



# Finance Act 2002

## 2002 CHAPTER 23

### PART 5

#### OTHER TAXES

##### *Aggregates levy*

#### **129 Aggregates levy: transitional relief for Northern Ireland**

(1) After section 30 of the Finance Act 2001 (c. 9) (credit for aggregates levy) insert—

##### **“30A Transitional tax credit in Northern Ireland**

- (1) The Commissioners may by regulations make provision of the kind described in section 30(2) above (entitlement to tax credit) in relation to cases where aggregate is used in Northern Ireland for a prescribed purpose—
- (a) on or after the commencement date, and
  - (b) before 1st April 2007.
- (2) In relation to the use of aggregate in the year ending with a date shown in the first column of the following table, the amount of any tax credit to which a person would otherwise be entitled by virtue of the regulations shall be reduced by the percentage of that amount shown opposite that date in the second column.

<i>Year ending</i>	<i>Reduction in tax credit</i>
31st March 2004	20%
31st March 2005	40%
31st March 2006	60%
31st March 2007	80%

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*Status: This is the original version (as it was originally enacted).*

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(3) Subsections (3) to (5) of section 30 above apply to regulations under this section as they apply to regulations under that section.”.

(2) In section 17(6) of that Act (certain tax credits to be disregarded in determining whether aggregate has already been charged to levy), in paragraph (a) after “section 30(1)(c)” insert “or 30A”.

### **130 Aggregates levy: amendments to provisions exempting spoil etc**

- (1) In section 17(3) of the Finance Act 2001 (c. 9) (aggregate that is exempt)—
- (a) in paragraph (e) (by-products of extracting china clay or ball clay), after “or other by-products” insert “, not including the overburden,”;
  - (b) after that paragraph insert—
    - “(f) it consists wholly of the spoil from any process by which—
      - (i) coal, lignite, slate or shale, or
      - (ii) a substance listed in section 18(3) below,
 has been separated from other rock after being extracted or won with that other rock;”.
- (2) Omit section 17(4)(b) of that Act (aggregate exempt if it consists, or is part of anything consisting, wholly or mainly of spoil from the separation of coal from other rock after extraction).
- (3) This section shall be deemed to have come into force on 1st April 2002.

### **131 Aggregates levy: crushing and cutting rock**

- (1) In section 17(3) of the Finance Act 2001 (exempt aggregate), omit paragraph (a) (exemption for rock that has not been subjected to an industrial crushing process).
- (2) In section 18(2)(a) of that Act (exemption for production of dimension stone), for “dimension stone” substitute “stone with one or more flat surfaces”.
- (3) The following amendments to that Act are consequential on that made by subsection (1)—
- (a) in section 20(1) (originating sites), omit—
    - (i) the words “and is not rock” in paragraphs (a) and (b), and
    - (ii) paragraph (c);
  - (b) in section 21 (operators of sites), omit subsection (2)(b);
  - (c) in section 24 (the register), omit subsections (6)(b) and (8)(a).
- (4) This section shall be deemed to have come into force on 1st April 2002.

### **132 Aggregates levy: miscellaneous amendments**

- (1) Schedule 38 to this Act, which makes amendments to provisions in Part 2 of the Finance Act 2001 (aggregates levy), has effect.
- (2) In section 197(2) of the Finance Act 1996 (c. 8) (enactments for which interest rates are set under section 197), in paragraph (h) (aggregates levy provisions) in sub-paragraph (ii) for “paragraph 8(3)(a)” substitute “paragraphs 6 and 8(3)(a)”.

(3) This section shall be deemed to have come into force on 1st April 2002.

### **133 Aggregates levy: amendments to provisions about civil penalties**

(1) Part 2 of Schedule 6 to the Finance Act 2001 (c. 9) (aggregates levy: civil penalties) is amended as follows.

(2) In sub-paragraph (1) of paragraph 7 (evasion)—

- (a) at the end of paragraph (a), insert “and”;
- (b) omit paragraph (b) (by virtue of which only registered persons or persons who are registrable, or would be but for an exemption, are liable to the penalty);
- (c) omit the words from “equal to the amount” to the end.

(3) After that sub-paragraph insert—

“(1A) The amount of the penalty shall be—

- (a) equal to the amount of the levy evaded, or (as the case may be) intended to be evaded, by the person’s conduct if at the time of engaging in that conduct he was or was required to be registered;
- (b) equal to twice that amount if at that time the person neither was nor was required to be registered.”.

(4) In sub-paragraphs (3) and (4) of paragraph 7, for “sub-paragraph (1)” substitute “sub-paragraph (1A)”.

(5) After paragraph 9 insert—

*“Incorrect records etc evidencing claim for tax credit*

9A (1) This paragraph applies where—

- (a) a claim is made for a tax credit in such a case as is mentioned in—
  - (i) section 30(1)(c) of this Act (aggregate used in a prescribed industrial or agricultural process), or
  - (ii) section 30A of this Act (transitional tax credit in Northern Ireland);
- (b) a record or other document is provided to the Commissioners as evidence for the claim; and
- (c) the record or document is incorrect.

(2) The person who provided the document to the Commissioners, and any person who provided it to anyone else with a view to its being used as evidence for a claim for a tax credit, shall be liable to a penalty.

(3) The amount of the penalty shall be equal to 105 per cent of the difference between—

- (a) the amount of tax credit that would have been due on the claim if the record or document had been correct, and
- (b) the amount (if any) of tax credit actually due on the claim.

(4) The providing of a record or other document shall not give rise to a penalty under this paragraph if the person who provided it satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for his having provided it.

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

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- (5) Where by reason of providing a record or other document—
- (a) a person is convicted of an offence (whether under this Act or otherwise), or
  - (b) a person is assessed to a penalty under paragraph 7 or 9 above, that person shall not by reason of the providing of the record or document be liable also to a penalty under this paragraph.”
- (6) This section shall be deemed to have come into force on 1st May 2002.