Gains Tax & Corporation Tax	Rollover relief for replacement of business assets	TCGA 1992 s152 - s159
114	Capital Gains Tax & Corporation Tax	Unauthorised unit trusts with exempt unit-holders	TCGA 1992 s100(2)
115	Capital Gains Tax & Corporation Tax	Unremittable gains due to currency restrictions etc.	TCGA 1992 s279
116	Capital Gains Tax & Corporation Tax	Wood/trees on commercial land	TCGA 1992 s250

Ref	Tax or Duty	Relief Title	Statutory Reference
117	Climate Change Levy	CHP input	FA 2000 Sch 6 Para 15; SI 2005/1714
118	Climate Change Levy	CHP output reliefs	FA 2000 Sch 6 Paras 5(2), 16, 20A & 20B; SI 2001/838 Reg 51A to 51M; SI 2005/1714 Reg 4 - 7
119	Climate Change Levy	Climate Change Agreements	FA 2000 Sch 6 Paras 44 - 52; SI 2001/838 reg 35 & Sch 1 Para 2
120	Climate Change Levy	Commodities not burnt in the UK	FA 2000 Sch 6 Para 11; SI 2001/838 Reg 34 & Sch 1 Para 2
121	Climate Change Levy	Commodities not used as fuel	FA 2000 Sch 6 Para 18; SI 2001/838 Reg 34 & Sch 1 Para 2; SI 2005/1715 Reg 3
122	Climate Change Levy	Domestic use	FA 2000 Sch 6 Para 8 & 9
123	Climate Change Levy	Electricity producers	FA 2000 Sch 6 Para 14; SI 2001/838 Reg 34 & Sch 1 Para 2
124	Climate Change Levy	Northern Ireland gas supplies	FA 2000 Sch 6 Para 11A
125	Climate Change Levy	Producers of other commodities	FA 2000 Sch 6 Para 13; and SI 2001/838 Reg 34 & Sch 1 Para 2
126	Climate Change Levy	Recycling processes	FA 2000 Sch 6 Paras 18A; SI 2001/838 Reg 34 & Sch 1 Para 2; SI 2005/1714 Sch 2 Regs 4
127	Climate Change Levy	Renewables	FA 2000 Sch 6 Para 19 & 20; SI 2001/838 Regs 46 - 51
128	Climate Change Levy	Self supplies	FA 2000 Sch 6 Para 17; SI 2001/1136
129	Climate Change Levy	Supplies of qualifying electricity from partially exempt CHP stations.	FA 2000 Sch 6 Paras 5(2), 16, 20A & 20B; SI 2001/838 Regs 51A - 51M; SI 2005/1714 Regs 4 - 7
130	Climate Change Levy	Transport	FA 2000 Sch 6 Para 12; SI 2001/838 Reg 34 & Sch 1 Para 2
131	Corporation Tax	Agricultural societies on profits of shows	CTA 2010 s989
132	Corporation Tax	Arbitrage rules for international taxation - de minimis threshold	TIOPA 2010 s233 (5)

Ref	Tax or Duty	Relief Title	Statutory Reference
133	Corporation Tax	Arbitrage rules for international taxation - dealers exemption	TIOPA 2010 s253
134	Corporation Tax	Bad debt relief on certain unremittable receipts	CTA 2009 s172 - s175
135	Corporation Tax	Building societies – deduction from trading profits for incidental costs of raising finance by issuing shares in the society	CTA 2009 s131
138	Corporation Tax	Capital gains tax exemption for companies	CTA 2009 s4
139	Corporation Tax	CFC de minimis	ICTA 1988 s748(1)(d)
140	Corporation Tax	CFC debt cap reduction of profits	ICTA 1988 s751AA
141	Corporation Tax	CFC EEA business establishments	ICTA 1988 s751A
142	Corporation Tax	CFC excluded countries	ICTA 1988 s748(1)(e); SI 1998/3081
143	Corporation Tax	CFC exempt activities	ICTA 1988 s748 (1)(b) & Sch 25 Part 2
144	Corporation Tax	CFC motive test	ICTA 1988 s748 (3) & Sch 25 Part 4
145	Corporation Tax	Charity subsidiaries	CTA 2010 s199
146	Corporation Tax	Community Amateur Sports Clubs	CTA 2009 s658 - s671
147	Corporation Tax	Company migration - postponement of charge	TCGA 1992 s187
148	Corporation Tax	Consortium relief	CTA 2010 Part 5
149	Corporation Tax	Corporate venturing scheme	FA 2000 s63 & Sch 15
150	Corporation Tax	Degrouping charge - exemption	TCGA 1992 s181

Ref	Tax or Duty	Relief Title	Statutory Reference
151	Corporation Tax	Degrouping charge - reallocation to another group company	TCGA 1992 s179A
152	Corporation Tax	Degrouping charge - roll-over relief	TCGA 1992 s179B
153	Corporation Tax	Disposal of assets on amalgamation of building societies	TCGA 1992 s215
154	Corporation Tax	Distributions - exceptions for certain transfers between a company and its members	CTA 2010 s1002
155	Corporation Tax	Employee share schemes	CTA 2009 Parts 11 & 12
156	Corporation Tax	Fiduciary or representative capacity	CTA 2009 s6
158	Corporation Tax	Finance leasing: reduction of rental amounts for finance leases where the return is in a capital form	CTA 2010 s906 - s913
159	Corporation Tax	Financing income exemption	TIOPA 2010 s286-298
160	Corporation Tax	Foreign dividends exemption - large companies	CTA 2009 s931D-Q
161	Corporation Tax	Foreign dividends exemption - small companies	CTA 2009 s931B-C
162	Corporation Tax	Foreign estate income	CTA 2009 s960 - s961
163	Corporation Tax	Friendly society tax exempt policies	ICTA 1988 s460, 462 & 464
164	Corporation Tax	Gift Aid (corporates)	CTA 2010 Part 6 Chaps 1 & 2
165	Corporation Tax	Gifts of medical supplies and equipment	CTA 2009 s107
166	Corporation Tax	Group companies - gains on disposals within the group	TCGA 1992 s171
167	Corporation Tax	Group companies - reallocation of chargeable gains and losses to another member of group	TCGA 1992 s171A - 171C

Ref	Tax or Duty	Relief Title	Statutory Reference
168	Corporation Tax	Group financing income	TIOPA 2010, s299-305
169	Corporation Tax	Group relief	CTA 2010 Part 5
172	Corporation Tax	Income tax exemption for companies	CTA 2009 s3
173	Corporation Tax	Indexation allowance	TCGA 1992 s52A - s57
175	Corporation Tax	Industrial and Provident Societies	CTA 2009 s132
177	Corporation Tax	Intangible assets - roll-over relief	CTA 2009 s754 - s763
178	Corporation Tax	Intangible assets regime	CTA 2009 s730 onwards
179	Corporation Tax	Investment managers' exemption	CTA 2010 s1146 - 1150
180	Corporation Tax	Land development gains	CTA 2010 s827
181	Corporation Tax	Land held as trading stock	CTA 2010 s828
183	Corporation Tax	Land transfers	CTA 2010 s837
184	Corporation Tax	Leasing plant or machinery carried on in partnership with others – relief for expenses giving rise to carried forward loss	CTA 2010 s419 & s428
185	Corporation Tax	Levies etc under FISMA 2000	CTA 2009 s92
186	Corporation Tax	Life insurance taxation - policy holders' share of profits	FA 1989 s88
187	Corporation Tax	Loan relationships – exemption from charge for situation where a government investment in a company is written off in certain circumstances	CTA 2009 s326
188	Corporation Tax	Loan relationships - insolvent companies	CTA 2009 s357

Ref	Tax or Duty	Relief Title	Statutory Reference
189	Corporation Tax	Loan relationships - insurance companies	CTA 2009 s388
190	Corporation Tax	Loan relationships – relief for pre-loan relationship expenses or abortive expenses	CTA 2009 s329 & 607
191	Corporation Tax	Loan relationships – relief for pre-trading expenditure	CTA 2009 s330
192	Corporation Tax	Loan relationships, connected parties.	CTA 2009 s356 - s357
193	Corporation Tax	Loan relationships: Lloyd's premium trust insurance funds - corporate members	CTA 2009 s392
194	Corporation Tax	Loans to participators	CTA 2010 s458
195	Corporation Tax	Loss relief - terminal loss relief for oil companies with ring fence trades	CTA 2010 s40 & s42
196	Corporation Tax	Loss relief - terminal losses	CTA 2010 s39
197	Corporation Tax	Loss relief - transitional loss relief for insurance companies	FA 2007 Sch 7 Part 2
198	Corporation Tax	Loss relief: carry back - non trade loan relationship	CTA 2009 s457
199	Corporation Tax	Loss relief: carry back - trading loss	CTA 2010 s37
200	Corporation Tax	Loss relief: carry forward - miscellaneous transactions	CTA 2010 s91
201	Corporation Tax	Loss relief: carry forward - non-trade loan relationship	CTA 2009 s458
202	Corporation Tax	Loss relief: carry forward - non-trading intangible fixed assets	CTA 2009 s753
203	Corporation Tax	Loss relief: carry forward - overseas property business	CTA 2010 s66
204	Corporation Tax	Loss relief: carry forward - trade loss	CTA 2010 s45

Ref	Tax or Duty	Relief Title	Statutory Reference
205	Corporation Tax	Loss relief: carry forward - UK property business	CTA 2010 s62
206	Corporation Tax	Loss relief: in year	CTA 2010 s37
207	Corporation Tax	Losses on derivative contracts	CTA 2009 s666
208	Corporation Tax	Management expenses	CTA 2009 s1218 - s1255
209	Corporation Tax	Manufactured overseas dividends relief	CTA 2010 s791
212	Corporation Tax	Marketing authorities and certain other statutory bodies	CTA 2009 s153
213	Corporation Tax	Merger leaving assets within UK tax charge	TCGA 1992 s140E
214	Corporation Tax	Non-UK resident companies – deduction against profits allowed for allowable expenses for the purposes of the permanent establishment	CTA 2009 s29
215	Corporation Tax	Nuclear decommissioning authority	EA 2004 s27
216	Corporation Tax	Oil industry - relief for defaulter's abandonment expenditure	CTA 2010 s297
217	Corporation Tax	Oil industry - relief for reimbursement expenditure under abandonment guarantees	CTA 2010 s293
218	Corporation Tax	Petroleum revenue tax deduction	CTA 2010 s299
221	Corporation Tax	Rent payable under a lease of land	CTA 2010 s853
225	Corporation Tax	Reverse premiums for amounts brought into account in reducing capital allowances qualifying expenditure	CTA 2009 s97
227	Corporation Tax	Substantial shareholdings	TCGA 1992 Sch 7AC
231	Corporation Tax	Transfer or division of UK business	TCGA 1992 s140A

Ref	Tax or Duty	Relief Title	Statutory Reference
232	Corporation Tax	Transfers of income streams - exceptions to tax charge	CTA 2010 s754 - s755
233	Corporation Tax	Transmission facilities	TCGA 1992 s267
234	Corporation Tax	Unremittable foreign income	CTA 2009 s1274 - s1278
235	Customs Duty	ATA and CPD carnets	ATA Convention 1961, Istanbul Convention 1990
236	Customs Duty	Customs warehousing	Council Reg 2913/92, 2454/94
237	Customs Duty	End-use relief	Council Reg 2913/92, Commission Reg 2454/94
238	Customs Duty	Free zones	VAT 6th directive, Freezone Regs 1984 & 1991
239	Customs Duty	Inward processing relief	Council Reg 2913/92; Commission Reg 2454/94, CEMA 1979, VATA 94
240	Customs Duty	Outward processing relief	Council Reg 2913/92, Commission Reg 2454/94
241	Customs Duty	Processing under customs control	Council Reg 2913/92 Commission Reg 2454/93
243	Customs Duty	Temporary admission	Council Reg 2913/92, 2454/93
244	Customs Duty	Temporary storage	Customs controls on Importation of good Regs 1991
245	Excise Taxes	Alcoholic ingredients relief	FA 1995 s4
248	Excise Taxes	Denatured alcohol	FA 2005 s5
249	Excise Taxes	Duty free spirits	Alcoholic Liquor Duties Act 1979 s8 - s10
250	Excise Taxes	Small brewers relief	Alcoholic Liquor Duties Act 1979 s36A-H

Ref	Tax or Duty	Relief Title	Statutory Reference
251	Excise Taxes	Small cider makers exemption from registration	Cider and Perry Exemption from registration order 1976
252	Gambling Duty	Charitable entertainments	Betting and Gaming Duties Act 1981 Sch 4 Part 1
253	Gambling Duty	Community benefit	Betting and Gaming Duties Act 1981 s7B(3)(c) & 8A
254	Gambling Duty	Domestic gambling	Betting and Gaming Duties Act 1981 Sch 3 Part 1
255	Gambling Duty	Excepted machines	Betting and Gaming Duties Act 1981 s21 (5)
256	Gambling Duty	Lawful gaming	FA 2007 s10(3) & (4)
257	Gambling Duty	Lawful lotteries	FA 1993 s24(4)
258	Gambling Duty	Non-profit making gambling	Betting and Gaming Duties Act 1981 Sch 3 Part 2B
259	Gambling Duty	On-course bookmakers	Betting and Gaming Duties Act 1981 s2(2)(a)
260	Gambling Duty	Seasonal licences	Betting and Gaming Duties Act 1981 Sch 4 Part 4
261	Gambling Duty	Small scale amusements provided commercially	Betting and Gaming Duties Act 1981 Sch 3 Part 5
262	Gambling Duty	Small scale gambling	Betting and Gaming Duties Act 1981 Sch 3 Part 2 & 2A
263	Gambling Duty	Spare machines	Betting and Gaming Duties Act 1981 s26(3A)
264	Hydrocarbon Oils Duty	Aviation kerosene exemption	HODA 1979 s11(1)(c)
265	Hydrocarbon Oils Duty	Electricity relief (biofuels)	SI 2004/2065
266	Hydrocarbon Oils Duty	Electricity relief (oils)	SI 2005/3320

Ref	Tax or Duty	Relief Title	Statutory Reference
267	Hydrocarbon Oils Duty	Excise duty - drawback - export of duty paid oil	SI 1995/1046
268	Hydrocarbon Oils Duty	Excise duty - drawback - ships and aircraft stores	HODA 1979 s15
269	Hydrocarbon Oils Duty	Horticultural producers	HODA 1979 s17
270	Hydrocarbon Oils Duty	Kerosene used as heating fuel	HODA 1979 s11(1)(c)
271	Hydrocarbon Oils Duty	Lifeboats	HODA 1979 s19
272	Hydrocarbon Oils Duty	Marine voyages	SI 1996/2537
273	Hydrocarbon Oils Duty	Rate differential for biofuels made from used or waste cooking oil	SI 2010/984
274	Hydrocarbon Oils Duty	Rate differential for off-road use of diesel and kerosene in vehicles and railway locomotives	HODA 1979 s11(1)(c)
275	Hydrocarbon Oils Duty	Rate differential for road fuel gases	HODA 1979 s8
276	Hydrocarbon Oils Duty	Tied Oils scheme (industrial relief scheme) – exempts oils used for purposes other than heating and in engines	HODA 1979 s9
277	Income Tax	Accommodation, supplies & services used in employment duties	ITEPA 2003 s316
278	Income Tax	Accrued income profits - exemptions	ITA 2007 s636 - s646
279	Income Tax	Adoption payments	ITTOIA 2005 s744
280	Income Tax	Age-related allowances	ITA 2007 s36 & s37
281	Income Tax	Annual payments - exceptions to requirement to deduct income tax at source	ITA 2007 s901(2)
282	Income Tax	Annual payments and patent royalties made under deduction of tax	ITA 2007 s448

<b>Ref</b>	<b>Tax or Duty</b>	<b>Relief Title</b>	<b>Statutory Reference</b>
283	Income Tax	Annual payments that are non-commercial	ITTOIA 2005 s727
284	Income Tax	Anti-avoidance rules for finance arrangements - exceptions	ITA 2007 s809BZM - s809BZP
285	Income Tax	Anti-avoidance rules for sales of occupation income of professions and vocations	ITA 2007 s784
286	Income Tax	Anti-avoidance rules for transactions in land - exceptions	ITA 2007 s765 - s768
287	Income Tax	Anti-avoidance rules for transactions in securities - exceptions	ITA 2007 s686
288	Income Tax	Armed forces - operational allowance	ITEPA 2003 S297A
289	Income Tax	Armed forces - pensions and annuities in connection with medals and awards for bravery	ITEPA 2003 s638
290	Income Tax	Armed forces - visiting forces, other than UK citizens	ITEPA 2003 s303
291	Income Tax	Armed forces - war death and disablement benefits	ITEPA 2003 s641
292	Income Tax	Armed forces - war widows' pensions	ITEPA 2003 s639
293	Income Tax	Armed forces payments and benefits	ITEPA 2003 s411
294	Income Tax	Bank and building society interest – exceptions to requirement to deduct income tax at source	ITA 2007 s858 - s870
295	Income Tax	Banks etc in compulsory liquidation	ITA 2007 s837E
296	Income Tax	Beneficial loans below £5,000	ITEPA 2003 s180
297	Income Tax	Benefit payments to supplement an individual's income	ITEPA 2003 s677
298	Income Tax	Benefits - child dependency allowances	ITEPA 2003 s670

Ref	Tax or Duty	Relief Title	Statutory Reference
299	Income Tax	Benefits - increases in certain benefits attributable to additional children	ITEPA 2003 s676
301	Income Tax	Capital allowances - personal security expenses	CAA 2001 s33
302	Income Tax	Car benefit - accessories	ITEPA 2003 s125 (2)(a)
303	Income Tax	Car benefit - equipment to allow the car to run on road fuel gas	ITEPA 2003 s125 (2)(b)
304	Income Tax	Car benefit - low value accessories	ITEPA 2003 s126(3)(d)
305	Income Tax	Car benefit - mobile telephones	ITEPA 2003 s125 (2)(d)
306	Income Tax	Car benefit - relief for capital contributions	ITEPA 2003 s132
307	Income Tax	Cash vouchers	ITEPA 2003 s78 - s80
308	Income Tax	Change of accounting basis for a property income business	ITTOIA 2005 s330(3)
309	Income Tax	Charities - approved charity investments	ITA 2007 s558 - s561
311	Income Tax	Charities and donors - exceptions from the substantial donor anti-avoidance rules	ITA 2007 s549(2), s554 & s555
312	Income Tax	Charities' income from Gift Aid donations	ITA 2007 s521
313	Income Tax	Charities: excess non-charitable expenditure	ITA 2007 s562
314	Income Tax	Chevening House exemption	ITEPA 2003 s101
315	Income Tax	Child Trust Fund	Child Trust Funds Act 2004 s13
316	Income Tax	Commonwealth countries - official agents	ITA 2007 s841, ITEPA 2003 s301

Ref	Tax or Duty	Relief Title	Statutory Reference
317	Income Tax	Compensation awards for personal injury	ITTOIA 2005 s731 - s734
318	Income Tax	Construction Industry Scheme – exemption for international organisations	FA 2004 s73A
319	Income Tax	Consular employees of foreign states - benefits	ITEPA 2003 s681A
320	Income Tax	Consular staff of foreign states	ITEPA 2003 s300 & s302
321	Income Tax	Credit Union policies	ITTOIA 2005 s483
322	Income Tax	Crown servants abroad - foreign service allowance	ITEPA 2003 s299
323	Income Tax	Damages for personal injury	ITTOIA 2005 s751
324	Income Tax	Death or disability payments and benefits	ITEPA 2003 s406
325	Income Tax	Deduction of income tax at source from certain payments of annual interest	ITA 2007 s875 - s888
327	Income Tax	Disabled person's vehicle maintenance grant	ITTOIA 2005 s780
328	Income Tax	Distributions - relief on the redemption of bonus shares or securities.	ITTOIA 2005 s401
329	Income Tax	Distributions - where person receiving the distribution is not entitled to a tax credit	ITTOIA 2005 s399(2) & 400(2)
330	Income Tax	Employee Benefit Trusts - trustees' income	ITA 2007 s496B
331	Income Tax	Employee share schemes - interest exemption	ITTOIA 2005 s752
333	Income Tax	Employment related securities options	ITEPA 2003 s475
334	Income Tax	Employment zone programmes	ITTOIA 2005 s782

Ref	Tax or Duty	Relief Title	Statutory Reference
336	Income Tax	Entertainers' agency fees	ITEPA 2003 s352
338	Income Tax	Entertainment expenses - small gifts	ITEPA 2003 s358
340	Income Tax	European Commission detached national experts	ITEPA 2003 s304
342	Income Tax	Film related losses - exceptions from anti-avoidance rules	ITA 2007 s803
344	Income Tax	Flat management trusts	
345	Income Tax	Foreign benefits substantially similar in character to UK tax exempt benefits	ITEPA 2003 s681
346	Income Tax	Foreign currency securities owned by non-UK residents	ITTOIA 2005 s755
347	Income Tax	Foreign income charged on an arising basis	ITTOIA 2005 s838
348	Income Tax	Foreign income of people with a temporary purpose in the UK	ITA 2007 s831
349	Income Tax	Foreign maintenance payments	ITTOIA 2005 s730
350	Income Tax	Foreign pension schemes - lump-sum payments	ITEPA 2003 s636B & s636C
351	Income Tax	Foreign pensions	ITEPA 2003 s575(2)
352	Income Tax	Foreign trades - business travel	ITTOIA 2005 s92
353	Income Tax	Former employees: deduction for liabilities	ITEPA 2003 s555
354	Income Tax	Foster care relief	ITTOIA 2005 s803 - s828
355	Income Tax	Full time working abroad	ITA 2007 s830

Ref	Tax or Duty	Relief Title	Statutory Reference
356	Income Tax	Funding bonds	ITTOIA 2005 s754
357	Income Tax	Funding bonds - exception from duty to deduct income tax	ITA 2007 s940
358	Income Tax	Furnished holiday lettings - costs of providing furniture	ITTOIA 2005 s308(1)(b)
360	Income Tax	Gift Aid transitional relief	FA 2008 Sch 19
362	Income Tax	Government ministers etc. travel and subsistence	ITEPA 2003 s295
363	Income Tax	Group Life Insurance policies	ITTOIA 2005 s480 - s482
364	Income Tax	Health and employment insurance payments	ITTOIA 2005 s735 - s743
365	Income Tax	Heritage Maintenance Fund election	ITA 2007 s508
366	Income Tax	Immediate Needs Annuities	ITTOIA 2005 s725 - 726
367	Income Tax	Income support and jobseekers allowance	ITEPA 2003 s666 & s670
368	Income Tax	Income support and jobseekers allowance above a taxable minimum	ITEPA 2003 s667& s671
369	Income Tax	Individual learning accounts	ITEPA 2003 s255
370	Income Tax	Individual Savings Accounts	SI 1988/1870 The Individual Savings Account Regulations 1988, Reg 22
371	Income Tax	Insurance policies for mortgage repayment on death	ITTOIA 2005 s478
373	Income Tax	Interest and royalty payments to companies in EU Member States	ITTOIA 2005 s757 - s767
374	Income Tax	Interest on loans not for the purchase of owner occupied etc. property	ITA 2007 Part 8 Chap 1

Ref	Tax or Duty	Relief Title	Statutory Reference
375	Income Tax	Investment Managers' Exemption	ITA 2007 s818 - s828, s835I & s835M - s835R ; The Investment Manager (Specified Transactions) Regulations 2009 [non-SI secondary legislation]
376	Income Tax	Investment plans for individuals	ITTOIA 2005 s694
377	Income Tax	IR35 - 5% flat rate expenses deduction from deemed employment charge	ITEPA 2003 s54
378	Income Tax	IR35 deemed employment charge - relief for distributions by intermediaries	ITEPA 2003 s58
379	Income Tax	Know-how allowances	CAA 2001 Part 7
382	Income Tax	Life insurance - deficiency relief	ITTOIA 2005 s539 - s541
383	Income Tax	Life insurance - non-residency reduction	ITTOIA 2005 s528 - s529
384	Income Tax	Life insurance policies	ICTA 1988 s267, Sch 15; FA 1995 s55 ; ITTOIA 2005 s474, 485, 503 & 542 - 543
386	Income Tax	Life insurance policies - income tax treated as paid	ITTOIA 2005 s530 - s534
389	Income Tax	Living accommodation - employees of a local authority	ITEPA 2003 s98
390	Income Tax	Living accommodation outside the UK provided by a company for a director	ITEPA 2003 s100A
391	Income Tax	Loan finance costs	ITTOIA 2005 s58
392	Income Tax	Loans to a participator in a close company that are written off	ITTOIA 2005 s418
393	Income Tax	Loans to participators in close companies written off.	ITTOIA 2005 s421
394	Income Tax	Loss relief - trading losses set against general income	ITA 2007 s64 - s70
395	Income Tax	Loss relief - carry forward of property business loss relief	ITA 2007 s118 - s119

Ref	Tax or Duty	Relief Title	Statutory Reference
396	Income Tax	Loss relief - carry forward of trade loss relief	ITA 2007 s83 - s88
397	Income Tax	Loss relief - deeply discounted securities	ITTOIA 2005 s454
398	Income Tax	Loss relief - early trade losses	ITA 2007 s72 - s74
399	Income Tax	Loss relief - employment income	ITA 2007 s128
400	Income Tax	Loss relief - miscellaneous transactions	ITA 2007 s152 - s153
401	Income Tax	Loss relief - property business losses	ITA 2007 s120 - s124
402	Income Tax	Loss relief - strips of government securities	ITTOIA 2005 s446
403	Income Tax	Loss relief - terminal loss relief against trade related interest	ITA 2007 s92
404	Income Tax	Loss relief - terminal trade losses	ITA 2007s89 - s94
405	Income Tax	Loss relief - trading loss treated as CGT loss	ITA 2007 s71; TCGA 1992 s261B & 261D
406	Income Tax	Maintenance payments	ITA 2007 s453 - s456
407	Income Tax	Managed service companies - relief for distributions by intermediaries	ITEPA 2003 s61H
408	Income Tax	Managed service company rules - exclusions	ITEPA 2003 s61B (3), (4) and s61C
409	Income Tax	Married couple's allowance	ITA 2007 s42 - s55
410	Income Tax	Mileage allowance payments	ITEPA 2003 s229, 230, 235 & 236
411	Income Tax	Mileage allowance relief	ITEPA 2003 s231, 232, 235 & 236

Ref	Tax or Duty	Relief Title	Statutory Reference
413	Income Tax	Mineral exploration and access	ITTOIA 2005 s161
415	Income Tax	Ministers of religion - benefit of payment of council tax etc.	ITEPA 2003 s290(1)
416	Income Tax	Ministers of religion - maintenance, repair, insurance or management of living accommodation	ITEPA 2003 s351(3) - (4)
417	Income Tax	Ministers of religion - use of dwelling-house	ITEPA 2003 s351(2); ITTOIA 2005 s159
418	Income Tax	Ministers of religion - various payments	SSCR 2001, Sch 3, Part 10, Para 13
419	Income Tax	Ministers of religion in excluded employment - expenses	ITEPA 2003 s290(2)
420	Income Tax	Miscellaneous income - beneficiaries' income from trusts in administration	ITTOIA 2005 s677 - s678
422	Income Tax	National Savings Certificates, including index-linked certificates	ITTOIA 2005 s692
423	Income Tax	New Deal 50plus payments	ITTOIA 2005 s781
424	Income Tax	Non-Commonwealth countries - official agents	ITEPA 2003 s301
425	Income Tax	Non-domicile regime - remittance basis	ITA 2007s809B, s809D & s809E
426	Income Tax	Non-domicile rules: remittances of clothing, footwear, jewellery or watches to the UK for the personal use of the individual	ITA 2007 s809Z2
427	Income Tax	Non-domicile rules: remittances of property to the UK for temporary importation or repair	ITA 2007 s809Z3 & s809Z4
428	Income Tax	Non-domicile rules: remittances of works of art made available for public display at approved establishment	ITA 2007 s809Z & 809Z1
429	Income Tax	Non-domiciled migrant workers on low incomes	ITA 2007 s828A - 828D
431	Income Tax	Non-resident entertainers and sportspeople performing in the UK - de minimis	SI 1987/530

Ref	Tax or Duty	Relief Title	Statutory Reference
432	Income Tax	Non-UK residents - permanent establishment exemption	ITA 2007 s811, 813 & 815
433	Income Tax	Non-UK residents - UK source investment income	ITA 2007 s810 - s828
434	Income Tax	Olympic Games 2012 - tax exemptions for non-resident individuals	FA 2006 s68
435	Income Tax	Outplacement counselling for redundant employees	ITEPA 2003 s310
436	Income Tax	Overlap relief on a cessation	ITTOIA 2005 s205
437	Income Tax	Overlap relief on a change of accounting basis	ITTOIA 2005 s220
438	Income Tax	Patent allowances	CAA 2001 Part 8
439	Income Tax	Patent income	ITTOIA 2005 s600
440	Income Tax	Patent royalties - spreading of receipts	ITA 2007 s461
441	Income Tax	Payments between companies – exceptions from duty to deduct income tax from payments	ITA 2007 s929 - s938
443	Income Tax	Payroll giving	ITEPA 2003 Part 12
445	Income Tax	Pension schemes	FA 2004 s186
446	Income Tax	Pension schemes - lump sums	ITEPA 2003 s636A; FA 2004 s164
447	Income Tax	Pension schemes - member contributions	FA 2004 s188
448	Income Tax	Pension schemes - trivial commutation and winding-up lump sums	ITEPA 2003 s636B
449	Income Tax	Pension trusts	ITA 2007 s480(3)(b)

Ref	Tax or Duty	Relief Title	Statutory Reference
450	Income Tax	Pensions charged on the arising basis	ITTOIA 2005 s840
451	Income Tax	Pensions paid in connection with Nazi persecution	ITEPA 2003 s642 - s643 & s648 - s654
452	Income Tax	Pensions related to employment and disability	ITEPA 2003 s644
453	Income Tax	Pensions related to overseas states and associated sources	ITEPA 2003 s642 - 643 & s646A - 654
454	Income Tax	Personal allowance	ITA 2007 s35
455	Income Tax	Personal allowance for non-residents	ITA 2007 s56
456	Income Tax	Personal Equity Plans	SI 2007/2120
458	Income Tax	Post-cessation property relief	ITA 2007 s125
460	Income Tax	Premium bond prizes	ITTOIA 2005 s692
461	Income Tax	Provision of pensions advice up to £150 per annum	SI 2004/3087
462	Income Tax	Public bodies	CTA 2010 s984 - s985
463	Income Tax	Purchased life annuities	ITTOIA 2005 s422 - s426 & s717 - s724; SI 2008/562
464	Income Tax	Renewable obligation certificates	ITTOIA 2005 s782B
465	Income Tax	Rent-a-room relief	ITTOIA 2005 s784 - s802
467	Income Tax	Repair of a cathedral, college, church or building used for divine worship.	ITA 2007 s533
469	Income Tax	Retraining expenditure	ITEPA 2003 s311

Ref	Tax or Duty	Relief Title	Statutory Reference
470	Income Tax	Savings income 10% rate	ITA 2007 s12
471	Income Tax	Scholarship payments	ITEPA 2003 s213
473	Income Tax	Secondary Class 1 NIC contributions met by the employee	ITEPA 2003 s428A, s442A & s481
474	Income Tax	Security expenses	ITTOIA 2005 s81
475	Income Tax	Settlements - charitable gifts	ITTOIA 2005 s628 & s630
476	Income Tax	Share incentive schemes income when shares leave the scheme	ITTOIA 2005 s395
477	Income Tax	Social security deductions for non-trades	ITTOIA 2005 s868
478	Income Tax	Statutory redundancy payments	ITEPA 2003 s309
479	Income Tax	Student loan repayments	ITTOIA 2005 s753
480	Income Tax	Subsistence expenses for traders	ITTOIA 2005 s57A
481	Income Tax	Termination of employment - contributions to approved personal pension arrangements	ITEPA 2003 s405(1)
482	Income Tax	Termination of employment - contributions to tax-exempt pension schemes	ITEPA 2003 s408
483	Income Tax	Termination of employment - exemption for specified benefits	ITEPA 2003 s402(2) & (3)
484	Income Tax	Termination of employment - exemption from benefit rules for payments for the right to receive a termination benefit	ITEPA 2003 s402(4)
485	Income Tax	Termination of employment - first £30,000 of payments	ITEPA 2003 s403(1)
486	Income Tax	Termination of employment - foreign service	ITEPA 2003 s413 - s414

Ref	Tax or Duty	Relief Title	Statutory Reference
487	Income Tax	Termination of employment - payments and benefits in respect of employee liabilities and indemnity insurance	ITEPA 2003 s409 - s410
488	Income Tax	Termination of employment - payments and benefits provided by foreign governments etc.	ITEPA 2003 s412
489	Income Tax	Termination of employment - payments and benefits under tax-exempt pension schemes	ITEPA 2003 s407
491	Income Tax	Transfer of assets abroad - deductions and reliefs	ITA 2007 s746
492	Income Tax	Transfer of assets abroad - exemption from charge	ITA 2007 s736 - s742
493	Income Tax	Transfer of assets abroad - reduction in amount of charge where CFC involved	ITA 2007 s725
494	Income Tax	Transfer pricing rules - removal of excessive interest from the charge to tax	TIOPA 2010 s187
495	Income Tax	Trustee management expenses	ITA 2007 s484 - s487
496	Income Tax	Trusts with disabled people or minors as beneficiaries	ITA 2007 s491-492
498	Income Tax	Ulster Savings Certificates	ITTOIA 2005 s693
499	Income Tax	Unauthorised unit trusts - relief for trustees	ITA 2007 s505
500	Income Tax	Vulnerable beneficiaries relief	FA 2005 s23 - s45
503	Income Tax & Capital Gains Tax	Double taxation relief for special withholding tax	TIOPA 2010 s135 - s145
505	Income Tax & Capital Gains Tax	Pension schemes - relief for occupational schemes	ICTA88 s615(6), s615(6) & s614(5); TCGA 1992 s271(1)(c)(ii); ITA2007 s480(4); ITEPA 2003 s393A; ITTOIA 2005 s38(4)(b); CTA 2009 s1290(4)(b)
506	Income Tax & Capital Gains Tax	Renewable obligation certificates - income from domestic micro-generation	ITTOIA 2005 s782A
508	Income tax & Capital Gains Tax & Inheritance Tax	Crown exemption	Non-statutory principle

Ref	Tax or Duty	Relief Title	Statutory Reference
509	Income Tax	Accrued income of small investors	ITA 2007 s639
510	Income Tax & Corporation Tax	Agricultural Buildings Allowances	CAA 2001 Part 4; FA 2008 s84
512	Income Tax & Corporation Tax	Arbitration Convention	TIOPA 2010 s127
515	Income Tax & Corporation Tax	Capital allowances - 100% first-year allowance for plant or machinery for gas refuelling station	CAA 2001 s45E
517	Income Tax & Corporation Tax	Capital allowances - assured tenancies	CAA 2001 Part 10
519	Income Tax & Corporation Tax	Capital allowances - capital contributions	CAA 2001 Part 11
520	Income Tax & Corporation Tax	Capital allowances - computer software	CAA 2001 s71
523	Income Tax & Corporation Tax	Capital allowances - Enterprise Zones	CAA 2001 Part 3; FA 2008 s84
525	Income Tax & Corporation Tax	Capital allowances - gifts of certain assets to charity	CAA 2001 s63(2)
528	Income Tax & Corporation Tax	Capital allowances - plant & machinery	CAA 2001 Part 2
532	Income Tax & Corporation Tax	Capital allowances - ships and railway assets	CAA 2001 s94 & 95
534	Income Tax & Corporation Tax	Capital allowances - thermal insulation of buildings	CAA 2001 s28
535	Income Tax & Corporation Tax	Cemeteries and crematoria	ITTOIA 2005 s169 ; CTA 2009 s146
536	Income Tax & Corporation Tax	Change in accountancy basis	FA 2006 s102 & Sch 15
537	Income Tax & Corporation Tax	Change of accounting basis	ITTOIA 2005 s228; CTA 2009 s180 - s187
538	Income Tax & Corporation Tax	Charities - income exemption	ITA 2007 Part 10 ; CTA 2010 Part 11

Ref	Tax or Duty	Relief Title	Statutory Reference
539	Income Tax & Corporation Tax	Charities - small trading exemption	ITA 2007 s526; CTA 2010 s480
542	Income Tax & Corporation Tax	Co-operative associations	CTA 2010 s1057
543	Income Tax & Corporation Tax	Co-operative housing associations and self-build societies	CTA 2010 s642 & 650
544	Income Tax & Corporation Tax	Counselling and retraining expenses	ITTOIA 2005 s73 & CTA 2009 s73
546	Income Tax & Corporation Tax	Electronic communications incentives	ITTOIA 2005 s778; CTA 2009 s1287
547	Income Tax & Corporation Tax	Employee priority allocations in public share offers	ITEPA 2003 s542
548	Income Tax & Corporation Tax	Employee Share Ownership Plan trusts	ICTA 1988 Sch4AA Para 7
550	Income Tax & Corporation Tax	Export Credits Guarantee Department	ITTOIA 2005 s91; CTA 2009 s91
551	Income Tax & Corporation Tax	Fixtures - facility to elect to fix the sale value	CAA 2001 s198
553	Income Tax & Corporation Tax	Futures - gains on commodity and financial futures	ITTOIA 2005 s779; CTA 2009 s981
554	Income Tax & Corporation Tax	Futures and options – exemption for authorised unit trusts and pension schemes	CTA 2009 s981
557	Income Tax & Corporation Tax	Housing associations which are Industrial and Provident Societies	CTA 2010 s642
558	Income Tax & Corporation Tax	Housing grants	ITTOIA 2005 s769; CTA 2009 s1284
559	Income Tax & Corporation Tax	Industrial and Provident Societies	CTA 2010 s1055
560	Income Tax & Corporation Tax	Industrial Buildings Allowances	CAA 2001 Part 3; FA 2008 s84
561	Income Tax & Corporation Tax	Insurance policies for sickness and unemployment	ITEPA 2003 s325A

Ref	Tax or Duty	Relief Title	Statutory Reference
565	Income Tax & Corporation Tax	Managed service companies - deemed employment payments in calculating the profits of an intermediary	ITTOIA 2005 s164A; CTA 2009 s141
566	Income Tax & Corporation Tax	Miscellaneous income – sale of know-how	ITTOIA 2005 s584; CTA 2009 s908
567	Income Tax & Corporation Tax	Mutual Agreement Procedure	ICTA 1988 s815AA
568	Income Tax & Corporation Tax	Non-residents with UK representatives	ITA 2007 s815 - s817; CTA 2010 s969 - s972
569	Income Tax & Corporation Tax	Patent income: relief for contributions	ITTOIA 2005 s604; CTA 2009 s927
570	Income Tax & Corporation Tax	Patent rights sales: spreading of tax charge over 6 years	ITTOIA 2005 s590; CTA 2009 s914
571	Income Tax & Corporation Tax	Patents, designs and trade marks	ITTOIA 200 s89 - s905; CTA 2009 s89 - s90
572	Income Tax & Corporation Tax	Payroll deduction schemes: contributions to agents' expenses	ITTOIA 2005 s72 ; CTA 2009 s72
573	Income Tax & Corporation Tax	Pension scheme contributions - migrant member relief	FA 2004 Sch 33
574	Income Tax & Corporation Tax	Pension schemes - double taxation agreements	ICTA 1988 s788
575	Income Tax & Corporation Tax	Pension schemes - employer contributions	FA 2004 s196
576	Income Tax & Corporation Tax	Pension schemes - transitional corresponding relief	FA 2004 Sch 36, Para 51
577	Income Tax & Corporation Tax	Pre-trading expenditure	ITTOIA 2005 s57; CTA 2009 s61
578	Income Tax & Corporation Tax	Redundancy payments	ITTOIA 2005 s76; CTA 2009 s76
579	Income Tax & Corporation Tax	Renewals basis for loose tools	ITTOIA 2005 s68; CTA 2009 s68
580	Income Tax & Corporation Tax	Research and development expenses	ITTOIA 2005 s87; CTA 2009 s87

Ref	Tax or Duty	Relief Title	Statutory Reference
581	Income Tax & Corporation Tax	Research associations, universities etc	ITTOIA 2005 s88; CTA 2009 s88
582	Income Tax & Corporation Tax	Restrictive undertakings	ITTOIA 2005 s69; CTA 2009 s69
583	Income Tax & Corporation Tax	Scholarship income	ITTOIA 2005 s776; ITEPA 2003 s215
584	Income Tax & Corporation Tax	Scientific research organisations	CTA 2010 s469
586	Income Tax & Corporation Tax	Seconding employees to charity	ITTOIA 2005 s70; CTA 2009 Part 3 Chap 5
587	Income Tax & Corporation Tax	Site preparation expenditure for a waste disposal trade.	ITTOIA 2005 s165; CTA 2009 s142 - s144
588	Income Tax & Corporation Tax	Site restoration payments	ITTOIA 2005 s168; CTA 2009 s145
589	Income Tax & Corporation Tax	Tenants under taxed leases	ITTOIA 2005 s60; CTA 2009 s62
590	Income Tax & Corporation Tax	Trade unions: investment income applied to provident benefits	CTA 2010 s981 - s983
591	Income Tax & Corporation Tax	Transfer pricing - compensating adjustments	TIOPA 2010 s174 - s184
592	Income Tax & Corporation Tax	Transfer pricing - compensating adjustments where an intragroup loan is guaranteed	TIOPA 2010 s191 - s194
593	Income Tax & Corporation Tax	Transfer pricing - exemption for dormant companies	TIOPA 2010 s165
594	Income Tax & Corporation Tax	Transfer pricing - exemption for small & medium enterprises	TIOPA 2010 s166
596	Income Tax & Corporation Tax	UK representatives - exemptions	TIOPA 2010 s835G - 835K
598	Income Tax & Corporation Tax & Capital Gains Tax	Double taxation relief - tax sparing	TIOPA 2010 s20
599	Income Tax & Corporation Tax & Capital Gains Tax	Double taxation relief on foreign income	TIOPA 2010 s9 - s18

Ref	Tax or Duty	Relief Title	Statutory Reference
600	Income Tax & Corporation Tax & Capital Gains Tax	Double taxation relief through deduction as an expense	TIOPA 2010 s112 - s115
601	Income Tax & Corporation Tax & Capital Gains Tax	Double taxation relief through underlying relief	TIOPA 2010 s57 - s71
602	Income Tax & Corporation Tax & Capital Gains Tax & Stamp Duty Land Tax	EU agencies & staff	None - Protocol has direct effect in UK law
603	Income Tax & Corporation Tax & Capital Gains Tax & Stamp Duty Land Tax	International organisations	International Organisations Act 1968
604	Income Tax & NICs	Advances to employees of necessary expenses	ITEPA 2003 s179
605	Income Tax & NICs	Benefit - use of vans	ITEPA 2003 s155
606	Income Tax & NICs	Benefit of entertainment provided for employees by third parties	ITEPA 2003 s265
607	Income Tax & NICs	Benefit of living accommodation and associated costs provided to certain groups of employees	ITEPA 2003 s99, 100, 314 & 315
608	Income Tax & NICs	Benefit of medical expenses paid by employer when employee falls sick when abroad	ITEPA 2003 s325; SSCR 2001 Sch 3 Part 8, Para 14
609	Income Tax & NICs	Benefit of repairs to accommodation by reason of employment	ITEPA 2003 s313
610	Income Tax & NICs	Benefit pursuant to a registered pension scheme	ITEPA 2003 Part 7; SSCR 2001 Sch 3 Para 2
611	Income Tax & NICs	Car with a CO2 emissions figure: automatic car for a disabled employee	ITEPA 2003 s138
612	Income Tax & NICs	Cars - automatic cars for disabled employees	ITEPA 2003 s124A
613	Income Tax & NICs	Cars for disabled employees	ITEPA 2003 s247
614	Income Tax & NICs	Company Share Option Plans (CSOP)	ITEPA 2003 Sch 4; ITEPA 2003 s521-526 ; TCGA 1992 Sch 7D
615	Income Tax & NICs	Council tax paid for certain living accommodation provided for employees	ITEPA 2003 s314

Ref	Tax or Duty	Relief Title	Statutory Reference
616	Income Tax & NICs	Credit tokens used for exempt benefits	ITEPA 2003 s267; SSCR 2001 Sch 3 Part 5 Para 3
619	Income Tax & NICs	Devolved assemblies - overnight expenses	ITEPA 2003 s293; SSCR 2001 Sch 3 Part 5 Para 16
620	Income Tax & NICs	Emergency vehicles	ITEPA 2003 s248A
621	Income Tax & NICs	Employee deduction for employee liabilities and indemnity insurance	ITEPA 2003 s346; SSCR 2001 Sch 3 Part 10 Para 10
622	Income Tax & NICs	Employer provided travel & subsistence during public transport strikes	ITEPA 2003 s245; SSCR 2001 Sch 3 Part 10 Para 8(b)
623	Income Tax & NICs	Employer provided work related training	ITEPA 2003 s250 - s260; SSCR 2001 Sch 3 Part 7 Para 2
624	Income Tax & NICs	Employer provision for death or retirement benefit	ITEPA 2003 s307
626	Income Tax & NICs	Employer-paid expenses incidental to transfer of asset to employee and of a kind not normally met by transferor	ITEPA 2003 s326
627	Income Tax & NICs	Employment costs relating to disabilities e.g. digital hearing aids	SI 2002/1596
628	Income Tax & NICs	Employment income - relief for non-travel expenses	ITEPA 2003 s336
629	Income Tax & NICs	Employment income - relief for travel expenses	ITEPA 2003 s337, s338-9; SSCR 2001 Sch 3 Part 8, Paras 3 and 9
630	Income Tax & NICs	Employment income - relief for travel expenses to group companies	ITEPA 2003 s340
631	Income Tax & NICs	Enterprise Management Incentives (EMI)	ITEPA 2003 Sch 5, s527 - s541; TCGA 1992 Sch 7D
632	Income Tax & NICs	Equipment to enable a disabled person to use a car	ITEPA 2003 s125(2)(c) & 172
633	Income Tax & NICs	Eye tests and special corrective appliances for employees who are VDU users	ITEPA 2003 s320A; SSCR 2001 Sch 3 Part 5 Para 5B(f)
634	Income Tax & NICs	Foreign travel expenses	ITEPA 2003 s341 - s342 & s370 - s376; SSCR 2001 Sch 3 Part 8 Paras 4 - 4D & 5

Ref	Tax or Duty	Relief Title	Statutory Reference
635	Income Tax & NICs	Health screening & medical check ups for employees	ITEPA 2003 s320B
636	Income Tax & NICs	Heavy goods vehicles	ITEPA 2003 s238
637	Income Tax & NICs	Homeworker's additional housing expenses	ITEPA 2003 s316A
639	Income Tax & NICs	Living accommodation expenses	ITEPA 2003 s315; SSCR 2001 Sch 3 Part 10 Para 8
640	Income Tax & NICs	Loan written off after death of employee	ITEPA 2003 s190
641	Income Tax & NICs	Loans to employees at a fixed rate of interest	ITEPA 2003 s177
642	Income Tax & NICs	Loans to employees on ordinary commercial terms	ITEPA 2003 s176
644	Income Tax & NICs	Long service awards	ITEPA 2003 s323; SSCR 2001 Sch 3 Part 5 Para 6(d)
645	Income Tax & NICs	Lower-paid employments	ITEPA 2003 s216
647	Income Tax & NICs	Members of parliament - accommodation expenses	ITEPA 2003 s292; SSCR 2001 Sch 3 Part 5 Para 16
648	Income Tax & NICs	Members of parliament - payments on termination of office	ITEPA 2003 s291; SSCR 2001 Reg 293A
649	Income Tax & NICs	Members of parliament - UK travel and subsistence expenses	ITEPA 2003 s293A; SSCR 2001 Sch 3 Part 5 Para 16
650	Income Tax & NICs	Members of parliament etc. - European travel expenses	ITEPA 2003 s294; SSCR 2001 Sch 3 Part 5 Para 16
652	Income Tax & NICs	Mobile phones provided by employers	ITEPA 2003 s319; SSCR 2001 Sch 3 Part 5 Para 5A(d)
653	Income Tax & NICs	Non-cash vouchers for exempt benefits	ITEPA 2003 s266; SSCR 2001 Sch 3 Part 5 Para 3
654	Income Tax & NICs	Non-cash vouchers in connection with taxable cars or vans or exempt heavy goods vehicles	ITEPA 2003 s269

Ref	Tax or Duty	Relief Title	Statutory Reference
655	Income Tax & NICs	Oil and gas workers	ITEPA 2003 s305; SSCR 2001 Sch 3 Part 8 Para 6 and Part 8 Para 6(b)
656	Income Tax & NICs	Parking provision and expenses	ITEPA 2003 s237; SSCR 2001 Sch 3 Part 8 Para 8
657	Income Tax & NICs	Parties and functions	ITEPA 2003 s264; SSCR 2001 Sch 3 Part 5 Para 5B(c)
658	Income Tax & NICs	Passenger payments	ITEPA 2003 s233 - s234; SSCR 2001 Sch 3 Part 8 Para 7C
659	Income Tax & NICs	Payments and benefits connected with taxable cars and vans and exempt heavy goods vehicles	ITEPA 2003 s239
661	Income Tax & NICs	Professional subscriptions	ITEPA 2003 s343 - s345; SSCR 2001 Sch 3 Part 10 Para 11
662	Income Tax & NICs	Public bus services	ITEPA 2003 s243; SSCR 2001 Sch 3 Part 5 Para 5A(b)
663	Income Tax & NICs	Relocation packages provided by employers	ITEPA 2003 s271 - s289 & s405(2); SSCR 2001 Sch 3 Part 8 Para 2
664	Income Tax & NICs	Savings-related share schemes (SAYE)	ITEPA 2003 Sch 3 s516 - s520 ITEPA 2003; ITTOIA 2005 s702 - s708; TCGA 1992 Sch 7D
666	Income Tax & NICs	Share Incentive Plan (SIP)	ITEPA 2003 Sch 2; ITEPA 2003 s488 - s515; ITTOIA 2005 s770; TCGA 1992 Sch 7D
667	Income Tax & NICs	Shares in research institution spin-out companies	ITEPA 2003 Part 7 Chap 4A
668	Income Tax & NICs	Small gifts from third parties	ITEPA 2003 s324; SSCR 2001 Sch 3 Part 5 Para 6 (a) and (e)
669	Income Tax & NICs	Sporting or other recreational facilities on employer's premises	ITEPA 2003 s261 - s263; SSCR 2001 Sch 3 Part 5 Para 5B(b)
670	Income Tax & NICs	Student maintenance awards	General principles
671	Income Tax & NICs	Subsidised canteen meals provided for an employer's staff generally	ITEPA 2003 s317; SSCR 2001 Sch 3 Part 5 Para 5B(e)
672	Income Tax & NICs	Subsistence expenses - overnight stays	ITEPA 2003 s240; SSCR 2001 Sch 3 Part 8 Para 8

Ref	Tax or Duty	Relief Title	Statutory Reference
673	Income Tax & NICs	Suggestion awards	ITEPA 2003 s321 - s322; SSCR 2001 Sch 3 Part 5, Para 6 (c ) and Part 10 Para 8(a)
674	Income Tax & NICs	Transport between home and work for disabled employees	ITEPA 2003 s246; SSCR 2001 Sch 3 Part 10 Para 8(c )
675	Income Tax & NICs	Workplace nurseries	ITEPA 2003 s318
676	Income Tax & NICs	Works transport services	ITEPA 2003 s242; SI 2002/205 Reg 4; SSCR 2001 Sch 3 Part 5 Para 5A(a)
678	Inheritance Tax	Acceptance in Lieu	IHTA 1984 s230 - s231
680	Inheritance Tax	Allowance for other tax liabilities	IHTA 1984 s174
681	Inheritance Tax	Alternatively secured pension funds - deferral of charge	IHTA 1984 s151A(3)
683	Inheritance Tax	Armed forces - death in service	IHTA 1984 s154
684	Inheritance Tax	Armed forces - medals and decorations for gallantry or valour	IHTA 1984 s6(1B) & (1C)
686	Inheritance Tax	Cash options under approved annuity schemes	IHTA 1984 s152
688	Inheritance Tax	Charge on participators in close companies	IHTA 1984 s94(4) & s99(1)(b)
689	Inheritance Tax	Chevening Estate & Apsley House	IHTA 1984 s156
690	Inheritance Tax	Commorientes (simultaneous deaths)	IHTA 1984 s4(2) & 54(4)
691	Inheritance Tax	Compensation paid to Nazi victims	FA 2006 s64(5)
695	Inheritance Tax	Dispositions allowable for income tax	IHTA 1984 s12(1)
696	Inheritance Tax	Dispositions for benefit of employees	IHTA 1984 s13

Ref	Tax or Duty	Relief Title	Statutory Reference
697	Inheritance Tax	Dispositions for maintenance of family	IHTA 1984 s11 & s51(2)
698	Inheritance Tax	Dispositions in respect of pension benefits	IHTA 1984 s12(2A-G)
699	Inheritance Tax	Dispositions in respect of pensions	IHTA 1984 s12(2)
700	Inheritance Tax	Dispositions not intended to provide gratuitous benefit	IHTA 1984 s10, s52(3) & s65(6)
701	Inheritance Tax	Double charges relief	FA 1986, s104; SI 1987/1130; SI 2005/3441
702	Inheritance Tax	Double taxation agreements	IHTA 1984 s6(1) & s48(3) & s53(1)
704	Inheritance Tax	Excluded property	IHTA 1984 s6(1) & s48(3) & s53(1)
706	Inheritance Tax	Expenses occurred abroad	IHTA 1984 s173
709	Inheritance Tax	Foreign armed forces pay and moveable property	IHTA 1984 s6(4) & s155
710	Inheritance Tax	Foreign currency accounts	IHTA 1984 s157
711	Inheritance Tax	Foreign-owned works of art	IHTA 1984 s64(2)
712	Inheritance Tax	Funeral expenses	IHTA 1984 s172
713	Inheritance Tax	Gifts for national purposes	IHTA 1984 s25 & Sch 3
714	Inheritance Tax	Gifts of land to housing associations	IHTA 1984 s24A
716	Inheritance Tax	Gifts to charities	IHTA 1984 s23 & s58(1)(a) & s76
717	Inheritance Tax	Gifts to political parties	IHTA 1984 s24

Ref	Tax or Duty	Relief Title	Statutory Reference
719	Inheritance Tax	Government securities owned by non-United Kingdom domiciled persons	IHTA 1984 s6(2) & s48(4) & s65(8)19
720	Inheritance Tax	Grant of agricultural tenancy	IHTA 1984 s16 & s52(3) & s65(6)19
721	Inheritance Tax	Heritage maintenance funds	IHTA 1984 s27 & s57A & s58(1)(c) & Sch 4
723	Inheritance Tax	Leftover alternatively secured pension funds paid to charity	IHTA 1984 s151B(4) & s151C(3)
724	Inheritance Tax	Life tenant becoming entitled to settled property	IHTA 1984 s53
725	Inheritance Tax	Lloyd's premium trusts	FA 1994 s248
729	Inheritance Tax	Nil rate band for chargeable transfers not exceeding the threshold (£325,000)	IHTA 1984 s7 - s9 & Sch1 & Sch 2
730	Inheritance Tax	No gratuitous benefit and grants of agricultural tenancy (temporary charitable trusts)	IHTA 1984 s70(4)
731	Inheritance Tax	Normal gifts out of income	IHTA 1984 s21
732	Inheritance Tax	Open ended investment companies and authorised unit trusts	IHTA 1984 s6(1A) & s48(3A)
733	Inheritance Tax	Overseas pensions	IHTA 1984 s153
734	Inheritance Tax	Payment of income	IHTA 1984 s65 (5)(b)
735	Inheritance Tax	Payment of income (temporary charitable trusts)	IHTA 1984 s70 (3)(b)
736	Inheritance Tax	Pension schemes	IHTA 1984 s151
741	Inheritance Tax	Property held on trust for bereaved minors or person aged 18-25	IHTA 1984 s53(1A)
742	Inheritance Tax	Quick succession relief	IHTA 1984 s141

Ref	Tax or Duty	Relief Title	Statutory Reference
743	Inheritance Tax	Reduced rate of tax for relevant property charges	IHTA 1984 s66(2) & s68(3) & s69(2)
744	Inheritance Tax	Reduced rate of tax for temporary charitable trusts charges	IHTA 1984 s70(7)
745	Inheritance Tax	Registered pension schemes trust charges	IHTA 1984 s58 (1)(d)
747	Inheritance Tax	Reverter to settlor	IHTA 1984 s53(3) & s54(1)
748	Inheritance Tax	Reverter to settlor's spouse	IHTA 1984 s53(4) & s54(2) & s54(2B)
750	Inheritance Tax	Small gifts exemption	IHTA 1984 s20
751	Inheritance Tax	Spouse / civil partner relief	IHTA 1984 s18
753	Inheritance Tax	Trade or professional compensation funds	IHTA 1984 s58(1)(e)
754	Inheritance Tax	Transfer to employee trusts	IHTA 1984 s28 & s75
755	Inheritance Tax	Transferable nil rate band	IHTA 1984 s8A - 8C
756	Inheritance Tax	Trust property becomes excluded property	IHTA 1984 s65(7)
757	Inheritance Tax	Trust property distributed in first quarter of the year	IHTA 1984 s65(4)
758	Inheritance Tax	Trustees costs and expenses	IHTA 1984 s65(5)(a)
759	Inheritance Tax	Trustees costs and expenses (temporary charitable trusts)	IHTA 1984 s70(3)(a)
761	Inheritance Tax	Unilateral double taxation relief	IHTA 1984 s159
762	Inheritance Tax	Voidable transfers	IHTA 1984 s150

Ref	Tax or Duty	Relief Title	Statutory Reference
763	Inheritance Tax	Waiver of dividends	IHTA 1984 s15
764	Inheritance Tax	Waiver of remuneration	IHTA 1984 s14
766	Insurance Premium Tax	Commercial aircraft	FA 1994 Sch 7A Part 1 Item 7
767	Insurance Premium Tax	Commercial ships	FA 1994 Sch 7A Part 1 Item 4
768	Insurance Premium Tax	Contracts relating to motor vehicles for use by handicapped persons (Motability)	FA 1994 Sch 7A Part 1 Item 3
770	Insurance Premium Tax	Export finance related insurance	FA 1994 Sch 7A Part 1 Item 13-15
771	Insurance Premium Tax	Goods in foreign or international transit	FA 1994 Sch 7A Part 1 Item 12
772	Insurance Premium Tax	International railway rolling stock	FA 1994 Sch 7A Part 1 Item 9
773	Insurance Premium Tax	Lifeboats and lifeboat equipment	FA 1994 Sch 7A Part 1 Item 5 & 6
775	Insurance Premium Tax	Reinsurance	FA 1994 Sch 7A Part 1 Item 1
776	Insurance Premium Tax	Risks outside the United Kingdom	FA 1994 Sch 7A Part 1 Item 8
777	Landfill Tax	Bad debt relief	FA1996 Para 52
778	Landfill Tax	Credits	FA1996 Para 51
779	Landfill Tax	Dredging waste "material from water"	FA1996 Para 43A
780	Landfill Tax	Landfill communities fund	FA1996 Para 53
782	Landfill Tax	Pet cemeteries	FA1996 Para 45

Ref	Tax or Duty	Relief Title	Statutory Reference
783	Landfill Tax	Seabed extraction of sand, gravel and other materials	FA1996 Para 43(4)
784	Landfill Tax	Waste from contaminated land	FA1996 Para 43A
785	Landfill Tax	Waste used to restore sites	FA1996 Para 44A
786	NICs	52 week disregard for certain posted workers	SSCR 2001 Reg 145(2)
787	NICs	Car fuel	SSCR 2001 Sch 3 Para 7D Part 8
788	NICs	Class 1 - Contributions to, and benefits from, registered pension schemes	SSCR 2001 Sch 3 Para 2 Part 6
789	NICs	Class 1 - Funded unapproved retirement benefit schemes	SSCR 2001 Sch 3 Para 4 Part 6
790	NICs	Class 1 - Payments from employer-financed retirement benefits schemes and employer-financed pension only schemes	SSCR 2001 Sch 3 Para 2(a) Part 6
791	NICs	Class 1 - Payments to pension previously taken into account in calculating earnings	SSCR 2001 Sch 3 Para 5 Part 6
792	NICs	Class 1 - Payments to pension schemes exempt from UK taxation relief under double taxation agreements	SSCR 2001 Sch 3 Para 7 Part 6
793	NICs	Class 1 - Superannuation funds to which 615(3) of ICTA 1988 applies	SSCR 2001 Sch 3 Para 11 Part 6
794	NICs	Class 1A - Exception re cars made available to disabled employees	SSCR 2001 Reg 38
795	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Para 11 & Part 10 & Reg 40(2)(d)
796	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Para 12 & Part 10 & Reg 40(2)(d)
797	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Para 13 & Part 10 & Reg 40(2)(d)
798	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Para 15 & Part 10 & Reg 40(2)(d)

Ref	Tax or Duty	Relief Title	Statutory Reference
799	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Para 9 & Part 10 & Reg 40(2)(d)
800	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Para 3 & 9 & Part 8 & Reg 40(3)
802	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Reg 40(7)(c) (e) (f) (p) & (q)
803	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Para 12 Part 7 & Reg 40(2)(ab)
804	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Para 13 Part 8 & Reg 40(2)(b)
805	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Para 4 Part 8 & Reg 40(2)(b)
806	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Para 5 Part 8 & Reg 40(2)(b)
808	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Para 5 Part 10 & Reg 40(2)(d)
809	NICs	Class 1A - Exemption for prescribed general earnings	SSCR 2001 Sch 3 Paras 2(b), 3, 4, 5, 7, 10 & 11 Part 6 & Reg 40(2)(a)
810	NICs	Class 2 - Disregard until residence condition met	SSCR 2001 Reg 145(1)(d)
811	NICs	Class 2 - Exception where specified conditions are met	SSCR 2001 Reg 43
812	NICs	Class 2 - Small Earnings Exception	SSCR 2001 Reg 44 - 46; SSCBA 1992 s11(4)
814	NICs	Class 4 - Carry back terminal losses	SSCBA 1992 Sch 2 Para 3
815	NICs	Class 4 - Carry forward of losses	SSCBA 1992 Sch 2 Para 3
816	NICs	Class 4 - Deferment	SSCR 2001 Reg 95
817	NICs	Class 4 - Disregard for certain profits of trustees	SSCBA 1992 Sch 2 Para 3

Ref	Tax or Duty	Relief Title	Statutory Reference
818	NICs	Class 4 - Exception for certain amounts taxed as trading income	SSCR 2001 Reg 95
820	NICs	Class 4 - Exception for non-residents and persons over pensionable age	SSCR 2001 Reg 91
821	NICs	Class 4 - Offset of trade losses	SSCR 2001 Sch 2 Para 3
822	NICs	Class 4 - Personal reliefs	SSCBA 1992 Sch 2 Para 3
823	NICs	Class 4 - Relief for interest	SSCBA 1992 Sch 2 Para 3
824	NICs	Class 4 - s384 and 349(1) annuities reliefs	SSCBA 1992 Sch 2 Para 3
825	NICs	Class 4 -Exception for earnings from employed earner's employment	SSCR 2001 Reg 94
826	NICs	Class 4 -Exception for persons under 16	SSCR 2001 Reg 93
828	NICs	Disregard for airmen not resident or domiciled in UK	SSCR 2001 Reg 112
831	NICs	Disregard for certain payments made to HM forces	SSCR 2001 Sch 3 Paras 12A & 12B Part 8 & Reg 143
832	NICs	Disregard for employer contribution to which paragraph 2 of Schedule 33 applies	SSCR 2001 Sch 3 Para 2
834	NICs	Disregard for payments from holiday pay schemes	SSCR 2001 Sch 2 Para 12 Part 10
836	NICs	Disregards for certain persons employed in connection with armed forces	SSCR 2001 Sch 6 Para 10
837	NICs	Exemptions under bi-lateral agreements made with other countries	Various orders in Council
838	NICs	Exemptions under EC Treaty and regulations	EC Regs 1408/71, 574/72, 883/2004 & 987/2009
839	NICs	Lower earnings limit	SSCBA 1992 s5

Ref	Tax or Duty	Relief Title	Statutory Reference
840	NICs	Lower profits limit	SSCBA 1992 s15
841	NICs	Mileage allowance payments: cycles	SSCR 2001 Sch 3 Para 7B Part 8 & Reg 22A
844	NICs	Personal and stakeholder pensions	SI 2001/1004
845	NICs	Primary threshold	SSCBA 1992 s5
848	NICs	Reduced contributions for self-employed not attributable to reduced benefit eligibility (constant cost basis)	To be confirmed
849	NICs	Reduced rate of primary Class 1 NICs otherwise payable at the main primary percentage	SSCR 2001 Reg 131
850	NICs	Redundancy payment	SSCR 2001 Sch 3 Para 6 Part 10
851	NICs	Relevant motoring expenditure	SSCR 2001 Sch 3 Para 7A Part 8 & Reg 22A
852	NICs	Secondary threshold	SSCBA 1992 s5
853	NICs	Small earnings exemption	SSCBA 1992 s11
854	NICs	Tips & gratuities	SSCR 2001 Sch 3 Para 5 Part 10
855	NICs	Upper accrual point	SSCBA 1992 s122
856	NICs	Upper earnings limit	SSCBA 1992 s5
857	NICs	Upper profits limit	SSCBA 1992 s15
858	NICs	Van fuel	SSCR 2001 Sch 3 Para 7E Part 18
859	Petroleum Revenue Tax	Cross field allowance	FA 1987 s65 & Sch14

Ref	Tax or Duty	Relief Title	Statutory Reference
860	Petroleum Revenue Tax	Exemption for gas sold to British Gas under pre-July 1975 contracts	OTA 1975 s10
861	Petroleum Revenue Tax	Long term assets	OTA 1983 s3
862	Petroleum Revenue Tax	Oil allowance	OTA 1975 s8; FA1987 s66
863	Petroleum Revenue Tax	Relief for abortive exploration expenditure	OTA 1975 s5 & Sch 7
864	Petroleum Revenue Tax	Relief for exploration and appraisal expenditure	OTA 1975 s5A & Sch 7
865	Petroleum Revenue Tax	Relief for research expenditure	OTA 1975 s5B & Sch 7
866	Petroleum Revenue Tax	Safeguard	OTA 1975 s9
867	Petroleum Revenue Tax	Supplement	OTA 1975 s2(9)
868	Petroleum Revenue Tax	Tariff receipts allowance	OTA 1983 s9
869	Petroleum Revenue Tax	Tax exempt tariff receipts	OTA 1983 s6A & 6B
870	Petroleum Revenue Tax	Unrelieved field loss	OTA 1975 s6 & Sch 8; FA 1980 Sch 17 Para 15
871	Stamp Duty	Bearer instruments issued outside of UK in respect of a loan stock which is expressed in non-sterling currency	FA 1999 Sch 15 Para 13
872	Stamp Duty	Bearer instruments relating to stock expressed in non-sterling currency	FA 1999 Sch 15 Para 17
874	Stamp Duty	Certain transfers of joint boards or joint committees of local authorities	FA 1952 s74
875	Stamp Duty	Death: varying dispositions, and appropriations	FA 1985 s84
876	Stamp Duty	Dematerialisation of shares	FA 1996 s186

<b>Ref</b>	<b>Tax or Duty</b>	<b>Relief Title</b>	<b>Statutory Reference</b>
877	Stamp Duty	Demutualisation of insurance companies	FA 1997 s96
881	Stamp Duty	Exemption for low value transactions	FA 1999 s57
882	Stamp Duty	Group relief	FA 1930 s42; FA 1967 s27
883	Stamp Duty	Group relief (leases)	FA 1995 s151
884	Stamp Duty	Incorporation of limited liability partnerships	LLPA 2000 s12
888	Stamp Duty	Loan capital	FA 1986 s78 - s79
889	Stamp Duty	Maintenance funds for historic buildings	FA 1980 s98
891	Stamp Duty	Overseas branch register	CA 2006 s133
893	Stamp Duty	Reconstruction and acquisition relief	FA 1986 s75 - s77
894	Stamp Duty	Relief for composition agreements	FA 1986 s84
895	Stamp Duty	Relief for transfers under specified legislation	Various non-HMRC Acts
896	Stamp Duty	Renounceable letters of allotment	FA 1999 Sch 13 Para 24(d)
898	Stamp Duty	Sub-sale relief	Stamp Act 1891 s58(4) - (7)
899	Stamp Duty	Substitute bearer instruments	FA 1999 Sch 15 Para 12A
900	Stamp Duty	Testaments, testamentary interests etc	FA 1999 Sch 13 Para 24 (c)
901	Stamp Duty	Transfer in relation to winding up of companies/individual insolvency	FA 1986 s190 & s378

Ref	Tax or Duty	Relief Title	Statutory Reference
902	Stamp Duty	Transfer of certain bearer shares	FA 1999 Sch 15 Part 2
903	Stamp Duty	Transfers in connection with divorce or dissolution of civil partnership	FA 1985 s83
906	Stamp Duty	Transfers of building society "shares"	BSA 1986 s109
907	Stamp Duty	Transfers of government stock	FA 1999 Sch 13 Para 24(a)
909	Stamp Duty	Transfers of stock guaranteed by HM Treasury	FA 1947 s57
910	Stamp Duty	Transfers of units in a unit trust or shares in an OEIC	FA 1999 Sch 19 Para 1
911	Stamp Duty	Transfers relating to nuclear transfer schemes	EA 2004 Sch 9 Para 34
912	Stamp Duty	Transfers to a Minister of the Crown	FA 1987 s55
915	Stamp Duty	Warrants to purchase Government stock	FA 1987 s50
916	Stamp Duty Land Tax	Acquisition by bodies established for national purposes	FA 2003 s69
917	Stamp Duty Land Tax	Acquisition Relief	FA 2003 s62 & Sch 7
918	Stamp Duty Land Tax	Acquisitions by property traders from personal representatives of a deceased person or from individual where chain of transactions breaks down	FA 2003 Sch 6A Para 3 & 4
919	Stamp Duty Land Tax	Alternative Finance Investment Bonds	FA 2009 Sch 61 Para 6-9 and 10-12
920	Stamp Duty Land Tax	Alternative property finance	FA 2003 s71A - s73C
921	Stamp Duty Land Tax	Alternative property investment bonds ("sukuk")	FA 2003 s73C & Sch 61
922	Stamp Duty Land Tax	Assents and appropriations by personal representatives	FA 2003 Sch 3 Para 3A

Ref	Tax or Duty	Relief Title	Statutory Reference
923	Stamp Duty Land Tax	Certain acquisitions by registered social landlords	FA 2003 s71
924	Stamp Duty Land Tax	Collective enfranchisement by leaseholders	FA 2003 s74
925	Stamp Duty Land Tax	Compliance with planning obligations	FA 2003 s61
926	Stamp Duty Land Tax	Compulsory purchase facilitating development	FA 2003 s60
927	Stamp Duty Land Tax	Crofting community right to buy (applies in Scotland only)	FA 2003 s75
928	Stamp Duty Land Tax	Demutualisation of a building society	FA 2003 s64
929	Stamp Duty Land Tax	Demutualisation of an insurance company	FA 2003 s63
930	Stamp Duty Land Tax	Diplomatic premises relief	Diplomatic Privileges Act 1968, Sch 1; Consular Relations Act 1968, Sch1.
931	Stamp Duty Land Tax	Disadvantaged area relief (DAR)	FA 2003 s57 & Sch 6 & Sch 15 Para 26; SI 2001/3747
932	Stamp Duty Land Tax	Exempt interests in land	FA 2003 s48 & 73B
933	Stamp Duty Land Tax	Exemption for transfers of land and property where consideration does not exceed the £125,000/£150,000 threshold	FA 2003 s55
934	Stamp Duty Land Tax	First time buyers' relief	FA 2003 s57AA
935	Stamp Duty Land Tax	Grants of certain leases by registered social landlords	FA 2003 Sch 3 Para 2
936	Stamp Duty Land Tax	Group relief	FA 2003 s 62 & Sch 7
937	Stamp Duty Land Tax	Incorporation of limited liability partnership (LLP)	FA 2003 s65
938	Stamp Duty Land Tax	Overlap relief	FA 2003 Sch 17A Para 9

Ref	Tax or Duty	Relief Title	Statutory Reference
939	Stamp Duty Land Tax	Part exchange relief	FA 2003 s58A & Sch 6A Para 1 & 2
941	Stamp Duty Land Tax	Relief for amalgamations, etc of mutual bodies	Friendly Societies Act 1974; Friendly Societies Act 1992; Building Societies Act 1986
942	Stamp Duty Land Tax	Relief for certain transfers to specified bodies such as NHS Trusts and Heritage Bodies	National Health Service and Community Care Act 1990 Health and Social Care (Community Health and Standards) Act 2003; National Health Service (Scotland) Act 1978; Friendly Societies Act 1974; Friendly Societies Act 1992; Building Societies Act 1986; Highways Act 1980; Airports Act 1986; National Heritage Act 1980; Merchant Shipping Act 1995; Inclosure Act 1845; Metropolitan Commons Act 1866; Learning and Skills Act 2000; Transport Act 2000; Communications Act 2003; Broadcasting Act 1996; Education Act 1996; Regional Development Agencies Act 1996; School Standards and Framework Act 1998; Access to Justice Act 1998; Criminal Justice and Court Services Act 2000; Further and Higher Education (Scotland) Act 1992; Museums and Galleries Act 1992; Health Authorities Act 1995; Ports Act 1991; Water Resources Act 1991; Further and Higher Education Act 1992; Industry Act 1980; Chevening Estate Act 1959; Welsh Development Agencies Act 1975; Chequers Estate Act 1917
943	Stamp Duty Land Tax	Relief for purchase or lease of headquarters of sovereign bodies and international organisations	Various non-HMRC SIs
944	Stamp Duty Land Tax	Relief for transfers to health service bodies	National Health Service and Community Care Act 1992
945	Stamp Duty Land Tax	Relief for transfers under specified legislation	SI 2003/2867
946	Stamp Duty Land Tax	Relocation of employment	FA 2003 s 58A & Sch 6A Para 5 & 6
947	Stamp Duty Land Tax	Right to buy transactions	FA 2003 s70 & Sch 9
948	Stamp Duty Land Tax	Sale and leaseback relief	FA 2003 s57A
949	Stamp Duty Land Tax	Shared ownership	FA 2003 s70 & Sch 9A
950	Stamp Duty Land Tax	Subsale relief	FA 2003 s45

Ref	Tax or Duty	Relief Title	Statutory Reference
951	Stamp Duty Land Tax	Transfer in consequence of reorganisation of parliamentary constituencies	FA 2003 s67
952	Stamp Duty Land Tax	Transfer involving public bodies	FA 2003 s 66; SI 2005/86; SI 2005/645; SI 2007/1385
953	Stamp Duty Land Tax	Transfers for no consideration	FA 2003 Sch 3 Para 1
954	Stamp Duty Land Tax	Transfers in connection with divorce or dissolution of civil partnership	FA 2003 Sch 3 Para 3 & 3A
955	Stamp Duty Land Tax	Transfers to charities	FA 2003 s68 & Sch 8
956	Stamp Duty Land Tax	Variations of testamentary dispositions	FA 2003 Sch 3 Para 4
957	Stamp Duty Land Tax	Visiting forces exemption	FA 1960 s74
958	Stamp Duty Land Tax	Zero carbon homes relief	FA 2003 s58B & 58C; SI 2007/3437
959	Stamp Duty Reserve Tax	Certain transfers between a manager of a unit trust and a unit holder	FA 1986 s90(1) - (1B); SI 1997/1156
960	Stamp Duty Reserve Tax	Exemption for UK depositary interests in foreign securities	SI 1999/2383
961	Stamp Duty Reserve Tax	Exemption for units in a unit trust	FA 1986 s99(5A)
962	Stamp Duty Reserve Tax	Exemption of securities transferable by means of a non-UK bearer instrument	FA 1986 s90(3)(a)
963	Stamp Duty Reserve Tax	In specie redemption of units/OEIC shares	FA 1999 Sch 19 Para 7
964	Stamp Duty Reserve Tax	Interests in depositary receipts	FA 1986 s99(6)
965	Stamp Duty Reserve Tax	Issue of shares into a depositary receipts system or clearance service in exchange for shares in a company already held there.	FA 1986 s95(3) & 97(4)
966	Stamp Duty Reserve Tax	Issuing house exemption	FA 1986 s89A

Ref	Tax or Duty	Relief Title	Statutory Reference
967	Stamp Duty Reserve Tax	Northern Ireland Electricity: Transfer scheme	F(2)A 1992 Sch 17 Para 9
968	Stamp Duty Reserve Tax	Purchases by charities	FA 1986 s90
969	Stamp Duty Reserve Tax	Purchases by recognised intermediaries	FA 1986 s88A
970	Stamp Duty Reserve Tax	Purchases under stock borrowing and sale and repurchase arrangements	FA 1986 s89AA
971	Stamp Duty Reserve Tax	Replacement of securities held under a depositary receipt scheme or clearance service	FA 1986 s95A & 97AA
972	Stamp Duty Reserve Tax	SDRT exemption for transfers exempt from stamp duty	FA 1986 s99(5)
973	Stamp Duty Reserve Tax	Surrender and transfer of units/OEIC shares where no consideration given	FA 1999 Sch 19 Para 6(1) & (2)
974	Stamp Duty Reserve Tax	Surrender of shares in an Individual Pension Account	FA 2001 s93 & 94; FA 1999 Sch 19 Para 6A
975	Stamp Duty Reserve Tax	Transfers of securities issued or raised by non-UK companies	FA 1986 s99(4)
976	Stamp Duty Reserve Tax & Stamp Duty	Amalgamation of an authorised unit trust with an OEIC	SI 1997/1156 Regs 9&10
977	Stamp Duty Reserve Tax & Stamp Duty	Charities exemption	FA 1982 s129; FA 1983 s46; FA 1999 Sch 19 Paras 6(1) & (3 & 15(c)); FA 1986 s90(7)
978	Stamp Duty Reserve Tax & Stamp Duty	Clearing relief	FA 1991 s116 & 117
979	Stamp Duty Reserve Tax & Stamp Duty	Conversion of an authorised unit trust to an OEIC	SI 1997/1156 Regs 6 & 7
980	Stamp Duty Reserve Tax & Stamp Duty	Exemption for sale or transfer of shares held in company Treasury account	FA 1999 Sch 13; FA 1986 s90
981	Stamp Duty Reserve Tax & Stamp Duty	Exemption in relation to approved share incentive plans (SIPs)	FA 2001 s 95
982	Stamp Duty Reserve Tax & Stamp Duty	Intermediary relief	FA 1986 s80A & 88A

Ref	Tax or Duty	Relief Title	Statutory Reference
983	Stamp Duty Reserve Tax & Stamp Duty	Mergers of authorised unit trusts	FA 1997 s95 & 100
984	Stamp Duty Reserve Tax & Stamp Duty	Repurchase and stock lending relief	FA 1986 s80C & 89AA
985	Stamp Duty Reserve Tax & Stamp Duty	Transfer of securities between two clearance services	FA 1986 s70(9) & 97(1)
986	Stamp Duty Reserve Tax & Stamp Duty	Transfer of securities between two depositary receipts issuers	FA 1986 s67(9) & 95(1)
987	Stamp Duty Reserve Tax & Stamp Duty	Transfers between depositary receipt systems and clearance services	FA 1986 s80A & 97B
988	VAT	Bad debt relief	VATA 1994 s36 & Regs 165 - 172N VAT Regs 1995
989	VAT	Bank notes	VATA 1994 Sch 8 Gp 11
990	VAT	Betting and gaming and lottery duties	VATA 1994 Sch 9 Gp 4
991	VAT	Books, newspapers and magazines & printed material	VATA 1994 Sch 8 Gp 3
992	VAT	Burial and cremation	VATA 1994 Sch 9 Gp 8
993	VAT	Caravans and houseboats	VATA 1994 Sch 8 Gp
994	VAT	Central Government, Health Authorities and NHS Trusts of VAT incurred on contracted-out services under the s41 (3) refund scheme	VATA 1994 s41(3) & Treasury direction
995	VAT	Certain residential conversions and renovations	VATA 1994 Sch 7A Gps 6 and 7
996	VAT	Charity buildings	VATA 1994 Sch 10 Para 7
997	VAT	Children's clothing	VATA 1994 Sch 8 Gp 16
998	VAT	Children's car seats	VATA 1994 Sch 7A Gp 5

<b>Ref</b>	<b>Tax or Duty</b>	<b>Relief Title</b>	<b>Statutory Reference</b>
999	VAT	Construction of new dwellings (includes refunds to DIY builders)	VATA 1994 Sch 8 Gp 5
1000	VAT	Construction of relevant residential buildings	VATA 1994 Sch 8 Gp 5
1001	VAT	Contraceptive products	VATA 1994 Sch 7A Gp 8
1002	VAT	Cultural admission charges	VATA 1994 Sch 9 Gp 13
1003	VAT	Cycle helmets	VATA 1994 Sch 8 Gp 16
1004	VAT	Domestic fuel and power	VATA 1994 Sch 7A Gp 1
1005	VAT	Domestic passenger transport	VATA 1994 Sch 8 Gp8
1006	VAT	Drugs and supplies on prescription	VATA 1994 Sch 8 Gp 12
1007	VAT	Energy-saving materials	VATA 1994 Sch 7A Gp 2
1008	VAT	Finance and insurance	VATA 1994 Sch 9 Gps 2 and 5
1009	VAT	Financial services	VATA 1994 Sch 9 Group 5 Items 1-10
1010	VAT	Food	VATA 1994 Sch 8 Gp 1
1011	VAT	Fund raising events by charities and other qualifying bodies	VATA 1994 Sch9 Gp 12 & PVD 2006/112, Article 132(1)(f)
1012	VAT	Health services	VATA 1994 Sch 9 Gp 7
1013	VAT	Imports, exports etc	VAT Act 1994 Sch 8 Gp 13 item 2
1014	VAT	International passenger transport (UK portion)	VATA 1994 Sch 8 Gp8

Ref	Tax or Duty	Relief Title	Statutory Reference
1015	VAT	International services	VATA 1994 Sch 8 Gp7
1016	VAT	Investment gold	VATA 1994 Sch 9 Gp 15
1017	VAT	Local Authority-type bodies of VAT incurred on non-business purchases under the s33 refund scheme (includes national museums and galleries under the s33A refund scheme)	VATA 1994 s33
1018	VAT	Low value consignment relief	VAT (IG) RO 1984
1019	VAT	Northern Ireland Government bodies of VAT incurred on non-business purchases under the s99 refund scheme	VATA 1994 s99
1020	VAT	Postal services	VATA 1994 Sch 9 Gp 3
1021	VAT	Private education	VATA 1994 Sch 9 Gp 6
1022	VAT	Protected buildings	VATA 1994 Sch 8 Gp 6
1023	VAT	Rent on domestic dwellings	VATA 1994 Sch 9 Gp 1
1024	VAT	Sale of donated goods	VATA 1994 Sch 8 Gp 15
1025	VAT	Sales of empty homes	VATA 1994 Sch 8 Gp 5
1026	VAT	Sea rescue equipment	VATA 1994 Sch 8 Gp 8 Item 3; PVD 2006/112, Article 148 (a), (c) and (d)
1027	VAT	Ships and aircraft above a certain size	VATA 1994 Sch 8 Gp8 items 1 and 2
1028	VAT	Small traders below the turnover limit for VAT registration	VATA 1994 Sch 1, 2 and 3
1029	VAT	Smoking cessation products	VATA 1994 Sch 7A Gp 11
1030	VAT	Sport, sports competitions and physical education	VATA 1994 Sch 9 Gp 10

Ref	Tax or Duty	Relief Title	Statutory Reference
1031	VAT	Subscriptions to trade unions, professional and other public interest bodies	VATA 1994 Sch 9 Gp 9
1032	VAT	Supplies of commercial property	VATA 1994 Sch 9 Gp 1
1033	VAT	Supplies of goods where input tax cannot be recovered	VATA 1994 Sch 9 Gp 14
1034	VAT	Supplies to charities	VATA 1994 Sch 8 Gp 15
1035	VAT	Talking books for the blind and disabled and wireless sets for the blind	VATA 1994 Sch 8 Gp 1
1036	VAT	Tax-free shops	VATA 1994 Sch 8 Gp 14
1037	VAT	Terminal markets order	VATA 1994 s50
1038	VAT	Vehicles and other supplies to disabled people	VATA 1994 Sch 8 Gp 12
1039	VAT	Water and sewerage services	VATA 1994 Sch 8 Gp 2
1040	VAT	Welfare advice or information	VATA 1994 Sch 7A Gp 9; PVD 2006/112 Annexe III, Point 15
1041	VAT	Women's sanitary products	VATA 1994 Sch 7A Gp 4
1042	VAT	Works of art	VATA 1994 Sch 9 Gp 11

Notes:

There are two reliefs (i.e. 1024 and 1034) that are to be excluded but have been included in this interim report, in order to test the criteria used in our review against VAT reliefs. We have however decided not to carry out any detailed review of VAT reliefs because of the particularly complex interactions between EU law and UK political commitments.

### Office of Tax Simplification contacts

This document can be found in full on our website at:

[hm-treasury.gov.uk/ots](http://hm-treasury.gov.uk/ots)

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