



# Finance (No. 3) Act 2010

## 2010 CHAPTER 33

### PART 2

#### OTHER TAXES AND DUTIES

##### *Value added tax*

#### **19 Non-business use of business assets etc**

Schedule 8 contains—

- (a) provision about input tax, and
- (b) provision about supplies under paragraph 5(4) of Schedule 4 to VATA 1994.

#### **20 Supplies of gas, heat or cooling**

(1) In section 9A of VATA 1994 (reverse charge on gas and electricity supplied by persons outside the United Kingdom)—

- (a) for subsection (5) substitute—

“(5) Relevant goods” means—

- (a) gas supplied through a natural gas system situated within the territory of a member State or any network connected to such a system,
  - (b) electricity, and
  - (c) heat or cooling supplied through a network.”, and
- (b) in the heading, for “**and electricity**” substitute “**, electricity, heat or cooling**”.

(2) In Schedule 4 to VATA 1994 (matters to be treated as supply of goods or services), in paragraph 3 after “refrigeration” insert “ or other cooling, ”.

(3) The amendments made by this section have effect in relation to supplies made on or after 1 January 2011.

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*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Part 2. (See end of Document for details)*

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## 21 Supplies of aircraft etc

- (1) Schedule 8 to VATA 1994 (zero-rating) is amended as follows.
- (2) In Note (A1) of Group 8 (transport: definition of “qualifying aircraft” etc), for paragraph (b) substitute—
  - “(b) a “qualifying aircraft” is any aircraft which —
    - (i) is used by an airline operating for reward chiefly on international routes, or
    - (ii) is used by a State institution and meets the condition in Note (B1).”
- (3) After that Note insert—
  - “(B1) The condition is that the aircraft—
    - (a) is of a weight of not less than 8,000 kilograms, and
    - (b) is neither designed nor adapted for use for recreation or pleasure.
  - (C1) In Note (A1)(b)—
    - “airline” means an undertaking which provides services for the carriage by air of passengers or cargo (or both);
    - “State institution” has the same meaning as in Part B of Annex X to the Council Directive [2006/112/EC](#) on the common system of value added tax (transactions which member States may continue to exempt).”
- (4) The amendments made by this section have effect in relation to supplies made, and acquisitions and importations taking place, on or after 1 January 2011.

## 22 Postal services etc

- (1) In Schedule 8 to VATA 1994 (zero-rating), in Group 8—
  - (a) in item 4 (transport of passengers), for “the Post Office company” substitute “a universal service provider”, and
  - (b) after Note (4D) insert—
    - “(4E) “Universal service provider” means a person who provides a universal postal service (within the meaning of the Postal Services Act 2000), or part of such a service, in the United Kingdom.”
- (2) In Schedule 9 to that Act (exemptions), for Group 3 (postal services) substitute—

### “GROUP 3 — POSTAL SERVICES

#### Item No

- |   |   |
|---|---|
| 1 | The supply of public postal services by a universal service provider.   |
| 2 | The supply of goods by a universal service provider which is incidental to the supply of public postal services by that provider. |

#### NOTES

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*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Part 2. (See end of Document for details)*

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- (1) “Universal service provider” means a person who provides a universal postal service, or part of such a service, in the United Kingdom.
- (2) Subject to the following Notes, “public postal services”, in relation to a universal service provider, means any postal services which the provider is required to provide in the discharge of a licence duty.
- (3) Public postal services include postal services which a universal service provider provides to allow a person access to the provider's postal facilities, where such services are provided pursuant to a licence duty.
- (4) Services are not “public postal services” if—
  - (a) the price is not controlled by or under a licence, or
  - (b) any of the other terms on which the services are provided are freely negotiated.
- (5) But Note (4) does not apply if a licence duty requires the universal service provider to make the services available to persons generally—
  - (a) where the price is not controlled by or under the licence, at the same price, or
  - (b) where terms are freely negotiated as mentioned in Note (4)(b), on those terms.
- (6) In this Group—
  - “licence” means a licence under Part 2 of the Postal Services Act 2000;
  - “licence duty” means a duty imposed as a condition of a licence;
  - “postal facilities”, in relation to a universal service provider, means the resources and systems deployed by the provider, for the purpose of discharging any licence duty to provide a universal postal service or part of such a service;
  - “postal services” and “universal postal service” have the same meaning as in the Postal Services Act 2000.”
- (3) The following provisions are omitted—
  - (a) in section 96(1) of VATA 1994, the definition of “the Post Office company”, and
  - (b) paragraph 22(3) and (4) of Schedule 8 to the Postal Services Act 2000.
- (4) The amendments made by this section have effect in relation to supplies made on or after 31 January 2011.

#### *Tobacco products duty*

### **23 Long cigarettes**

- (1) In section 4 of TPDA 1979 (calculation of duty on long cigarettes)—
  - (a) for “than 9 cm.” substitute “ than 8 cm. ”, and
  - (b) for “each 9 cm. or part thereof” substitute “ the first 8 cm. of it, each 3 cm. portion of the remainder of it (if any) and the remaining portion of it (if any) ”, and, in the heading, for “9 cm.” substitute “ 8 cm. ”.

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- (2) The amendments made by this section come into force on 1 January 2011.

*Landfill tax*

**24 Landfill tax: criteria for determining material to be subject to lower rate**

- (1) In section 42 of FA 1996 (amount of landfill tax), for subsection (4) substitute—
- “(4) The Treasury must—
- (a) set criteria to be considered in determining from time to time what material is to be listed,
  - (b) keep those criteria under review, and
  - (c) revise them whenever they consider they should be revised.
- (5) The Commissioners must publish the criteria (and any revised criteria) set by the Treasury.
- (6) In determining from time to time what material is to be listed, the Treasury must have regard to—
- (a) the criteria (or revised criteria) published under subsection (5), and
  - (b) any other factors they consider relevant.”
- (2) The amendment made by this section has effect in relation to disposals made, or treated as made, on or after 1 April 2011.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Part 2.