

Notes on Finance Bill resolutions 11th March 2020

1. Income tax (charge)

Provides for income tax to be charged for the 2020-21 tax year.

2. Income tax (main rates)

Provides for the main rates of income tax for the 2020-21 tax year.

3. Income tax (default and savings rates)

Provides for the default rates and savings rates of income tax for the 2020-21 tax year.

4. Income tax (starting rate limit for savings)

Provides for the starting rate limit for savings for the 2020-21 tax year to remain £5000.

5. Main rate of corporation tax for financial year 2020

Provides for section 7(2) of Finance (No.2) Act 2015 to be omitted. The corporation tax main rate of 19% will apply from 1 April 2020.

6. Corporation tax (charge and main rate for financial year 2021)

Authorises the Finance Bill to make provision (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills)—

(a) for corporation tax to be charged for the financial year 2021, and

(b) for the main rate of corporation tax for that year to be 19%.

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

Provides for changes to the off-payroll working rules set out in Chapters 8 and 10 of Part 2 of the Income Tax (Earnings and Pensions) Act 2003 to align the tax treatment for payments made to individuals working through intermediaries for medium or large organisations outside the public sector with the tax treatment in the public sector. The resolution also provides for a power to make regulations to recover unpaid PAYE debts from the first agency, or client, in the labour supply chain.

8. Taxable benefits (appropriate percentage for a car: tax year 2020-21 onwards)

Provides for amendments of the law in respect of the certified CO₂ emissions figure to be used to calculate the amount of company car tax by amending Chapter 6 of Part 3 of the Income Tax (Earnings and Pensions) Act 2003.

9. Taxable benefits (appropriate percentage for a car: tax year 2020-21 only)

Provides for amendments of the law in respect of the applicable appropriate percentage for taxable cars first registered on or after 06 April 2020 by amending Chapter 6 of Part 3 of the Income Tax (Earnings and Pensions) Act 2003.

10. Taxable benefits (cars)

Authorises the Finance Bill to make provision (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) taking effect in a future year amending the provisions of Chapter 6 of Part 3 of the Income Tax (Earnings and Pensions) Act 2003 that concern the determination of the appropriate percentage for a car.

11. Income tax (apprenticeship bursaries paid to persons leaving local authority care)

Authorises the Finance Bill to make provision that no liability to income tax arises on certain bursaries paid to persons leaving care and starting an apprenticeship.

12. Income tax (certain Scottish social security benefits)

Provides for the Finance Bill to exempt certain Scottish social security benefits from income tax.

13. Income tax (social security benefits)

Authorises the Finance Bill to make provision conferring power on the Treasury to exempt certain social security benefits from income tax.

14. Income tax (payments in respect of expenses of voluntary office-holders)

Provides for the Finance Bill to prevent any liability to income tax from arising in respect of payments of expenses to voluntary office holders by inserting new section 299B of the Income Tax (Earnings and Pensions) Act 2003.

15. Loan charge

Authorises the Finance Bill to make provision -

- (a) substituting a reference to 9 December 2010 for the reference to 6 April 1999 in paragraph 1(1)(b) of Schedule 11 to the Finance (No.2) Act 2017 and in paragraph 1(2)(a)(i) of Schedule 12 to that Act,
- (b) enabling a person to elect for the tax consequences of Schedules 11 and 12 to the Finance (No.2) Act 2017 to be split over three tax years,
- (c) eliminating or reducing the tax consequences for a person of Schedules 11 and 12 to the Finance (No.2) Act 2017 in certain cases where the person was chargeable to income tax for the tax year 2015-16 or an earlier tax year on an amount that was referable to a loan or quasi-loan,
- (d) providing relief from late payment interest for a person who is chargeable to income tax on an amount by reason of Schedule 11 or 12 to the Finance (No.2) Act 2017 or who would be so chargeable but for the provision mentioned in paragraph (a) or (c),
- (e) substituting a reference to 1 October 2020 for the reference to 1 October 2019 in paragraph 35C(2)(b) of Schedule 11 to the Finance (No.2) Act 2017 and in paragraph 22(2)(b) of Schedule 12 to that Act, and
- (f) enabling the Commissioners for Her Majesty's Revenue and Customs to repay, or waive the payment of, certain amounts that—
 - (i) have been paid to them, have been treated as paid to them, or are due to be paid to them under certain agreements made with them in a specified period commencing no earlier than 16 March 2016 and ending no later than 10 March 2020, and
 - (ii) are referable to certain loans or quasi-loans made on or after 6 April 1999 and before 6 April 2016.

16. Pensions annual allowance charge (tapered reduction of allowance)

Authorises the Finance Bill to make provision about the reduction of the annual allowance in the case of high-income individuals.

17. Capital gains tax (entrepreneurs' relief)

Authorises the Finance Bill to make provision about relief under Chapter 3 of Part 5 of the Taxation of Chargeable Gains Act 1992.

18. Capital gains tax (relief on disposal of private residence)

Provides for the Finance Bill to amend the rules in the Taxation of Chargeable Gains Act 1992 relating to relief on the disposal of a private residence.

19. Corporate capital losses

Authorises the Finance Bill to make provision (including provision having retrospective effect) relating to capital losses made by companies.

20. Corporation tax (instalment payments)

Authorises the Finance Bill to make provision amending regulation 3 of the Corporation Tax (Instalment Payments) Regulations 1998.

21. Relief from capital gains tax for loans to traders

Authorises the Finance Bill to make provision restricting the operation of section 253(1)(b) of the Taxation of Chargeable Gains Act 1992 to loans made before 24 January 2019.

22. Corporation tax (research and development expenditure credit)

Authorises the Finance Bill to make provision (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) increasing the percentage in section 104M(3) of the Corporation Tax Act 2009 to 13%.

23. Capital allowances (structures and buildings allowances)

Authorises the Finance Bill to make provision (including provision having retrospective effect) in relation to allowances under Part 2A of the Capital Allowances Act 2001.

24. Intangible fixed assets (pre-FA 2002 assets etc)

Authorises the Finance Bill to make provision –

(a) amending Chapter 16 of Part 8 of the Corporation Tax Act 2009, and

(b) restricting the debits to be brought into account by a company for tax purposes in respect of certain intangible fixed assets acquired on or after 1 July 2020.

25. UK property businesses etc carried on by non-UK resident companies

Authorises the Finance Bill to make provision (including provision having retrospective effect) in consequence of Schedule 1 or 5 to the Finance Act 2019, in relation to non-UK resident companies that carry on UK property businesses or have other income relating to land in the United Kingdom.

26. Surcharge on banking companies (transferred-in losses)

Authorises the Finance Bill to make provision about the treatment of losses transferred to a banking company from a non-banking company in calculating the surcharge profits of the banking company under Chapter 4 of Part 7A of the Corporation Tax Act 2010.

27. Corporation tax (payment of tax on certain transactions with EEA residents)

Authorises the Finance Bill to make provision (including provision having retrospective effect) for the deferral of the payment of corporation tax arising in connection with certain transactions involving companies resident in an EEA state.

28. Changes to accounting standards affecting leases

Authorises the Finance Bill to make provision (including provision having retrospective effect) amending paragraphs 13(1) and 14 of Schedule 14 to the Finance Act 2019.

29. Enterprise investment scheme (approved investment fund as nominee)

Authorises the Finance Bill to make provision amending section 251 of the Income Tax Act 2007.

30. Gains from contracts for life insurance etc (top slicing relief)

Authorises the Finance Bill to make provision (including provision having retrospective effect) amending sections 535 to 537 of the Income Tax (Trading and Other Income) Act 2005.

31. Losses on disposals of shares

Authorises the Finance Bill to make provision (including provision having retrospective effect) repealing section 134(5) of the Income Tax Act 2007 and section 78(5) of the Corporation Tax Act 2010.

32. Digital services tax

Authorises the Finance Bill to make provision imposing a tax on revenues arising in connection with the provision of a social media service, internet search engine, online marketplace or associated online advertising service.

33. Inheritance tax (property comprised in settlements)

Authorises the Finance Bill to make provision amending the Inheritance Tax Act 1984 in relation to cases where property becomes comprised in a settlement.

34. Inheritance tax (payments to victims of persecution during Second World War)

Authorises the Finance Bill to make provision (including provision having retrospective effect) about inheritance tax relief in respect of payments to victims of persecution during the Second World War era.

35. Stamp duty (unlisted securities and connected persons)

Authorises the Finance Bill to make provision for the purposes of stamp duty in relation to transfers of unlisted securities involving connected persons.

36. Stamp duty reserve tax (unlisted securities and connected persons)

Authorises the Finance Bill to make provision about the application of sections 87, 93 and 96 of the Finance Act 1986 in relation to transfers of unlisted securities involving connected persons.

37. Stamp duty (acquisition of target company's share capital)

Authorises the Finance Bill to make provision amending section 77A of the Finance Act 1986.

38. Value added tax (call-off stock arrangements)

Provides for changes to the rules for the value added tax treatment of call-off stock arrangements. This implements Article 1(1), (4) and (5) of EU Council Directive 2018/1910 and applies to goods removed from the UK or a Member State on or after 1 January 2020.

39. Post-duty point dilution of wine or made-wine

Provides for the introduction of sanctions in the Alcoholic Liquor Duties Act 1979, with effect from 1 April 2020, for the practice of diluting wine and made-wine after excise duty has been calculated, if the dilution would have resulted in a higher amount of duty being payable.

40. Rates of tobacco products duty

Provides for changes to the rates of duty on tobacco products and the level of Minimum Excise Tax on cigarettes, set out in the table in Schedule 1 to the Tobacco Products Duty Act 1979, which come into effect at 6pm on 11 March 2020.

41. Vehicle excise duty (rates)

Provides for certain of the annual rates of vehicle excise duty to be increased.

42. Vehicle excise duty (applicable CO₂ emissions figure)

Provides for the taxing of light passenger vehicles registered from 1 April 2020 according to their CO₂ emissions figure under the WLTP system.

43. Vehicle excise duty (electric vehicles: extension of exemption)

Provides for the rates provided by paragraph 1GE of Schedule 1 to the Vehicle Excise and Registration Act 1994 not to apply to vehicles with zero CO₂ emissions.

44. Vehicle excise duty (motor caravans)

Provides for motor caravans registered on or after 12 March 2020 no longer to be subject to the rules in Part 1AA of Schedule 1 to the Vehicle Excise and Registration Act 1994.

45. Vehicle excise duty (exemption in respect of medical courier vehicles)

Provides for an amendment to Schedule 2 to the Vehicle Excise and Registration Act 1994 so that purpose-built vehicles owned by charities and primarily used to transport medical items are exempt from vehicle excise duty.

46. Hydrocarbon oil duties (private pleasure craft)

Authorises the Finance Bill to make provision as regards the use of rebated fuels in private pleasure craft.

47. Rates of air passenger duty

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

48. Amounts of gross gaming yield charged to gaming duty

Authorises the Finance Bill to make provision increasing the amounts of gross gaming yield specified in the table in section 11(2) of the Finance Act 1997.

49. Rates of climate change levy from April 2020

Provides for new rates of climate change levy to come into effect from 1 April 2020.

50. Rates of climate change levy (future years)

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

51. Rates of landfill tax

Provides for new rates of landfill tax to come into effect from 1 April 2020.

52. Carbon emissions tax

Authorises the Finance Bill to make provision about carbon emissions tax.

53. Greenhouse gas emissions trading schemes

Authorises the Finance Bill to make provision for the imposition of charges by the allocation, in return for payment, of allowances under paragraph 5 of Schedule 2 to the Climate Change Act 2008.

54. Import duty (international trade disputes)

Authorises the Finance Bill to make provision amending section 15(1)(b) of the Taxation (Cross-border Trade) Act 2018.

55. Priority of certain HMRC debts on insolvency

Authorises the Finance Bill to make provision conferring, on the insolvency of a person, a priority as regards an amount owed by the person to the Commissioners for Her Majesty's Revenue and Customs in respect of—

(a) value added tax, or

(b) certain deductions that the person is required to make from a payment made to another person.

56. Joint and several liability of individuals for tax liabilities of companies etc

Authorises the Finance Bill to make provision for individuals to be jointly and severally liable, in certain circumstances involving insolvency or potential insolvency, for amounts payable to the Commissioners for Her Majesty's Revenue and Customs by bodies corporate or unincorporate.

57. Operation of the general anti-abuse rule

Authorises the Finance Bill to make provision –

- (a) about the procedural requirements and time limits for the making of adjustments by virtue of section 209 of the Finance Act 2013, and
- (b) amending paragraph 5 of Schedule 43C to that Act.

58. Tax relief for scheme payments etc

Authorises the Finance Bill to make provision (including provision having retrospective effect) for tax relief in respect of—

- (a) payments made under or otherwise referable to the Windrush Compensation Scheme,
- (b) payments under the Troubles Permanent Disablement Payment Scheme, and
- (c) other compensation payments made by or on behalf of a government, public authority or local authority.

59. HMRC exercise of officer functions

Authorises the Finance Bill to make provision (including provision having retrospective effect) about things done by Her Majesty's Revenue and Customs in the exercise of functions conferred by or under enactments relating to taxation on officers of Revenue and Customs.

60. Tax returns (limited liability partnerships)

Authorises the Finance Bill to make provision (including provision having retrospective effect) about tax returns in relation to limited liability partnerships that are not carrying on a trade, profession or business with a view to profit.

61. Preparatory expenditure on plastics tax

Authorises the Finance Bill to make provision about preparations by the Commissioners for Her Majesty's Revenue and Customs for the introduction of a new tax to be charged in respect of certain plastic packaging.

62. Limits on local loans

Authorises the Finance Bill to make provision (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) increasing to £115 billion, with power to increase by order to £135 billion, the limit imposed by section 4 of the National Loans Act 1968 in relation to loans made in pursuance of section 3 of that Act.

63. Incidental provision etc

Authorises the Finance Bill to make provision for:

- (a) any incidental or consequential charges to any duty or tax (including charges having retrospective effect) that may arise from provisions designed in general to afford relief from taxation; and
- (b) any incidental or consequential provision (including provision having retrospective effect) relating to provision authorised by any other resolution.

Territorial extent and application in the United Kingdom

In the view of HM Government, there are only four of the Finance Bill 2020 resolutions that do not apply to the whole of the United Kingdom.

The resolutions that do not apply to the whole of the United Kingdom relate to:

- the main rates of income tax (resolution 2),
- income tax chargeable on certain Scottish social security benefits (resolution 12),
- the rates of landfill tax (resolution 51), and
- the limits on local loans (resolution 62).

Resolution 2 sets the main rates of income tax for the tax year 2020-21. The non-savings, non-dividend income of a UK resident individual who is not a Scottish taxpayer or Welsh taxpayer is charged at these main rates. Furthermore, although the non-savings, non-dividend income of a Welsh taxpayer is charged at the Welsh basic, higher and additional rates those Welsh rates are determined in part by reference to the main rates of income tax. But the non-savings, non-dividend income of a Scottish taxpayer is charged at Scottish rates which are set by the Scottish Parliament alone.

Resolution 12 authorises provision to be made for certain social security benefits that are payable to persons in Scotland to be exempted from income tax.

Resolution 51 authorises provision to be made increasing the rates of landfill tax. Landfill tax is charged on taxable disposals made in England or Northern Ireland (see section 40(1) of the Finance Act 1996). Legislative competence to introduce a corresponding tax in relation to disposals to landfill made in Wales was conferred on the National Assembly for Wales by section 116N of the Government of Wales Act 2006 (inserted by section 18 of the Wales Act 2014) and that competence has been exercised with the enactment of the Landfill Disposals Tax (Wales) Act 2017. Legislative competence to introduce a corresponding tax in relation to disposal to landfill made in Scotland was conferred on the Scottish Parliament by section 80K of the Scotland Act 1998 (inserted by section 30 of the Scotland Act 2012) and that competence has been exercised with the enactment of the Landfill Tax (Scotland) Act 2014.

Resolution 62 authorises provision to be made increasing the limits imposed by section 4 of the National Loans Act 1968 in relation to loans made in pursuance of section 3 of that Act. The loans in question are loans made to local or port authorities in England, Wales or Scotland.

Resolution number	Extends to England and Wales and applies to England?	Extends to England and Wales and applies to Wales?	Extends and applies to Scotland?	Extends and applies to Northern Ireland?	Would corresponding provision be within the competence of the National Assembly for Wales?	Would corresponding provision be within the competence of the Scottish Parliament?	Would corresponding provision be within the competence of the Northern Ireland Assembly?	Legislative Consent Motion sought?
Resolution 1	Yes	Yes	Yes	Yes	N/A	N/A	N/A	No
Resolution 2	Yes	Yes	No	Yes	No	Yes	No	No
Resolutions 3 to 11	Yes	Yes	Yes	Yes	N/A	N/A	N/A	No
Resolution 12	No	No	Yes	No	N/A	N/A	N/A	No
Resolutions 13 to 50	Yes	Yes	Yes	Yes	N/A	N/A	N/A	No
Resolution 51	Yes	No	No	Yes	N/A	N/A	N/A	No
Resolutions 52 to 61	Yes	Yes	Yes	Yes	N/A	N/A	N/A	No
Resolution 62	Yes	Yes	Yes	No	N/A	N/A	N/A	No
Resolution 63	Yes	Yes	Yes	Yes	N/A	N/A	N/A	No