



Finance Act 2011

2011 CHAPTER 11

PART 6

OTHER TAXES

Value added tax

74 Business samples

- (1) In Schedule 4 to VATA 1994 (matters to be treated as supply of goods or services), paragraph 5 (transfer or disposal of goods forming part of the assets of a business) is amended as follows.
- (2) For sub-paragraph (2)(b) substitute—
 - “(b) the provision to a person, otherwise than for a consideration, of a sample of goods.”
- (3) Omit sub-paragraph (3).

75 Zero-rating: splitting of supplies

- (1) In Part 2 of Schedule 8 to VATA 1994 (zero-rating: groups), Group 3 (books, etc) is amended as follows.
- (2) For “*Note*: Items 1 to 6—” substitute—

“*Notes*

 - (1) Items 1 to 6—”.
- (3) At the end insert—
 - “(2) Items 1 to 6 do not include goods in circumstances where—
 - (a) the supply of the goods is connected with a supply of services, and
 - (b) those connected supplies are made by different suppliers.

Status: This is the original version (as it was originally enacted).

- (3) For the purposes of Note (2) a supply of goods is connected with a supply of services if, had those two supplies been made by a single supplier—
- (a) they would have been treated as a single supply of services, and
 - (b) that single supply would have been a taxable supply (other than a zero-rated supply) or an exempt supply.”
- (4) The amendments made by this section have effect in relation to supplies made on or after the day on which this Act is passed.

76 Academies

- (1) In Part 2 of VATA 1994 (reliefs, exemptions and repayments), after section 33A insert —

“33B Refunds of VAT to Academies

- (1) This section applies where—
 - (a) VAT is chargeable on—
 - (i) the supply of goods or services to the proprietor of an Academy,
 - (ii) the acquisition of any goods from another member State by the proprietor of an Academy, or
 - (iii) the importation of any goods from a place outside the member States by the proprietor of an Academy, and
 - (b) the supply, acquisition or importation is not for the purposes of any business carried on by the proprietor of the Academy.
- (2) The Commissioners shall, on a claim made by the proprietor of the Academy at such time and in such form and manner as the Commissioners may determine, refund to that proprietor the amount of VAT so chargeable.
- (3) Subject to subsection (4), the claim must be made before the end of the period of 4 years beginning with the day on which the supply is made or the acquisition or importation takes place.
- (4) If the Commissioners so determine, the claim period is such shorter period beginning with that day as the Commissioners may determine.
- (5) Subsection (6) applies where goods or services supplied to, or acquired or imported by, the proprietor of the Academy cannot be conveniently distinguished from goods or services supplied to, or acquired or imported by, it for the purpose of a business carried on by that proprietor.
- (6) The amount to be refunded under this section is such amount as remains after deducting from the whole of the VAT chargeable on any supply to, or acquisition or importation by, the proprietor of the Academy such proportion of that VAT as appears to the Commissioners to be attributable to the carrying on of the business.
- (7) References in this section to VAT do not include any VAT which, by virtue of an order under section 25(7), is excluded from credit under section 25.
- (8) In this section—

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- (a) references to the proprietor of an Academy are to the proprietor of the Academy acting in that capacity, and
 - (b) “Academy” and “proprietor” have the same meaning as in the Education Act 1996 (see section 579 of that Act).”
- (2) In section 79 of that Act (repayment supplement in respect of certain delayed payments or refunds)—
 - (a) in subsection (1), after paragraph (c) insert “, or
 - (d) the proprietor of an Academy who is registered is entitled to a refund under section 33B,”
 - (b) in subsection (5), after paragraph (c) insert “, and
 - (d) a supplement paid to the proprietor of an Academy under subsection (1)(d) shall be treated as an amount due to that proprietor by way of refund under section 33B.”, and
 - (c) in subsection (6)(b) after “33A” insert “or 33B”.
- (3) In section 90 of that Act (failure of resolution under the Provisional Collection of Taxes Act 1968), in subsection (3) after “33A,” insert “33B,”.
- (4) In Part 2 of Schedule 9 to that Act (exemptions: groups), in Group 14 (supplies of goods where input tax cannot be recovered), in Note (9) after “33A,” insert “33B,”.
- (5) The amendments made by this section have effect in relation to supplies made, and acquisitions and importations taking place, on or after 1 April 2011.

77 Relief from VAT on imported goods of low value

- (1) In Schedule 2 to the Value Added Tax (Imported Goods) Relief Order 1984 (S.I. 1984/746) (reliefs for goods of certain descriptions), in item 8 of Group 8 (consignments of goods not exceeding a certain value), for “£18” substitute “£15”.
- (2) The amendment of that Schedule by this section is without prejudice to any power to amend that Schedule by subordinate legislation.
- (3) The amendment made by this section has effect in relation to goods imported on or after 1 November 2011.

Climate change levy

78 Supplies of commodities to be used in producing electricity

Schedule 20 contains provision for and in connection with the charging of climate change levy on supplies of commodities to be used in producing electricity.

79 Northern Ireland gas supplies

- (1) In Schedule 6 to FA 2000 (climate change levy), omit paragraph 11A (exemption for Northern Ireland gas supplies).
- (2) Subsection (3) applies to a supply of gas if—
 - (a) the supply is made by a gas utility (within the meaning of that Schedule (see paragraph 147)),

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- (b) the person to whom the supply is made intends to cause the gas to be burned in Northern Ireland, and
 - (c) the supply is treated as taking place on or after 1 April 2011 but before 1 November 2013.
- (3) Paragraph 42 of that Schedule (amount payable by way of levy) has effect as if—
- (a) for sub-paragraphs (1) and (1A) there were substituted—
 - “(1) The amount payable by way of levy on a taxable supply is—
 - (a) if the supply is treated as taking place before 1 April 2012, £0.00059 per kilowatt hour, and
 - (b) if the supply is treated as taking place on or after that date, £0.00062 per kilowatt hour.”, and
 - (b) in sub-paragraph (3) the reference to a reduced-rate supply were a reference to a supply in relation to which this subsection applies.
- (4) In FA 2001, omit section 105(2) (which inserted paragraph 11A of that Schedule).
- (5) The amendments made by subsections (1) and (4) have effect in relation to a supply of gas to a person if the gas is actually supplied to the person on or after 1 April 2011.
- (6) Subsections (2) and (3) are treated as having come into force on 1 April 2011.

80 Power to suspend exemption for supplies used in recycling processes

- (1) The Treasury may by order provide that Schedule 6 to FA 2000 (climate change levy) is to have effect in relation to any supply of a taxable commodity made on or after 1 April 2011 as if—
- (a) paragraph 18A (exemption: supply for use in recycling processes), and
 - (b) any reference to that paragraph,
- were omitted.
- (2) An order made under this section may apply—
- (a) generally, or
 - (b) only in relation to supplies of a description specified in the order.
- (3) Any revocation order made under this section may provide for the revocation to have effect in relation to supplies made on or after a day which is earlier than the day on which the revocation order is made.
- (4) In this section a “revocation order” is an order revoking the whole or any part of an order containing the provision mentioned in subsection (1).
- (5) The power to make an order under this section, other than a revocation order, may not be exercised after 31 March 2012.
- (6) The power to make an order under this section is exercisable by statutory instrument.
- (7) A statutory instrument containing an order under this section is subject to annulment in pursuance of a resolution of the House of Commons.
- (8) Any reference in this section to the time at which a supply of a taxable commodity is made is to be read as a reference to the time at which the taxable commodity is actually supplied.

Aggregates levy

81 Transitional tax credit

- (1) Section 30A of FA 2001 (transitional tax credit in Northern Ireland) is amended as follows.
- (2) For subsection (2) substitute—
 - “(2) The cases are those where a charge to aggregates levy has arisen on a quantity of aggregate which has been subjected to commercial exploitation during a prescribed period.”
- (3) Omit subsection (3).
- (4) In subsection (5), for paragraph (a) substitute—
 - “(a) for a person to be entitled to a tax credit under the regulations in respect of aggregate originating from a site in respect of which any person holds an aggregates levy credit certificate which has not been withdrawn;”.

Stamp duty land tax

82 Prevention of avoidance

Schedule 21 contains provision preventing avoidance of stamp duty land tax.

83 Transfers involving multiple dwellings

Schedule 22 contains provision about the amount of stamp duty land tax chargeable in respect of a transaction or set of transactions involving the acquisition of an interest in more than one dwelling.

Stamp duty reserve tax

84 Interests in collective investment schemes

- (1) Section 99 of FA 1986 (stamp duty reserve tax: interpretation) is amended as follows.
- (2) In subsection (5B)—
 - (a) in paragraph (b), for the words after “exempt investment” substitute “, unless subsection (5C) applies to the scheme;”, and
 - (b) omit the sentence after paragraph (d).
- (3) After subsection (5B) insert—
 - “(5C) This subsection applies to a collective investment scheme if more than 20% of the market value of the investments in which the property subject to the scheme is invested is attributable to investments which are not exempt investments for the purposes of subsection (5A)(b).
 - (5D) In subsections (5B) and (5C) “collective investment scheme” has the same meaning as in Part 17 of the Financial Services and Markets Act 2000.”

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- (4) This section comes into force on the first Sunday after the day on which this Act is passed.