

Explanatory Note

Clause 41: Addition of CGT to Provisional Collection of Taxes Act 1968

Summary

1. This clause amends the Provisional Collection of Taxes Act 1968 (PCTA 1968) to include Capital Gains Tax.

Details of the clause

2. Clause 41 inserts Capital Gains Tax into PCTA 1968 from Royal Assent.

Background note

3. PCTA 1968 gives temporary statutory force to resolutions of the House of Commons that renew, vary or abolish certain taxes and duties. The principal practical application of this is to allow the government to collect taxes on a provisional basis between Budget day (or a day after Budget), and the coming into operation of the Finance Act.
4. Capital Gains Tax is ordinarily payable after the end of the tax year. Since 6 April 2015, non-resident persons disposing of UK residential property must (subject to certain exceptions) make a payment on account within 30 days of the property being conveyed.
5. At Autumn Statement 2015, the government announced the intention to extend payment on account of CGT to UK residents from April 2019.
6. If you have any questions about this change, or comments on the legislation, please contact Alan McGuinness on 03000 585256 (email: alan.mcguinness@hmrc.gsi.gov.uk)