



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.

Status: This is the original version (as it was originally enacted).

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

1 Item No

The supply of public postal services by a universal service provider.

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

NOTES

NOTES

- (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)”,

Status: This is the original version (as it was originally enacted).

and, in the heading, for “9 cm.” substitute “8 cm.”.

(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.