

Notes on Finance Bill Resolutions

1. Amendment of the law

Authorises the Finance Bill to contain those provisions which do not impose or increase a tax charge, in particular provisions that give relief from tax or which deal with tax administration. It also restricts the scope for amendments to VAT.

2. Income tax (charge and main rates etc)

Provides for the charge, rates, allowances, thresholds and limits of income tax to apply for the 2014-15 tax year.

3. Corporation tax (charge for financial year 2015)

Authorises the Finance Bill to provide for corporation tax to be charged for the financial year 2015 (the year beginning 1 April 2015.)

4. Corporation tax (small profits rate and fractions for financial year 2014)

Authorises the Finance Bill to provide for the small profits rate of corporation tax for the financial year 2014 (the year beginning 1 April 2014) to be 19 per cent on ring fence profits of companies and 20 per cent on all other profits of companies; and for the marginal relief ring fence fraction to be eleven four-hundredths and for the marginal relief standard fraction for other profits to be one four-hundredth.

5. Corporation tax (rates for ring fence profits from 2015)

Authorises the Finance Bill to provide for setting rates of corporation tax on ring fence profits for the financial year 2015 (the year beginning 1 April 2015) and subsequent years.

6. Corporation tax (marginal relief)

Authorises the Finance Bill to provide for marginal relief relating to corporation tax.

7. Profits arising from the exploitation of patents etc.

Authorises the Finance Bill to contain provision for the small claims treatment under Chapter 3 of Part 8A of the Corporation Tax Act 2010 (patent box).

8. Capital allowances

Authorises the Finance Bill to provide for capital allowances.

9. Capital gains tax (annual exempt amount)

Authorises the Finance Bill to contain provision about the capital gains tax annual exempt amount.

10. Remittance basis

Authorises the Finance Bill to provide for the taxation of employment income on the remittance basis.

11. Treatment of agency workers

Provides for the legislation in respect of agency workers to come into force from 6 April 2014.

12. Recovery of PAYE debts of companies etc.

Authorises the Finance Bill to provide for and in connection with, the recovery of amounts to be deducted, or accounted for, by a company or limited liability partnership under PAYE regulations, from persons involved in the management of the company or partnership.

- 13. Payments by employer on account of tax where deduction not possible**
Provides for changes to section 222 of the Income Tax (Earnings and Pensions) Act 2003, to come into force on 6 April 2014.
- 14. PAYE obligations of UK intermediary in cases involving non-UK employer**
Provides for changes to section 689 of the Income Tax (Earnings and Pensions) Act 2003, to come into force on 6 April 2014.
- 15. Oil and gas workers on the continental shelf (operation of PAYE)**
Provides for legislation relating to who is responsible for operating PAYE in respect of workers on the UK Continental shelf. It also provides for regulations to be made in relation to HMRC issuing certificates to the person responsible for operating PAYE in respect of UK Continental Shelf workers.
- 16. PAYE (general)**
Authorises the Finance Bill to amend Part 11 of the Income Tax (Earnings and Pensions) Act 2003 (Pay as You Earn).
- 17. Threshold for benefit of loan to be treated as earnings**
Provides for an increase in the threshold for the benefit of loan to be treated as earnings, from £5,000 to £10,000 with effect from 6 April 2014.
- 18. Taxable benefits (cars, vans and related benefits)**
Provides for section 114(3) of the Income Tax (Earnings and Pensions) Act (ITEPA) to be repealed to ensure that the full amount of a car or van benefit is subject to tax, if an amount could be both earnings under any other provision and treated as earnings under the benefits code. This change will have effect for the tax year 2014-15 and subsequent years.
- 19. Taxable benefits (payments for private use: cars and vans)**
Provides for payments for private use of a company car or van, which may affect the level of the car or van benefit charge, to be paid in the tax year in which private use is undertaken. These changes will come into effect on 6 April 2014 for the tax year 2014-15 and subsequent tax years.
- 20. Venture capital trusts**
Authorises the Finance Bill to provide for income tax relief in respect of shares in venture capital trusts.
- 21. Loan relationships and derivatives**
Authorises the Finance Bill to provide for amendments to corporation tax rules on loan relationships and derivative contracts.
- 22. Transfer of corporate profits**
Authorises the Finance Bill to provide for the calculation of profits for corporation tax purposes in cases involving arrangements which result in the transfer of the profits of the business from one company to another company.
- 23. Video games development**
Authorises the Finance Bill to provide for tax relief for video games development.
- 24. Community amateur sports clubs**
Authorises the Finance Bill to make provision about gifts to community amateur sports clubs.

25. Financing costs and income

Authorises the Finance Bill to provide for amendment (including amendment having retrospective effect) of Part 7 of The Taxation (International and Other Provisions) Act 2010.

26. Pension flexibility

Provides for: the maximum amount a drawdown pensioner (member or dependant) may withdraw as a drawdown pension from a drawdown pension fund to increase to 150 per cent of the basis amount in each drawdown pension year; the minimum income threshold in relation to flexible access to a member's or dependant's drawdown pension fund to reduce to £12,000; the commutation limit in relation to trivial commutation lump sums to increase to £30,000; the revaluation factor used when determining how much of the commutation limit is used up by earlier crystallisations of pension rights to be omitted; the amount of the lump sum that could be paid as a trivial commutation lump sum but for an annuity continuing to be paid to increase to £30,000; the amount that can be paid as a small additional authorised payment regardless of total pension wealth to increase to £10,000; the number of small amounts payable as authorised payments from schemes which are not occupational or public service pension schemes to increase to three; and the amount that may be paid as an authorised payment to an individual exercising their transitional right to receive a pension commencement lump sum worth more than 25 per cent of their total rights under the scheme to increase to £10,000.

It removes any provisions that adjust or may adjust in future how much of the trivial commutation limit is available. It also removes provisions that previously set the percentage of basis amount that may be withdrawn as a drawdown pension and the commutation limit. The changes have effect from 27 March 2014.

27. Taxable specific income (effect on pensions input for non-UK schemes)

Provides for amendments to Schedule 34 to the Finance Act 2004, to come into force for the tax year 2014-15.

28. Pension schemes (general)

Authorises the Finance Bill to make provision in relation to pension schemes.

29. Pension schemes (registration of pension schemes etc)

Provides for HM Revenue & Customs (HMRC) to send information notices and inspect documents in connection with an application to register a pension scheme and associated penalties and appeals: new circumstances when HMRC may decide not to register a pension or may de-register a pension scheme; a surrender of pension rights to fund an authorised surplus payment to be treated as an unauthorised payment and a surrender of rights in favour of dependants to be treated as an unauthorised payment except where the dependants' newly-acquired rights are provided under the same pension scheme.

30. Pension schemes (surrender)

Provides for amendments to Part 4 of the Finance Act 2004 (pensions schemes etc).

31. Glasgow Grand Prix

Provides for an income tax exemption for non-UK resident competitors at the Glasgow Grand Prix athletics event. The exemption also applies to any income received as a result of any activity carried out between 5 and 14 July 2014, where the main purpose is to support or promote the Glasgow Grand Prix.

32. Share incentive plans (increases in maximum annual awards etc)

Provides for amending the SIP code, to increase the maximum value of shares that employees can acquire under a plan each year. These changes will take effect from 6 April 2014.

33. Share incentive plans (general)

Authorises the Finance Bill to provide for amending the SIP code.

34. Employee share schemes

Provides for amending the legislation for employee share schemes and arrangements that provide employment-related securities. The new provisions simplify the rules and administrative processes, in particular by replacing HMRC approval of tax advantaged schemes with self certification by employers, and introducing online filing of all share scheme returns and information. These changes will take effect from 6 April 2014.

35. Employment-related securities and employment-related securities options

Authorises the Finance Bill to provide for amending the rules for employment-related securities and employment-related securities options.

36. Corporation tax relief in relation to employee acquisitions

Authorises the Finance Bill to make provision about the rules for corporation tax relief in relation to employee share acquisitions.

37. Chargeable gains (private residences)

Authorises the Finance Bill to make provision in relation to relief under section 223 of the Taxation of Capital Gains Act 1992.

38. Intangible fixed assets

Authorises the Finance Bill to provide for changes to the corporation tax treatment of intangible fixed assets.

39. Avoidance involving losses

Authorises the Finance Bill to make provision (including provision having retrospective effect) for amendment of sections 184G and 184H to the Taxation of Chargeable Gains Act 1992.

40. Oil taxation (restriction of field allowance)

Authorises the Finance Bill to provide for the introduction of the onshore allowance to reduce a company's adjusted ring fence profits, and to remove the availability of field allowances in respect of certain onshore fields.

41. Substantial shareholder exemption

Authorises the Finance Bill to provide for amendments to Paragraph 15A of Schedule 7AC to the Taxation of Chargeable Gains Act 1992.

42. Partnerships and limited liability partnerships (general)

Authorises the Finance Bill to make provision (including provision having retrospective effect) in relation to partnerships and limited liability partnerships.

43. Limited liability partnerships (treatment of salaried members)

Provides for the operation of Pay As You Earn in respect of income tax payable on behalf of Salaried Members as a result of amendments to Part 9 of the Income Tax (Trading and Other Income) Act 2005 (partnerships).

44. Transfer pricing (position of disadvantaged persons)

Authorises the Finance Bill to make provision (including provision having retrospective effect) for amendment of Chapter 4 of Part 4 of the Taxation (International and Other Provisions) Act 2010.

45. Alcoholic liquor duties (rates)

Provides for increases in the rates of excise duty charged on spirits, sparkling and still wine and made wine and sparkling and still cider and perry to take effect from 24 March 2014.

46. Tobacco products duty (rates)

Provides for changes to the rates of duty on tobacco products, set out in the Table in Schedule 1 to the Tobacco Products Duty Act 1979, to come into force at 6pm on 19 March 2014.

47. Air passenger duty (rates of duty from 1 April 2014)

Provides for changes to the rates of air passenger duty in relation to the carriage of passengers beginning on or after 1 April 2014.

48. Air passenger duty (rates: general)

Authorises the Finance Bill to provide for changes to the rates of air passenger duty.

49. Vehicle excise duty (rates for light passenger vehicles etc)

Provides for changes to certain rates of vehicle excise duty applying to light passenger vehicles (cars), light goods vehicles (vans), motorcycles etc. in relation to licences taken out on or after 1 April 2014.

50. Vehicle excise duty (rates for rigid goods vehicles with trailers)

Provides for changes to the definition of a relevant rigid goods vehicle with trailers in Schedule 1 to the Vehicle Excise and Registration Act 1994 and for changes to certain rates of vehicle excise duty applying to such vehicles with trailers, in relation to licenses taken out on or after 1 April 2014.

51. Vehicle excise duty (rates for vehicles with exceptional loads, rigid goods vehicles) and tractive units)

Provides for changes to certain rates of vehicle excise duty applying to vehicles with exceptional loads, certain rigid goods vehicles and tractive units etc. in relation to licences taken out on or after 1 April 2014.

52. Vehicle excise duty (extension of old vehicles exemption from 1 April 2014)

Provides for an extension, from 1 April 2014, to the exemption for old vehicles in Schedule 2 to the Vehicle Excise and Registration Act 1994 to include vehicles constructed before 1 January 1974.

53. Vehicle excise duty (abolition of reduced rates for vehicles satisfying reduced pollution requirements)

Authorises the Finance Bill to make provision for abolishing the reduced rates of vehicle excise duty which apply to vehicles which satisfy reduced pollution requirements.

54. Vehicle excise duty (abolition of reduced rates from 1 April for certain vehicles satisfying reduced pollution requirements)

Provides for the abolition of reduced rates of vehicle excise duty from 1 April 2014 for certain vehicles satisfying reduced pollution requirements.

55. Vehicle excise duty (six month licences for tractive units)

Provides for changes to section 3 of the Vehicle Excise and Registration Act 1994 (duration of licenses) to add certain types of tractive unit to the types of vehicle for which a six month vehicle license may be taken out, in relation to licences taken out on or after 1 April 2014.

56. Vehicle excise duty (rate of six month licence for vehicles subject to HGV road user levy)

Provides for changes to the rate of a six month vehicle license for vehicles subject to the HGV road user levy, in relation to licenses taken out on or after 1 April 2014.

57. Vehicle excise duty (payment arrangements)

Authorises the Finance Bill to make provision about the rates of vehicle excise duty in cases where payment arrangements are entered into under section 19B of the Vehicle Excise and Registration Act 1994.

58. Vehicle excise duty (meaning of revenue weight)

Provides for changes to the meaning of revenue weight in sections 60A and 61 of the Vehicle Excise and Registration Act 1994, in relation to licenses taken out on or after 1 April 2014.

59. Rates of HGV road user levy

Provides for changes to certain rates of HGV road user levy applying on or after 1 April 2014.

60. Aggregates levy (removal of certain exemptions)

Provides for Finance Act 2001 to be amended to suspend, or limit in scope, certain exemptions, exclusions and reliefs from the aggregates levy which are the subject of a State aid investigation by the European Commission, to take effect from 1 April 2014.

61. Climate change levy (rates)

Authorises the Finance Bill to contain provision for the main rates of climate change levy.

62. Climate change levy (carbon price support rates for 2014-15)

Provides for the carbon price support rate for coal and other solid fossil fuels to be amended from 1 April 2014.

63. Climate change levy (exemptions for mineralogical and metallurgical processes)

Provides for Schedule 6 to the Finance Act 2000 to be amended from 1 April 2014 to introduce exemptions from climate change levy for taxable commodities used in mineralogical and metallurgical processes.

64. Climate change levy (exemptions)

Authorises the Finance Bill to make provision in relation to exemptions from climate change levy.

65. Landfill tax

Authorises the Finance Bill to make provision about the rates of landfill tax.

66. Customs and excise duties (stores)

Authorises the Finance Bill to make provision about goods shipped or carried as stores on ships or aircraft.

67. Value added tax (electronically supplied, telecommunications and broadcasting services)

Authorises the Finance Bill to make provision about electronically supplied, telecommunication and broadcasting services.

68. Value added tax (place of supply and place of belonging)

Authorises the Finance Bill to make provision about the place of supply of services and the place of belonging of the supplier or recipient of services.

69. Value added tax (health service bodies)

Provides that Health Education England and the Health Research Authority shall be eligible for VAT refunds.

70. Value added tax (prompt payment discounts: relevant supplies)

Provides for the value of specified supplies made on or after 1 May 2014 to be the actual consideration received when calculating the value added tax due on a supply made on terms allowing a discount for prompt payment; specified supplies are telecommunications and radio and television broadcasting services where there is no obligation to provide a tax invoice.

71. Value added tax (prompt payment discounts)

Authorises the Finance Bill to make provision about the value of supplies made on terms allowing a discount for prompt payment.

72. Annual tax on enveloped dwellings

Authorises the Finance Bill to provide for amendment to the threshold for the charge to tax and the annual chargeable amount for the purposes of the annual tax on enveloped dwellings.

73. Stamp duty land tax (threshold for higher rate applying to certain transactions)

Provides for a reduction in the starting threshold for the 15 per cent higher rate of stamp duty land tax charged on a purchase of residential property by a “non-natural person” to take effect from 20 March 2014.

74. Stamp duty land tax (charities relief)

Authorises the Finance Bill to provide for amendments to Schedule 8 of Finance Act 2003 (charities relief).

75. Stamp duty reserve tax (collective investment schemes)

Provides for the abolition of the stamp duty reserve tax charge on surrenders of units in certain UK collective investment schemes (in Part 2 of Schedule 19 to the Finance Act 1999) and for other related changes.

76. Stamp duty reserve tax (securities traded on recognised growth markets)

Provides for the abolition of stamp duty reserve tax on purchases of shares admitted to trading on recognised growth markets from 28 April 2014.

77. Inheritance tax

Authorises the Finance Bill to make provisions about inheritance tax.

78. Estate duty (gifts to the nation)

Authorises the Finance Bill to make provision about estate duty chargeable on qualifying gifts within the meaning of Schedule 14 to the Finance Act 2012.

79. The bank levy

Authorises the Finance Bill to make provision (including provision having retrospective effect) about the bank levy.

80. Machine games duty

Authorises the Finance Bill to make provision about the rates of machine games duty.

81. Betting and gaming duties

Provides for general betting duty, pool betting duty, remote gaming duty and bingo duty.

82. Accelerated payments

Authorises the Finance Bill to provide for accelerated payments to be required to be made by taxpayers in certain defined circumstances, and for postponements of tax pending an appeal to be denied or reversed (in whole or in part) in certain defined circumstances.

83. Residence of UCITs and AIFs

Authorises the Finance Bill to make provision (including provision having retrospective effect) for the amendment of section 363A of the Taxation (International and Other Provisions) Act 2010.

84. Employee-ownership trusts (capital gains)

Authorises the Finance Bill to make provision about the circumstances in which shares held by the trustees of a settlement are deemed to have disposed of and immediately reacquired at market value.

85. Meaning of “disabled person”

Authorises the Finance Bill to provide for amending the meaning of “disabled person” at Schedule 1A to Finance Act 2005.

86. Double taxation relief

Authorises the Finance Bill to make provision (including provision having retrospective effect) for changes to the double taxation relief rules.

87. Controlled foreign companies

Authorises the Finance Bill to make provision (including provision having retrospective effect) about and in connection with controlled foreign companies.

88. Financial sector regulation

Authorises the Finance Bill to make provision for the consequences of regulatory requirements imposed on the financial sector.

89. Relief from tax (incidental and consequential charges)

Authorises the Finance Bill to make provision for incidental or consequential charges to any duty or tax (including charges having retrospective effect) that may arise from provision designed in general to afford relief from taxation.

PROCEDURE (FUTURE TAXATION)

Authorises the Finance Bill to contain provision (to take effect in a future year):

- a) for the basic rate limit for the purposes of income tax;
- b) for personal allowances for the purposes of income tax;
- c) for, and in connection with, changes to the starting rate for savings and the savings rate limit;
- d) for the index to be used under section 21 and section 57 of the Income Tax Act 2007;
- e) for corporation tax to be charged for the financial year 2015 (the year beginning 1 April 2015);
- f) for rates of corporation tax;
- g) for marginal relief relating to corporation tax;
- h) for the small claims treatment under Chapter 3 of Part 8A of the Corporation Tax Act 2010;
- i) for capital allowances;
- j) about the capital gains tax annual exempt amount;
- k) about transferable tax allowance for married couples and civil partners from 2015-16;
- l) about the taxation of company cars with effect from 6 April 2016;
- m) about employment-related securities and employment-related securities options;
- n) about corporation tax relief in relation to employee share acquisitions;
- o) about the seed enterprise investment scheme;
- p) about the rates of air passenger duty;
- q) amending the description of vehicles which are exempt vehicles for the purposes of the Vehicle Excise and Registration Act 1994;
- r) about rates of climate change levy (CCL);
- s) for the rates of landfill tax;

- t) about the annual charge on enveloped dwellings;
- u) about the indexation of rate bands for the purpose of inheritance tax; and
- v) about the Scottish basic rate, Scottish higher rate and the Scottish rate of income tax.

PROCEDURE (VAT ON ELECTRONIC, BROADCASTING AND TELECOMMUNICATIONS SERVICES SUPPLIED BY TAXABLE PERSONS NOT ESTABLISHED IN THE UNITED KINGDOM):

Authorises the Finance Bill to make provision for, and in connection with, giving effect to Chapter 6 of Title XII (Special schemes for non-established taxable persons supplying telecommunications services, broadcasting services or electronic services to non-taxable persons) of the Principal VAT Directive (Directive 2006/112/EC), as amended by Council Directive 2008/8/EC.

PROCEDURE (REPORTS ABOUT THE ADMINISTRATION OF INCOME TAX):

Authorises the Finance Bill to provide for the Comptroller and Auditor General to make reports to the Scottish Parliament on HMRC's administration of the Scottish rate of income tax.

PROCEDURE (LOANS BY PUBLIC WORKS LOAN COMMISSIONERS):

Authorises the Finance Bill to make provision for the limit imposed by section 4 of the National Loans Act 1968 in relation to loans made by the Public Works Loan Commissioners.

FINANCE (MONEY)

Authorises the Finance Bill to provide for the payment out of money provided by Parliament for:

- a) sums payable by the Secretary of State by virtue of any provisions of the Act relating to vehicle excise and registration;
- b) the deduction from money received for or on account of value added tax of sums required by the Commissioners for Her Majesty's Revenue and Customs for making payments to other Member States pursuant to Article 46 of Council Regulation (EU) No 904/2010 in respect of VAT collected under the special accounting schemes for broadcasting telecommunications and electronically supplied services supplied to non-taxable persons;
- c) any increase in the expenditure of the National Audit Office under the Budget Responsibility and National Audit Act 2011; and
- d) any increase in the sums payable out of or into the National Loans Fund which is attributable to increasing to £85 billion, with power to increase by order to £95 billion.