



Finance Act 2014

2014 CHAPTER 26

PART 2

EXCISE DUTIES AND OTHER TAXES

Alcohol

76 Rates of alcoholic liquor duties

- (1) ALDA 1979 is amended as follows.
- (2) In section 36(1AA) (rates of general beer duty)—
 - (a) in paragraph (za) (rate of duty on lower strength beer), for “£9.17” substitute “£8.62”, and
 - (b) in paragraph (a), (standard rate of duty on beer), for “£19.12” substitute “£18.74”.
- (3) In section 37(4) (rate of high strength beer duty), for “£5.09” substitute “£5.29”.
- (4) In section 62(1A) (rates of duty on cider), in paragraph (a) (rate of duty per hectolitre on sparkling cider of a strength exceeding 5.5%), for “£258.23” substitute “£264.61”.
- (5) For Part 1 of the table in Schedule 1 substitute—

“PART 1

WINE OR MADE-WINE OF A STRENGTH NOT EXCEEDING 22%

<i>Description of wine or made-wine</i>	<i>Rates of duty per hectolitre £</i>
Wine or made-wine of a strength not exceeding 4%	84.21
Wine or made-wine of a strength exceeding 4% but not exceeding 5.5%	115.80

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Wine or made-wine of a strength exceeding 5.5% but not exceeding 15% and not being sparkling	273.31
Sparkling wine or sparkling made-wine of a strength exceeding 5.5% but less than 8.5%	264.61
Sparkling wine or sparkling made-wine of a strength of at least 8.5% but not exceeding 15%	350.07
Wine or made-wine of a strength exceeding 15% but not exceeding 22%	364.37”.

- (6) The amendments made by this section are treated as having come into force on 24 March 2014.

Tobacco

77 Rates of tobacco products duty

- (1) For the table in Schedule 1 to TPDA 1979 substitute—

“TABLE

1. Cigarettes	An amount equal to 16.5% of the retail price plus £184.10 per thousand cigarettes
2. Cigars	£229.65 per kilogram
3. Hand-rolling tobacco	£180.46 per kilogram
4. Other smoking tobacco and chewing tobacco	£100.96 per kilogram”.

- (2) The amendment made by this section is treated as having come into force at 6 pm on 19 March 2014.

Air passenger duty

78 Air passenger duty: rates of duty from 1 April 2014

- (1) Section 30 of FA 1994 (air passenger duty: rates of duty) is amended as follows.
- (2) In subsection (3)—
- (a) in paragraph (a), for “£67” substitute “ £69 ”, and
 - (b) in paragraph (b), for “£134” substitute “ £138 ”.
- (3) In subsection (4)—
- (a) in paragraph (a), for “£83” substitute “ £85 ”, and
 - (b) in paragraph (b), for “£166” substitute “ £170 ”.
- (4) In subsection (4A)—
- (a) in paragraph (a), for “£94” substitute “ £97 ”, and
 - (b) in paragraph (b), for “£188” substitute “ £194 ”.
- (5) The amendments made by this section have effect in relation to the carriage of passengers beginning on or after 1 April 2014.

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79 Air passenger duty: rates of duty from 1 April 2015

- (1) Chapter 4 of Part 1 of FA 1994 (air passenger duty) is amended in accordance with subsections (2) to (10).
- (2) Section 30 (rates of duty), as amended by section 78 of this Act, is amended as follows.
- (3) Omit subsections (3) and (4).
- (4) In subsection (4A)—
 - (a) in paragraph (a) for “£97” substitute “ £71 ”, and
 - (b) in paragraph (b) for “£194” substitute “ £142 ”.
- (5) In subsection (4E)—
 - (a) in paragraph (a) for “twice the rate in subsection (2)(b)” substitute “ six times the rate in subsection (2)(a) ”,
 - (b) after paragraph (a) insert “ and ”,
 - (c) omit paragraph (b),
 - (d) omit paragraph (c) and the “and” after it, and
 - (e) in paragraph (d) for “twice the rate in subsection (4A)(b)” substitute “ six times the rate in subsection (4A)(a) ”.
- (6) Section 30A (Northern Ireland long haul rates of duty) is amended as follows.
- (7) Omit subsections (2) to (4).
- (8) In subsection (5) for “If the passenger's journey ends at any other place” substitute “ Air passenger duty is chargeable on the carriage of the chargeable passenger at the rate determined as follows ”.
- (9) In subsection (5A)—
 - (a) omit paragraph (a),
 - (b) omit paragraph (b) and the “and” after it, and
 - (c) in paragraph (c)—
 - (i) omit the words from the beginning to “(5)(a) or (b),”,
 - (ii) after “instead” insert “ of the rate set for the purposes of subsection (5)(a) or (b) ”, and
 - (iii) in sub-paragraph (ii) for “twice the rate set for the purposes of subsection (5)(b)” substitute “ six times the rate set for the purposes of subsection (5)(a) ”.
- (10) In Schedule 5A (territories) omit Parts 2 and 3.
- (11) Accordingly, in section 1 of the Air Passenger Duty (Setting of Rate) Act (Northern Ireland) 2012 (setting of rate of air passenger duty)—
 - (a) in subsection (1)—
 - (i) omit “(3)(a) and (b), (4)(a) and (b),”, and
 - (ii) for “(5A)(a), (b) and (c)” substitute “ (5A)(c) ”, and
 - (b) omit subsections (2) to (5), (8) and (9).
- (12) The amendments made by this section have effect in relation to the carriage of passengers beginning on or after 1 April 2015.

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80 Air passenger duty: adjustments to Part 3 of Schedule 5A to FA 1994

- (1) In Part 3 of Schedule 5A to FA 1994 (air passenger duty: territories)—
- (a) omit “Ascension Island”, “Netherlands Antilles” and “Saint Helena”, and
 - (b) at the appropriate places insert— “ Bonaire ”, “ Curaçao ”, “ Saba ”, “ Saint Helena, Ascension and Tristan da Cunha ”, “ Sint Eustatius ”, and “ Sint Maarten ”.
- (2) The amendments made by this section have effect in relation to the carriage of passengers beginning on or after the day on which this Act is passed.

Vehicle excise duty

81 VED rates for light passenger vehicles, light goods vehicles, motorcycles etc

- (1) Schedule 1 to VERA 1994 (annual rates of duty) is amended as follows.
- (2) In paragraph 1 (general)—
- (a) in sub-paragraph (2) (vehicle not covered elsewhere in Schedule otherwise than with engine cylinder capacity not exceeding 1,549cc), for “£225” substitute “ £230 ”, and
 - (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£140” substitute “ £145 ”.
- (3) In paragraph 1B (graduated rates of duty for light passenger vehicles)—
- (a) for the tables substitute—

“TABLE 1

RATES PAYABLE ON FIRST VEHICLE LICENCE FOR VEHICLE

<i>CO₂ emissions figure</i>		<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>
130	140	120	130
140	150	135	145
150	165	170	180
165	175	280	290
175	185	335	345
185	200	475	485
200	225	625	635
225	255	850	860
255		1080	1090

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TABLE 2

RATES PAYABLE ON ANY OTHER VEHICLE LICENCE FOR VEHICLE

<i>CO₂ emissions figure</i>		<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>
100	110	10	20
110	120	20	30
120	130	100	110
130	140	120	130
140	150	135	145
150	165	170	180
165	175	195	205
175	185	215	225
185	200	255	265
200	225	275	285
225	255	475	485
255		490	500”;

(b) in the sentence immediately following the tables, for paragraphs (a) and (b) substitute—

“(a) in column (3), in the last two rows, “275” were substituted for “475” and “ 490 ”, and

(b) in column (4), in the last two rows, “285” were substituted for “485” and “ 500 ”.”

(4) In paragraph 1J (VED rates for light goods vehicles), in paragraph (a), for “£220” substitute “ £225 ”.

(5) In paragraph 2(1) (VED rates for motorcycles)—

(a) in paragraph (b), for “£37” substitute “ £38 ”,

(b) in paragraph (c), for “£57” substitute “ £58 ”, and

(c) in paragraph (d), for “£78” substitute “ £80 ”.

(6) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2014.

82 VED rates: rigid goods vehicle with trailers

(1) For paragraph 10 of Schedule 1 to VERA 1994 (supplement to annual rate of duty for rigid goods vehicle with trailer), substitute—

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- “10 (1) This paragraph applies to relevant rigid goods vehicles.
- (2) A “relevant rigid goods vehicle” is a rigid goods vehicle which—
- (a) has a revenue weight exceeding 11,999 kgs,
 - (b) is not a vehicle falling within paragraph 9(2), and
 - (c) is used for drawing a trailer which has a plated gross weight exceeding 4,000 kgs and when so drawn is used for the conveyance of goods or burden.
- (3) The annual rate of vehicle excise duty applicable to a relevant rigid goods vehicle is to be determined in accordance with the following tables by reference to—
- (a) whether or not the vehicle has road-friendly suspension,
 - (b) the number of axles on the vehicle,
 - (c) the appropriate HGV road user levy band for the vehicle (see column (1) in the tables),
 - (d) the plated gross weight of the trailer (see columns (2) and (3) in the tables), and
 - (e) the total of the revenue weight for the vehicle and the plated gross weight of the trailer (the “total weight”) (see columns (4) and (5) in the tables).
- (4) For the purposes of this paragraph a vehicle does not have road-friendly suspension if any driving axle of the vehicle has neither —
- (a) an air suspension (that is, a suspension system in which at least 75% of the spring effect is caused by an air spring), nor
 - (b) a suspension which is regarded as being equivalent to an air suspension for the purposes under Annex II of Council Directive [96/53/EC](#).
- (5) The “appropriate HGV road user levy band” in relation to a vehicle means the band into which the vehicle falls for the purposes of calculating the rate of HGV road user levy that is charged in respect of the vehicle (see Schedule 1 to the HGV Road User Levy Act 2013).
- (6) The tables are arranged as follows—
- (a) table 1 applies to relevant rigid goods vehicles with road-friendly suspension on which there are 2 axles;
 - (b) table 2 applies to relevant rigid goods vehicles with road-friendly suspension on which there are 3 axles;
 - (c) table 3 applies to relevant rigid goods vehicles with road-friendly suspension on which there are 4 or more axles;
 - (d) table 4 applies to relevant rigid goods vehicles which do not have road-friendly suspension and on which there are 2 axles;
 - (e) table 5 applies to relevant rigid goods vehicles which do not have road-friendly suspension and on which there are 3 axles;
 - (f) table 6 applies to relevant rigid goods vehicles which do not have road-friendly suspension and on which there are 4 or more axles.

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TABLE 1

VEHICLES WITH ROAD-FRIENDLY SUSPENSION AND 2 AXLES

<i>Appropriate HGV road user levy band</i>	<i>Plated gross weight of trailer</i>	<i>gross weight of</i>	<i>Total weight</i>		<i>Rate</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
	<i>Exceeding (kgs)</i>	<i>Not exceeding (kgs)</i>	<i>Exceeding (kgs)</i>	<i>Not exceeding (kgs)</i>	<i>£</i>
B(T)	4,000	12,000		27,000	230
B(T)	12,000			33,000	295
B(T)	12,000		33,000	36,000	401
B(T)	12,000		36,000	38,000	319
B(T)	12,000		38,000		444
D(T)	4,000	12,000		30,000	365
D(T)	12,000			38,000	430
D(T)	12,000		38,000		444

TABLE 2

VEHICLES WITH ROAD-FRIENDLY SUSPENSION AND 3 AXLES

<i>Appropriate HGV road user levy band</i>	<i>Plated gross weight of trailer</i>	<i>gross weight of</i>	<i>Total weight</i>		<i>Rate</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
	<i>Exceeding (kgs)</i>	<i>Not exceeding (kgs)</i>	<i>Exceeding (kgs)</i>	<i>Not exceeding (kgs)</i>	<i>£</i>
B(T)	4,000	12,000		33,000	230
B(T)	12,000			38,000	295
B(T)	12,000		38,000	40,000	392
B(T)	12,000		40,000		295
C(T)	4,000	12,000		35,000	305
C(T)	12,000			38,000	370
C(T)	12,000		38,000	40,000	392
C(T)	12,000		40,000		370

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D(T)	4,000	10,000		33,000	365
D(T)	4,000	10,000	33,000	36,000	401
D(T)	10,000	12,000		38,000	365
D(T)	12,000				430

TABLE 3

VEHICLES WITH ROAD-FRIENDLY
SUSPENSION AND 4 OR MORE AXLES

<i>Appropriate HGV road user levy band</i>	<i>Plated gross weight of trailer</i>	<i>gross weight of</i>	<i>Total weight</i>	<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	
	<i>Exceeding (kgs)</i>	<i>Not exceeding (kgs)</i>	<i>Exceeding (kgs)</i>	<i>Not exceeding (kgs)</i>	
				<i>£</i>	
B(T)	4,000	12,000		35,000	230
B(T)	12,000				295
C(T)	4,000	12,000		37,000	305
C(T)	12,000				370
D(T)	4,000	12,000		39,000	365
D(T)	12,000				430
E(T)	4,000	12,000			535
E(T)	12,000				600

TABLE 4

VEHICLES WITHOUT ROAD-FRIENDLY SUSPENSION WITH 2 AXLES

<i>Appropriate HGV road user levy band</i>	<i>Plated gross weight of trailer</i>	<i>gross weight of</i>	<i>Total weight</i>	<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	
	<i>Exceeding (kgs)</i>	<i>Not exceeding (kgs)</i>	<i>Exceeding (kgs)</i>	<i>Not exceeding (kgs)</i>	
				<i>£</i>	
B(T)	4,000	12,000		27,000	230
B(T)	12,000			31,000	295
B(T)	12,000		31,000	33,000	401

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B(T)	12,000		33,000	36,000	609
B(T)	12,000		36,000	38,000	444
B(T)	12,000		38,000		604
D(T)	4,000	12,000		30,000	365
D(T)	12,000			33,000	430
D(T)	12,000		33,000	36,000	609
D(T)	12,000		36,000	38,000	444
D(T)	12,000		38,000		604

TABLE 5

VEHICLES WITHOUT ROAD-FRIENDLY SUSPENSION WITH 3 AXLES

<i>Appropriate HGV road user levy band</i>	<i>Plated gross weight of trailer</i>	<i>gross weight of</i>	<i>Total weight</i>		<i>Rate</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
	<i>Exceeding (kgs)</i>	<i>Not exceeding (kgs)</i>	<i>Exceeding (kgs)</i>	<i>Not exceeding (kgs)</i>	<i>£</i>
B(T)	4,000	10,000		29,000	230
B(T)	4,000	10,000	29,000	31,000	289
B(T)	10,000	12,000		33,000	230
B(T)	12,000			36,000	295
B(T)	12,000		36,000	38,000	392
B(T)	12,000		38,000		542
C(T)	4,000	10,000		31,000	305
C(T)	4,000	10,000	31,000	33,000	401
C(T)	10,000	12,000		35,000	305
C(T)	12,000			36,000	370
C(T)	12,000		36,000	38,000	392
C(T)	12,000		38,000		542
D(T)	4,000	10,000		31,000	365
D(T)	4,000	10,000	31,000	33,000	401
D(T)	4,000	10,000	33,000	35,000	609
D(T)	10,000	12,000		36,000	365
D(T)	10,000	12,000	36,000	37,000	392

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D(T)	12,000		38,000	430
D(T)	12,000	38,000		542

TABLE 6

VEHICLES WITHOUT ROAD-FRIENDLY
SUSPENSION WITH 4 OR MORE AXLES

<i>Appropriate HGV road user levy band</i>	<i>Plated gross weight of trailer</i>	<i>gross weight of</i>	<i>Total weight</i>		<i>Rate</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
	<i>Exceeding (kgs)</i>	<i>Not exceeding (kgs)</i>	<i>Exceeding (kgs)</i>	<i>Not exceeding (kgs)</i>	<i>£</i>
B(T)	4,000	12,000		35,000	230
B(T)	12,000				295
C(T)	4,000	12,000		37,000	305
C(T)	12,000				370
D(T)	4,000	10,000		36,000	365
D(T)	4,000	10,000	36,000	37,000	444
D(T)	10,000	12,000		39,000	365
D(T)	12,000				430
E(T)	4,000	10,000		38,000	535
E(T)	4,000	10,000	38,000		604
E(T)	10,000	12,000			535

(7) The annual rate of vehicle excise duty for a relevant rigid goods vehicle which does not fall within any of tables 1 to 6 is £609.”

- (2) In paragraph 2(2) of Schedule 1 to the HGV Road User Levy Act 2013, for “within paragraph 10” substitute “ which is a relevant rigid goods vehicle within the meaning of paragraph 10 ”.
- (3) The amendment made by subsection (1) has effect in relation to licences taken out on or after 1 April 2014.
- (4) The amendment made by subsection (2) is treated as having come into force on 1 April 2014.

83 VED rates: use for exceptional loads, rigid goods vehicles and tractive units

- (1) Schedule 1 to VERA 1994 (annual rates of duty) is amended as follows.

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- (2) In paragraph 6(2A)(a) (vehicles used for exceptional loads which do not satisfy reduced pollution requirements), for “£2,585” substitute “ £1,585 ”.
- (3) In paragraph 9 (rigid goods vehicles which do not satisfy reduced pollution requirements), for the table in sub-paragraph (1) substitute—

<i>“Revenue weight of vehicle</i>		<i>Rate</i>		
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Two</i>	<i>axle</i>	<i>Three</i>
<i>kgs</i>	<i>kgs</i>	<i>vehicle</i>	<i>axle</i>	<i>axle</i>
		<i>£</i>	<i>£</i>	<i>£</i>
				<i>Four or more</i>
				<i>axle vehicle</i>
3,500	7,500	165	165	165
7,500	11,999	200	200	200
11,999	14,000	95	95	95
14,000	15,000	105	95	95
15,000	19,000	300	95	95
19,000	21,000	300	125	95
21,000	23,000	300	210	95
23,000	25,000	300	300	210
25,000	27,000	300	300	300
27,000	44,000	300	300	560”

- (4) In paragraph 9(3) (rigid goods vehicles over 44,000 kgs which do not satisfy the reduced pollution requirements), for “£2,585” substitute “ £1,585 ”.
- (5) For the italic heading immediately before paragraph 9 substitute “ *Rigid goods vehicles exceeding 3,500 kgs revenue weight* ”.
- (6) In paragraph 11(1) (tractive units which do not satisfy reduced pollution requirements)
-
- (a) for “table” substitute “ tables ”, and
- (b) for the table substitute—

“TABLE 1

TRACTIVE UNIT WITH TWO AXLES

<i>Revenue weight of vehicle</i>		<i>Rate</i>		
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
<i>Exceeding</i>	<i>Not</i>	<i>Any no of</i>	<i>2 or more</i>	<i>3 or more</i>
<i>kgs</i>	<i>exceeding</i>	<i>semi-trailer</i>	<i>semi-trailer</i>	<i>semi-trailer</i>
	<i>kgs</i>	<i>axles</i>	<i>axles</i>	<i>axles</i>
		<i>£</i>	<i>£</i>	<i>£</i>
3,500	11,999	165	165	165

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11,999	22,000	80	80	80
22,000	23,000	84	80	80
23,000	25,000	151	80	80
25,000	26,000	265	100	80
26,000	28,000	265	146	80
28,000	31,000	300	300	80
31,000	33,000	560	560	210
33,000	34,000	560	609	210
34,000	38,000	690	690	560
38,000	44,000	850	850	850

TABLE 2

TRACTIVE UNIT WITH THREE OR MORE AXLES

<i>Revenue weight of vehicle</i>		<i>Rate</i>		
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Any semi-trailer axles</i>	<i>no of 2 or more semi-trailer axles</i>	<i>of 3 or more semi-trailer axles</i>
<i>kgs</i>	<i>kgs</i>	<i>£</i>	<i>£</i>	<i>£</i>
3,500	11,999	165	165	165
11,999	25,000	80	80	80
25,000	26,000	100	80	80
26,000	28,000	146	80	80
28,000	29,000	210	80	80
29,000	31,000	289	80	80
31,000	33,000	560	210	80
33,000	34,000	609	300	80
34,000	36,000	609	300	210
36,000	38,000	690	560	300
38,000	44,000	850	850	560”

(7) In paragraph 11(3) (tractive units above 44,000 kgs which do not satisfy reduced pollution requirements), for “£2,585” substitute “ £1,585 ”.

(8) In paragraph 11C(2) (tractive units: special cases)—

- (a) omit “Subject to paragraph 11D,”, and
- (b) in paragraph (a), for “£650” substitute “ £10 ”.

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- (9) Omit paragraph 11D (vehicles without road friendly suspension) and the italic heading before it.
- (10) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2014.

84 VED: extension of old vehicles exemption from 1 April 2014

- (1) In Schedule 2 to VERA 1994 (exempt vehicles) in paragraph 1A(1) (exemption for old vehicles) for “1973” substitute “ 1974 ”.
- (2) The amendment made by subsection (1) is treated as having come into force on 1 April 2014.
- (3) While a vehicle licence is in force in respect of a vehicle which is an exempt vehicle by virtue of subsection (1)—
 - (a) nothing in that subsection has the effect that a nil licence is required to be in force in respect of the vehicle, but
 - (b) for the purposes of section 33 of VERA 1994 the vehicle is to be treated as one in respect of which vehicle excise duty is chargeable.

85 VED: extension of old vehicles exemption from 1 April 2015

- (1) In Schedule 2 to VERA 1994 (exempt vehicles) in paragraph 1A(1) (exemption for old vehicles) for “1974” (as substituted by section 84) substitute “ 1975 ”.
- (2) The amendment made by subsection (1) comes into force on 1 April 2015; but nothing in that subsection has the effect that a nil licence is required to be in force in respect of a vehicle while a vehicle licence is in force in respect of it.

86 Abolition of reduced VED rates for meeting reduced pollution requirements

Schedule 18 contains provision abolishing the reduced rates of vehicle excise duty for vehicles satisfying reduced pollution requirements.

87 Six month licence: tractive units

- (1) In section 3 of VERA 1994 (duration of licences), for subsection (2) substitute—
 - “(2) A vehicle licence may be taken out for a vehicle for a period of six months running from the beginning of the month in which the licence first has effect if—
 - (a) the annual rate of vehicle excise duty in respect of the vehicle exceeds £50, or
 - (b) the vehicle is one to which the annual rate of vehicle excise duty specified in paragraph 11C(2)(a) of Schedule 1 applies (tractive units: special cases).”
- (2) The amendment made by this section has effect in relation to licences taken out on or after 1 April 2014.

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88 Vehicles subject to HGV road user levy: amount of 6 month licence

- (1) Section 4 of VERA 1994 (amount of duty) is amended as follows.
- (2) In subsection (2), for “Where” substitute “ Subject to subsection (2A), where ”.
- (3) After subsection (2) insert—
 - “(2A) In the case of a vehicle which is charged to HGV road user levy, the reference in subsection (2) to fifty-five per cent is to be read as a reference to fifty per cent.”
- (4) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2014.

89 Payment of vehicle excise duty by direct debit

- (1) VERA 1994 is amended as follows.
- (2) In section 4 (amount of duty) for subsections (1) to (2A) substitute—
 - “(1) Where a vehicle licence for a vehicle of any description is taken out for a period of 12 months, vehicle excise duty is to be paid on the licence—
 - (a) at the annual rate of duty applicable to vehicles of that description, or
 - (b) if the duty is to be paid by more than one instalment pursuant to an agreement under section 19B, at a rate equal to 105% of that annual rate.
 - (2) Subject to subsection (2A), where a vehicle licence for a vehicle of any description is taken out for a period of 6 months, vehicle excise duty is to be paid on the licence—
 - (a) at a rate equal to 55% of the annual rate of duty applicable to vehicles of that description, or
 - (b) if the duty is to be paid by direct debit pursuant to an agreement under section 19B, at a rate equal to 52.5% of that annual rate.

(2A) In the case of a vehicle which is charged to HGV road user levy, the reference in subsection (2)(a) to 55% is to be read as a reference to 50%.”
- (3) In section 13 (trade licences: duration and amount of duty)—
 - (a) in subsection (3), after “calendar year” insert “ (“the applicable annual rate”) ”,
 - (b) after subsection (3) insert—
 - “(3A) Where a trade licence is taken out for a calendar year and the duty is to be paid by more than one instalment pursuant to an agreement under section 19B, the rate of duty is 105% of the applicable annual rate.”,
 - (c) for subsection (4) substitute—
 - “(4) The rate of duty applicable to a trade licence taken out for a period of 6 months is—
 - (a) 55% of the applicable annual rate for a corresponding trade licence taken out for a calendar year, or
 - (b) if the duty is to be paid by direct debit pursuant to an agreement under section 19B, 52.5% of that applicable annual rate.”,

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- (d) in subsection (5)(a), for “rate applicable to the” substitute “ applicable annual rate for a ”, and
 - (e) in subsection (6), for “subsection (4)” substitute “ subsection (3A), (4) ”.
- (4) In section 13 (trade licences: duration and amount of duty) as set out in paragraph 8(1) of Schedule 4 to VERA 1994 to have effect on and after a day appointed by order—
- (a) in subsection (4), after “twelve months” insert “ (“the applicable annual rate”) ”,
 - (b) after subsection (4) insert—

“(4A) Where a trade licence is taken out for a period of 12 months and the duty is to be paid by more than one instalment pursuant to an agreement under section 19B, the rate of duty is 105% of the applicable annual rate.”,
 - (c) for subsection (5) substitute—

“(5) The rate of duty applicable to a trade licence taken out for a period of 6 months is—

 - (a) 55% of the applicable annual rate for a corresponding trade licence taken out for 12 months, or
 - (b) if the duty is to be paid by direct debit pursuant to an agreement under section 19B, 52.5% of that applicable annual rate.”, and
 - (d) in subsection (6), for “subsection (5)” substitute “ subsection (4A) or (5) ”.
- (5) In section 19A (payment by cheque)—
- (a) in subsection (2)(b) omit “by post”, and
 - (b) in subsection (3)(b) and (d) omit “by post”.
- (6) In section 19B (issue of licences before payment of duty)—
- (a) after subsection (1) insert—

“(1A) An agreement to pay the duty payable on a vehicle licence or a trade licence may provide—

 - (a) for the duty to be paid by instalments,
 - (b) that if any of the rebate conditions in section 19(3) is satisfied in relation to the vehicle for which the licence was issued, the licence is to cease to be in force from the time specified in the agreement and any instalments falling due after that time are no longer to be due, and
 - (c) for any instalments falling due after a request under section 14(2) is received by the Secretary of State no longer to be due.”,
 - (b) in subsection (2)(c) omit “by post”,
 - (c) in subsection (3)(b) and (d) omit “by post”, and
 - (d) after subsection (3) insert—

“(4) But subsections (2) and (3) do not apply in a case where the agreement under subsection (1) provides for the duty payable to be paid by more than one instalment (and for this case see subsection (5)).
 - (5) In a case where—

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- (a) a vehicle licence or a trade licence is issued to a person in accordance with subsection (1),
- (b) the duty payable on the licence is not received by the Secretary of State in accordance with the agreement,
- (c) the agreement provides for the duty payable to be paid by more than one instalment,
- (d) the Secretary of State sends a notice to the person requiring the person to secure that the duty payable on the licence (both in respect of instalments which have fallen due and in respect of future instalments) is paid within the period specified in the notice,
- (e) the requirement in the notice is not complied with, and
- (f) the Secretary of State sends a further notice to the person informing that person that the licence is void from the time specified in the notice,

the licence is to be void from the time specified.”

(7) In section 35A (dishonoured cheques)—

- (a) in subsection (1)(a), for “or 19B(3)(d)” substitute “, 19B(3)(d) or 19B(5)(f)”,
- (b) after subsection (7) insert—

“(8) In a case where a notice is sent as mentioned in section 19B(5)(f) the amounts specified in subsections (2)(b) and (4) are to be calculated on the basis of the rate described in section 4(1)(b) or 13(3A) (whichever is relevant).”, and

- (c) in the heading, for “Dishonoured cheques” substitute “Failed payments”.

(8) In section 36 (dishonoured cheques: additional liability)—

- (a) after subsection (6) insert—

“(7) In a case where a notice is sent as mentioned in section 19B(5)(f) the amount specified in subsection (2) is to be calculated on the basis of the rate described in section 4(1)(b) or 13(3A) (whichever is relevant).”, and

- (b) in the heading, for “Dishonoured cheques” substitute “Failed payments”.

(9) In Schedule 4 (transitionals etc), after paragraph 8(3) insert—

“(4) In cases in which the provisions set out in sub-paragraph (1) have effect, sections 35A(8) and 36(7) are to be read as referring to section 13(4A) instead of section 13(3A).”

(10) The amendments made by this section come into force on 1 October 2014.

90 Definition of “revenue weight”

(1) VERA 1994 is amended as follows.

(2) In section 60A (revenue weight), in subsection (9)(b)—

- (a) for “at which” substitute “ which must not be equalled or exceeded in order for ”, and
- (b) for “may lawfully” substitute “ to lawfully ”.

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- (3) In section 61 (vehicle weights)—
- (a) in subsection (1)(b), after “not be” insert “equalled or”, and
 - (b) in subsection (2), after “not be” insert “equalled or”.
- (4) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2014.

91 Vehicle excise and registration: other provisions

Schedule 19 contains other provisions relating to vehicle excise and registration.

HGV road user levy

92 HGV road user levy: rates tables

- (1) Schedule 1 to the HGV Road User Levy Act 2013 (rates of HGV road user levy) is amended as follows.
- (2) In paragraph 4, for “is Band G” substitute “is—
- (a) Band E(T), in the case of a rigid goods vehicle which is a relevant rigid goods vehicle within the meaning of paragraph 10 of Schedule 1 to the 1994 Act (rigid goods vehicles used for drawing trailers of more than 4,000 kilograms), and
 - (b) Band G, in all other cases.”
- (3) For Tables 2 to 5 substitute—

“TABLE 2: RIGID GOODS VEHICLE

<i>Revenue weight of vehicle</i>		<i>2 axle vehicle</i>	<i>3 axle vehicle</i>	<i>4 or more axle vehicle</i>
<i>More than</i>	<i>Not more than</i>			
<i>kgs</i>	<i>kgs</i>	<i>Band</i>	<i>Band</i>	<i>Band</i>
11,999	15,000	B	B	B
15,000	21,000	D	B	B
21,000	23,000	D	C	B
23,000	25,000	D	D	C
25,000	27,000	D	D	D
27,000	44,000	D	D	E

TABLE 3: RIGID GOODS VEHICLE WITH TRAILER OVER 4,000 KGS

<i>Revenue weight of vehicle</i>		<i>2 axle vehicle</i>	<i>3 axle vehicle</i>	<i>4 or more axle vehicle</i>
<i>More than</i>	<i>Not more than</i>			
<i>kgs</i>	<i>kgs</i>	<i>Band</i>	<i>Band</i>	<i>Band</i>

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11,999	15,000	B(T)	B(T)	B(T)
15,000	21,000	D(T)	B(T)	B(T)
21,000	23,000	E(T)	C(T)	B(T)
23,000	25,000	E(T)	D(T)	C(T)
25,000	27,000	E(T)	D(T)	D(T)
27,000	44,000	E(T)	E(T)	E(T)

TABLE 4: TRACTIVE UNITS WITH TWO AXLES

<i>Revenue weight of tractive vehicle</i>		<i>Any no of semi-trailer axles</i>	<i>2 or more semi-trailer axles</i>	<i>3 or more semi-trailer axles</i>
<i>More than</i>	<i>Not more than</i>			
<i>kgs</i>	<i>kgs</i>	<i>Band</i>	<i>Band</i>	<i>Band</i>
11,999	25,000	A	A	A
25,000	28,000	C	A	A
28,000	31,000	D	D	A
31,000	34,000	E	E	C
34,000	38,000	F	F	E
38,000	44,000	G	G	G

TABLE 5: TRACTIVE UNIT WITH THREE OR MORE AXLES

<i>Revenue weight of tractive vehicle</i>		<i>Any no of semi-trailer axles</i>	<i>2 or more semi-trailer axles</i>	<i>3 or more semi-trailer axles</i>
<i>More than</i>	<i>Not more than</i>			
<i>kgs</i>	<i>kgs</i>	<i>Band</i>	<i>Band</i>	<i>Band</i>
11,999	28,000	A	A	A
28,000	31,000	C	A	A
31,000	33,000	E	C	A
33,000	34,000	E	D	A
34,000	36,000	E	D	C
36,000	38,000	F	E	D
38,000	44,000	G	G	E''

(4) The amendments made by this section are treated as having come into force on 1 April 2014.

93 HGV road user levy: disclosure of information by HMRC

(1) After section 14 of the HGV Road User Levy Act 2013 insert—

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“14A Disclosure of information by Revenue and Customs

- (1) Information which is held as mentioned in section 18(1) of the Commissioners for Revenue and Customs Act 2005 (confidentiality) may be disclosed by or with the authority of the Commissioners for Her Majesty's Revenue and Customs to—
 - (a) the Secretary of State, or
 - (b) a person providing services to the Secretary of State,for the purpose of enabling or assisting the exercise of any of the Secretary of State's functions under or by virtue of this Act.
 - (2) Information disclosed in accordance with subsection (1) may not be further disclosed except—
 - (a) to any other person to whom it could have been disclosed in accordance with that subsection, or
 - (b) with the consent of the Commissioners for Her Majesty's Revenue and Customs (which may be general or specific).
 - (3) If, in contravention of subsection (2), any revenue and customs information relating to a person is disclosed and the identity of the person—
 - (a) is specified in the disclosure, or
 - (b) can be deduced from it,section 19 of the Commissioners for Revenue and Customs Act 2005 (offence of wrongful disclosure) applies as it applies in relation to a disclosure of such information in contravention of section 20(9) of that Act.
 - (4) In subsection (3) “revenue and customs information relating to a person” has the meaning given by section 19(2) of the Commissioners for Revenue and Customs Act 2005.
 - (5) Nothing in this section authorises the making of a disclosure which contravenes the Data Protection Act 1998.”
- (2) In regulation 2 of the HGV Road User Levy (HMRC Information Gateway) Regulations 2013 (S.I. 2013/3186), omit paragraphs (1) and (2).

Aggregates levy

94 Aggregates levy: removal of certain exemptions

- (1) FA 2001 is amended as follows.
- (2) Section 17 (meaning of “aggregate” and “taxable aggregate”) is amended as follows.
- (3) In subsection (3)—
 - (a) after paragraph (da) insert—
 - “(db) it consists wholly of the spoil or waste from, or other by-products of—
 - (i) any industrial combustion process, or
 - (ii) the smelting or refining of metal;” and
 - (b) omit paragraphs (e) and (f).

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- (4) In subsection (4), omit—
- (a) paragraphs (a) and (c), and
 - (b) in paragraph (f), “clay”.
- (5) Section 18 (exempt processes) is amended as follows.
- (6) In subsection (1)—
- (a) in paragraph (a), for the words from “references” to “but” substitute “references to—
 - (i) the spoil, waste, off-cuts and other by-products resulting from the application of any exempt process to any aggregate, and
 - (ii) any relevant substance extracted or otherwise separated as a result of the application of any exempt process within subsection (2)(b) to any aggregate; but”, and
 - (b) in paragraph (b), for “such” substitute “ exempt ”.
- (7) In subsection (2), after paragraph (c) insert—
- “(d) the use of clay or shale in the production of ceramic construction products;
 - (e) the use of gypsum or anhydrite in the production of plaster, plasterboard or related products.”
- (8) Section 19 (commercial exploitation) is amended as follows.
- (9) In subsection (1), after “aggregate” insert “ not falling within subsection (1B) ”.
- (10) After that subsection insert—
- “(1A) For the purposes of this Part a quantity of aggregate falling within subsection (1B) is subjected to exploitation if, and only if—
- (a) it is removed from a site falling within subsection (2) in a case where the person removing it intends that it should be used (by any person) for construction purposes;
 - (b) it becomes subject to an agreement to supply it to a person who intends that it should be used (by any person) for construction purposes;
 - (c) it is used for construction purposes; or
 - (d) it is mixed, otherwise than in permitted circumstances, with any material other than water for the purpose of its use for construction purposes.
- (1B) A quantity of aggregate falls within this subsection if—
- (a) it consists wholly of a relevant substance listed in section 18(3) which results from the application to any aggregate of an exempt process within section 18(2)(b);
 - (b) it consists mainly of the spoil or waste from, or other by-products of—
 - (i) any industrial combustion process, or
 - (ii) the smelting or refining of metal; or
 - (c) it consists wholly or mainly of clay, coal, lignite, slate or shale.”
- (11) In section 22 (responsibility for exploitation of aggregate), in subsection (1) for paragraphs (c) and (d) substitute—

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- “(c) in the case of the exploitation of a quantity of aggregate not falling within section 19(1B) by its being subjected, at a time when it is not on its originating site or a connected site, to any agreement, the person agreeing to supply it;
 - (ca) in the case of the exploitation of a quantity of aggregate falling within section 19(1B) by its being subjected, at a time when it is not on its originating site or a connected site, to any agreement, the person agreeing to supply it and the person to whom it is agreed to be supplied;
 - (cb) in the case of the exploitation of a quantity of aggregate by its being used, at a time when it is not on its originating site or a connected site, for construction purposes, the person using it for construction purposes;
 - (cc) in the case of the exploitation of a quantity of aggregate not falling within section 19(1B) by its being subjected, at a time when it is on its originating site or a connected site, to any agreement, the person mentioned in paragraph (c) and (if different) the operator of that site;
 - (cd) in the case of the exploitation of a quantity of aggregate falling within section 19(1B) by its being subjected, at a time when it is on its originating site or a connected site, to any agreement, the persons mentioned in paragraph (ca) and (if different) the operator of that site;
 - (ce) in the case of the exploitation of a quantity of aggregate by its being used, at a time when it is on its originating site or a connected site, for construction purposes, the person mentioned in paragraph (cb) and (if different) the operator of that site;”.
- (12) The amendments made by subsections (1) to (11) are treated as having come into force on 1 April 2014.

95 Aggregates levy: power to restore exemptions

- (1) The Treasury may by order provide that Part 2 of FA 2001 (the aggregates levy) is to have effect subject to such amendments as the Treasury consider necessary to secure that any of the exemptions that are removed as a result of the amendments made by section 94 is to any extent restored.
- (2) An order under this section—
 - (a) may provide for the restoration of an exemption to have effect in relation to commercial exploitation to which a quantity of aggregate is subjected on or after a day which is earlier than the day on which the order is made;
 - (b) may make such supplementary, incidental, consequential or transitional provision as the Treasury think fit.
- (3) An order under this section is to be made by statutory instrument.
- (4) A statutory instrument containing an order under this section is subject to annulment in pursuance of a resolution of the House of Commons.

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Climate change levy

96 Climate change levy: main rates for 2015-16

- (1) In paragraph 42(1) of Schedule 6 to FA 2000 (climate change levy: amount payable by way of levy) for the table substitute—

“TABLE

<i>Taxable commodity supplied</i>	<i>Rate at which levy payable if supply is not a reduced-rate supply</i>
Electricity	£0.00554 per kilowatt hour
Gas supplied by a gas utility or any gas supplied in a gaseous state that is of a kind supplied by a gas utility	£0.00193 per kilowatt hour
Any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state	£0.01240 per kilogram
Any other taxable commodity	£0.01512 per kilogram”

- (2) The amendment made by this section has effect in relation to supplies treated as taking place on or after 1 April 2015.

97 Climate change levy: carbon price support rates for 2014-15 and 2015-16

- (1) Paragraph 42A of Schedule 6 to FA 2000 (climate change levy: carbon price support rates) is amended as follows.
- (2) In the table in sub-paragraph (3), as substituted by paragraph 23 of Schedule 42 to FA 2013, for “ £0.85489 per gigajoule ” substitute “£0.81906 per gigajoule”.
- (3) The amendment made by subsection (2) has effect in relation to supplies treated as taking place on or after 1 April 2014.
- (4) In the table in sub-paragraph (3), as substituted by paragraph 24 of Schedule 42 to FA 2013, for “ £1.62534 per gigajoule ” substitute “£1.56860 per gigajoule”.
- (5) The amendment made by subsection (4) has effect in relation to supplies treated as taking place on or after 1 April 2015.

98 Climate change levy: carbon price support rates for 2016-17

- (1) In paragraph 42A of Schedule 6 to FA 2000 (climate change levy: carbon price support rates) for sub-paragraph (3) substitute—

“(3) The carbon price support rates are as follows.

<i>Carbon price support rate commodity</i>	<i>Carbon price support rate</i>
Any gas in a gaseous state that is of a kind supplied by a gas utility	£0.00331 per kilowatt hour

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Any petroleum gas, or other gaseous hydrocarbon, in a liquid state £0.05280 per kilogram

Any commodity falling within paragraph 3(1)(d) to (f) £1.54790 per gigajoule”

-
- (2) The amendment made by this section has effect in relation to supplies treated as taking place on or after 1 April 2016.

99 Climate change levy: exemptions: mineralogical & metallurgical processes etc

Schedule 20 makes provision in relation to climate change levy.

Landfill tax

100 Rates of landfill tax

- (1) Section 42 of FA 1996 (amount of landfill tax) is amended as follows.
- (2) In subsection (1)(a) (standard rate), for “£80” substitute “ £82.60 ”.
- (3) In subsection (2) (reduced rate for disposal of qualifying material)—
- (a) for “£80” substitute “ £82.60 ”, and
 - (b) for “£2.50” substitute “ £2.60 ”.
- (4) The amendments made by this section have effect in relation to disposals made (or treated as made) on or after 1 April 2015.

Excise and customs duties: general

101 Goods carried as stores

Schedule 21 contains provision about goods shipped or carried as stores on ships or aircraft.

102 Penalties under section 26 of FA 2003: extension to excise duty

- (1) In this section—
- “dutiable excise goods” means goods of a class or description subject to any duty of excise, whether or not those goods are in fact chargeable with that duty, and whether or not that duty has been paid on the goods;
- “relevant excise rule” means any duty, obligation, requirement or condition imposed by section 78 of CEMA 1979 (customs and excise control of persons entering or leaving the United Kingdom), so far as that section relates to—
- (a) dutiable excise goods a person has obtained outside the United Kingdom, or
 - (b) dutiable excise goods a person has obtained in the United Kingdom without payment of excise duty,
- and in respect of which the person is not entitled to exemption from excise duty by virtue of any order under section 13 of the Customs and Excise Duties (General Reliefs) Act 1979 (personal reliefs).

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- (2) Sections 26 and 27 and 29 to 41 of FA 2003 (taxes and duties on importation and exportation: penalties) apply in relation to excise duty as they apply in relation to a relevant tax or duty (as defined by section 24(2) of that Act) except that, for this purpose, “relevant rule” in sections 26 and 33 means a relevant excise rule.

Value added tax

103 VAT: special schemes

Schedule 22 contains provision about the supply of electronic services, broadcasting services and telecommunication services.

104 VAT: place of belonging

- (1) Section 9 of VATA 1994 (place where supplier or recipient of services belongs) is amended as follows.
- (2) In subsection (3)(c), after “usual place of residence” insert “ or permanent address ”.
- (3) In subsection (5), for the words from “belonging” to the end substitute “belonging—
- (a) in the country in which the person's usual place of residence or permanent address is (except in the case of a body corporate or other legal person);
 - (b) in the case of a body corporate or other legal person, in the country in which the place where it is established is.”
- (4) For subsection (6) substitute—
- “(6) The reference in subsection (5)(b) to the place where a body corporate or other legal person “is established” is to be read in accordance with Article 13a of Implementing [Regulation \(EU\) No 282/2011](#) (which is inserted by Council Implementing [Regulation \(EU\) No 1042/2013](#)).”
- (5) The amendments made by this section have effect in relation to supplies made on or after 1 January 2015.

105 VAT: place of supply orders: disapplication of transitional provision

- (1) Section 97A of VATA 1994 (place of supply orders: transitional provision) is to be ignored for the purpose of giving effect to any new order under section 7A(6) of that Act which—
- (a) is expressed as having effect in relation to supplies made on or after 1 January 2015, and
 - (b) makes provision about the place of supply of electronically supplied services, telecommunication services and radio and television broadcasting services.
- (2) In subsection (1) “new order” means an order made on or after the day on which this Act is passed.
- (3) Subsection (1) applies only so far as the order makes provision about supplies to which Article 2 of Council Implementing [Regulation \(EU\) No 1042/2013](#) (transitional provision for changes in the law affecting electronically supplied, telecommunication and radio and television broadcasting services) applies.

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106 VAT: supply of services through agents

- (1) Section 47 of VATA 1994 (agents) is amended as follows.
- (2) In subsection (3), after “services” insert “, other than electronically supplied services and telecommunication services,”.
- (3) After subsection (3) insert—
 - “(4) Where electronically supplied services or telecommunication services are supplied through an agent, the supply is to be treated both as a supply to the agent and as a supply by the agent.
 - (5) For the purposes of subsection (4) “agent” means a person (“A”) who acts in A's own name but on behalf of another person within the meaning of Article 28 of Council Directive [2006/112/EC](#) on the common system of value added tax.
 - (6) In this section “electronically supplied services” and “telecommunication services” have the same meaning as in Schedule 4A (see paragraph 9(3) and (4) and paragraph 8(2) of that Schedule).”
- (4) The amendments made by this section have effect in relation to supplies made on or after 1 January 2015.

107 VAT: refunds to health service bodies

- (1) In section 41(7) of VATA 1994 (application to the Crown: list of bodies regarded as Government departments) after “Excellence” insert “, Health Education England (established by the Care Act 2014), and the Health Research Authority (also established by that Act),”.
- (2) In section 41(7) of VATA 1994 as amended by subsection (1)—
 - (a) for “above,” substitute “—
 - (a)”,
 - (b) “for the “and” after “1990,” substitute—
 - (b)”,
 - (c) after “1978” insert “,
 - (c)”,
 - (d) for the “and” after “foundation trust” substitute “,
 - (d)”,
 - (e) for the “and” after “Care Trust” substitute “,
 - (e)”,
 - (f) for the “and” after “Health Board” substitute “,
 - (f)”,
 - (g) after “group,” insert—
 - “(g)”,
 - (h) after “Centre,” insert—
 - “(h)”,
 - (i) for the “and” after “Commissioning Board” substitute “,
 - (i)”,
 - (j) before “Health Education England” insert—
 - “(j)”,

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- (k) before “the Health Research Authority” insert—
“**(k)**”,
- (l) the words from “shall be regarded” to the end are to follow, rather than form part of, the paragraph (k) so formed, and
- (m) in those words, for “shall” substitute “ are each to ”.

108 VAT: prompt payment discounts

- (1) In Part 2 of Schedule 6 to VATA 1994 (valuation: special cases), for paragraph 4 (prompt payment discounts), substitute—

- “4 (1) Sub-paragraph (2) applies where—
- (a) goods or services are supplied for a consideration which is a price in money,
 - (b) the terms on which those goods or services are so supplied allow a discount for prompt payment of that price,
 - (c) payment of that price is not made by instalments, and
 - (d) payment of that price is made in accordance with those terms so that the discount is realised in relation to that payment.

(2) For the purposes of section 19 (value of supply of goods or services) the consideration is the discounted price paid.”

- (2) The amendment made by this section has effect in relation to relevant supplies made on or after 1 May 2014.
- (3) The Treasury may by order made by statutory instrument provide that the amendment has effect in relation to supplies of a description specified in the order made on or after a date so specified (being a date before 1 April 2015).
- (4) Subject to that, the amendment has effect in relation to supplies made on or after 1 April 2015.

- (5) In this section—

“relevant supply” means a supply of radio or television broadcasting services or telecommunication services made by a taxable person who is not required by or under any enactment to provide a VAT invoice to the person supplied;

“telecommunication services” has the same meaning as in paragraph 8(2) of Schedule 4A to VATA 1994.

Stamp duty land tax and annual tax on enveloped dwellings

109 ATED: reduction in threshold from 1 April 2015

- (1) Part 3 of FA 2013 (annual tax on enveloped dwellings) is amended as follows.
- (2) In section 94(2)(a) (charge to tax), for “£2 million” substitute “ £1 million ”.
- (3) In section 99 (amount of tax chargeable), in the table in subsection (4), before the first entry insert—

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- (3) In consequence of the amendment made by subsection (2), in the following provisions, for “£2,000,000” substitute “ £500,000 ”
- (a) paragraph 4(1)(c);
 - (b) paragraph 6(2);
 - (c) paragraph 6(3)(b).
- (4) The amendments made by this section have effect in relation to any chargeable transaction of which the effective date is on or after 20 March 2014.
- (5) But the amendments do not have effect in relation to a transaction—
- (a) effected in pursuance of a contract entered into and substantially performed before 20 March 2014,
 - (b) effected in pursuance of a contract entered into before that date and not excluded by subsection (6), or
 - (c) excepted by subsection (7).
- (6) A transaction effected in pursuance of a contract entered into before 20 March 2014 is excluded by this subsection if—
- (a) there is any variation of the contract, or assignment (or assignation) of rights under the contract, on or after 20 March 2014,
 - (b) the transaction is effected in consequence of the exercise on or after that date of any option, right of pre-emption or similar right, or
 - (c) on or after that date there is an assignment (or assignation), subsale or other transaction relating to the whole or part of the subject-matter of the contract as a result of which a person other than the purchaser under the contract becomes entitled to call for a conveyance.
- (7) A transaction treated as occurring under paragraph 17(2) or 17A(4) of Schedule 15 to FA 2003 (partnerships) is excepted by this subsection if the effective date of the land transfer referred to in sub-paragraph (1)(a) of the paragraph concerned is before 20 March 2014.

112 SDLT: exercise of collective rights by tenants of flats

- (1) In section 74 of FA 2003 (exercise of collective rights by tenants of flats), in subsection (1A) for “£2,000,000”, in each place it occurs, substitute “ £500,000 ”.
- (2) The amendments made by this section have effect in relation to any chargeable transaction of which the effective date is on or after 1 July 2014.
- (3) But the amendments do not have effect in relation to a transaction—
- (a) effected in pursuance of a contract entered into and substantially performed before 20 March 2014, or
 - (b) effected in pursuance of a contract entered into before that date and not excluded by subsection (4).
- (4) A transaction effected in pursuance of a contract entered into before 20 March 2014 is excluded by this subsection if—
- (a) there is any variation of the contract, or assignment (or assignation) of rights under the contract, on or after 20 March 2014,
 - (b) the transaction is effected in consequence of the exercise on or after that date of any option, right of pre-emption or similar right, or

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- (c) on or after that date there is an assignment (or assignation), subsale or other transaction relating to the whole or part of the subject-matter of the contract as a result of which a person other than the purchaser under the contract becomes entitled to call for a conveyance.

113 SDLT: charities relief

Schedule 23 amends Schedule 8 to FA 2003 (stamp duty land tax: charities relief).

Stamp duty reserve tax and stamp duty

114 Abolition of SDRT on certain dealings in collective investment schemes

- (1) Part 2 of Schedule 19 to FA 1999 (which provides for a charge to stamp duty reserve tax on certain dealings with units in unit trusts) is omitted.
- (2) In section 90(1B) of FA 1986 (exception to charge to stamp duty reserve tax on certain agreements to transfer property from a unit trust)—
 - (a) after “unit trust scheme” insert “ if the unit holder is to receive only such part of each description of asset in the trust property as is proportionate to, or as nearly as practicable proportionate to, the unit holder's share. ”, and
 - (b) for the second sentence substitute “For these purposes there is a surrender of a unit where—
 - “(a) a person (“P”) authorises or requires the trustees or managers of a unit trust scheme to treat P as no longer interested in a unit under the scheme, or
 - (b) a unit under the unit trust scheme is transferred to the managers of the scheme,and the unit is a chargeable security. ”
- (3) Accordingly—
 - (a) in FA 1999, in section 123(3), for “Parts I to III” substitute “ Parts I and III ”,
 - (b) in FA 2001, omit sections 93 and 94,
 - (c) in FA 2004, in Schedule 35, omit paragraph 46 and the italic heading before that paragraph,
 - (d) in FA 2005, omit section 97(3), (4) and (6), and
 - (e) in FA 2010, in Schedule 6, omit paragraph 15(2).
- (4) The amendments made by this section have effect in relation to surrenders made or effected on or after 30 March 2014.
- (5) Provision made by regulations under section 98 of FA 1986, section 152 of FA 1995 or section 17 of F(No.2)A 2005 in connection with the coming into force of this section may be made so as to have effect in relation to surrenders made or effected on or after 30 March 2014 (even if the regulations are made after that date).
- (6) In subsections (4) and (5) a reference to surrenders is to be read in accordance with paragraph 2 of Schedule 19 to FA 1999.

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115 Abolition of stamp duty and SDRT: securities on recognised growth markets

Schedule 24 contains provision abolishing stamp duty and stamp duty reserve tax on instruments and transfers of securities traded on recognised growth markets.

116 Temporary statutory effect of House of Commons resolution

- (1) Section 50 of FA 1973 (temporary statutory effect of House of Commons resolution affecting stamp duties) is amended as follows.
- (2) In subsection (2), for paragraph (c) (and the “and” after it) substitute—
 - “(c) the dissolution of Parliament;
 - (ca) the prorogation of Parliament in a case where subsection (2B) does not apply; and”.
- (3) In that subsection, in paragraph (d), for “six” substitute “ seven ”.
- (4) After that subsection insert—

“(2A) Subsection (2B) applies where Parliament is prorogued at the end of a session if—

 - (a) during the session a Bill containing provisions to the same effect as the resolution is read a second time by the House or a Bill is amended (whether by the House or a Committee of the House or a Public Bill Committee) so as to include such provisions,
 - (b) the Standing Orders or Sessional Orders of the House provide, or during the session the House orders, that proceedings on the Bill not completed before the end of the session shall be resumed in the next session, and
 - (c) proceedings on the Bill are not completed during the session.

(2B) A resolution shall cease to have statutory effect under this section if, during the period of thirty sitting days beginning with the first sitting day of the next session, no Bill containing provisions to the same effect as the resolution is presented to the House.

(2C) In subsection (2B) “sitting day” means a day on which the House sits.

(2D) Where a Bill is amended as mentioned in subsection (2A)(a), it does not matter for the purposes of subsection (2A)(b) if the House orders as mentioned in subsection (2A)(b) before the amendment to the Bill is made.”

Inheritance tax

117 Inheritance tax

Schedule 25 contains provision about inheritance tax.

Estate duty

118 Gifts to the nation: estate duty

- (1) In Schedule 14 to FA 2012 (gifts to the nation), before paragraph 33 insert—

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- “32A (1) This paragraph applies where a person (“the donor”) makes a qualifying gift of an object in circumstances where, had the donor instead sold the object to an individual at market value, a charge to estate duty would have arisen under section 40 of FA 1930 on the proceeds of sale.
- (2) At the time when the gift is made, estate duty becomes chargeable under that section as if the gift were such a sale (subject to any limitation imposed by paragraph 33(2)).
- (3) In the application of this paragraph to Northern Ireland, the references to section 40 of FA 1930 are to be read as references to section 2 of the Finance Act (Northern Ireland) 1931.”
- (2) Subsection (3) applies where a person (“the donor”) has, before the day on which this Act is passed, made a qualifying gift of an object in circumstances where, had the donor instead sold the object to an individual at market value, a charge to estate duty would have arisen under section 40 of FA 1930 on the proceeds of sale.
- (3) No liability to estate duty under section 40 of FA 1930 arises in respect of the object on or after the day on which this Act is passed.
- (4) In subsection (2) “qualifying gift” has the same meaning as in Schedule 14 to FA 2012.
- (5) In the application of subsections (2) and (3) to Northern Ireland, the references to section 40 of FA 1930 are to be read as references to section 2 of the Finance Act (Northern Ireland) 1931.

Bank levy

119 Bank levy: rates from 1 January 2014

- (1) Schedule 19 to FA 2011 (bank levy) is amended as follows.
- (2) In paragraph 6 (steps for determining the amount of the bank levy), in sub-paragraph (2)—
- (a) for “0.065%” substitute “ 0.078% ”, and
- (b) for “0.130%” substitute “ 0.156% ”.
- (3) In paragraph 7 (special provision for chargeable periods falling wholly or partly before 1 January 2013)—
- (a) in sub-paragraph (1) for “2013” substitute “ 2014 ”,
- (b) in sub-paragraph (2), in the first column of the table in the substituted Step 7, for “ Any time on or after 1 January 2013 ” substitute “1 January 2013 to 31 December 2013”, and
- (c) at the end of that table add—

“Any time on or after 1 January 2014	0.078%”	0.156%”;
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and in the italic heading immediately before paragraph 7, for “2013” substitute “ 2014 ”.

- (4) Section 203 of FA 2013 (bank levy rates from 1 January 2014) is repealed.

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- (5) The amendments made by subsections (2) to (4) are treated as having come into force on 1 January 2014 (and accordingly the section repealed by subsection (4) is treated as never having come into force).
- (6) Subsections (7) to (13) apply where—
- (a) an amount of the bank levy is treated as if it were an amount of corporation tax chargeable on an entity (“E”) for an accounting period of E,
 - (b) the chargeable period in respect of which the amount of the bank levy is charged falls (or partly falls) on or after 1 January 2014, and
 - (c) under the Instalment Payment Regulations, one or more instalment payments, in respect of the total liability of E for the accounting period, were treated as becoming due and payable before the commencement date (“pre-commencement instalment payments”).
- (7) Subsections (1) to (5) are to be ignored for the purpose of determining the amount of any pre-commencement instalment payment.
- (8) If there is at least one instalment payment, in respect of the total liability of E for the accounting period, which under the Instalment Payment Regulations is treated as becoming due and payable on or after the commencement date (“post-commencement instalment payments”), the amount of that instalment payment, or the first of them, is to be increased by the adjustment amount.
- (9) If there are no post-commencement instalment payments, a further instalment payment, in respect of the total liability of E for the accounting period, of an amount equal to the adjustment amount is to be treated as becoming due and payable at the end of the period of 30 days beginning with the commencement date.
- (10) “The adjustment amount” is the difference between—
- (a) the aggregate amount of the pre-commencement instalments determined in accordance with subsection (7), and
 - (b) the aggregate amount of those instalment payments determined ignoring subsection (7) (and so taking account of subsections (1) to (5)).
- (11) In the Instalment Payment Regulations—
- (a) in regulations 6(1)(a), 7(2), 8(1)(a) and (2)(a), 9(5), 10(1), 11(1) and 13, references to regulation 4A, 4B, 4C, 4D, 5, 5A or 5B of those Regulations are to be read as including a reference to subsections (6) to (10) (and in regulation 7(2) “the regulation in question”, and in regulation 8(2) “that regulation”, are to be read accordingly), and
 - (b) in regulation 9(3), the reference to those Regulations is to be read as including a reference to subsections (6) to (10).
- (12) In section 59D of TMA 1970 (general rule as to when corporation tax is due and payable), in subsection (5), the reference to section 59E is to be read as including a reference to subsections (6) to (11).
- (13) In this section—
- “the chargeable period” is to be construed in accordance with paragraph 4 or (as the case may be) 5 of Schedule 19 to FA 2011;
 - “the commencement date” means the day on which this Act is passed;
 - “the Instalment Payment Regulations” means the Corporation Tax (Instalment Payments) Regulations 1998 (S.I. 1998/3175);

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and references to the total liability of E for an accounting period are to be construed in accordance with regulation 2(3) of the Instalment Payment Regulations.

120 Bank levy: miscellaneous changes

Schedule 26 contains miscellaneous changes to the bank levy.

Gaming duty

121 Rates of gaming duty

(1) In section 11(2) of FA 1997 (rates of gaming duty) for the table substitute—

“TABLE

<i>Part of gross gaming yield</i>	<i>Rate</i>
The first £2,302,000	15 per cent
The next £1,587,000	20 per cent
The next £2,779,000	30 per cent
The next £5,865,500	40 per cent
The remainder	50 per cent”

(2) The amendment made by this section has effect in relation to accounting periods beginning on or after 1 April 2014.

Bingo duty

122 Rate of bingo duty

(1) In section 17(1)(b) of BGDA 1981 (bingo duty chargeable at 20 per cent of bingo promotion profits), for “20” substitute “ 10 ”.

(2) The amendment made by subsection (1) has effect in relation to accounting periods beginning on or after 30 June 2014.

123 Exemption from bingo duty: small-scale amusements provided commercially

(1) In paragraph 5(1) of Schedule 3 to BGDA 1981 (exemptions from bingo duty for small-scale amusements provided commercially), for paragraph (b) substitute—

“(b) on any premises if, for the time being—

(i) a machine in respect of which a person is liable for machine games duty is located on the premises, and

(ii) an adult gaming centre premises licence issued under Part 8 of the Gambling Act 2005 (see section 150(1)(c)) is in force in respect of the premises; or”.

(2) The amendment made by this section has effect in relation to games of bingo which begin to be played on or after the day on which this Act is passed.

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Machine games duty

124 Rates of machine games duty

- (1) Schedule 24 to FA 2012 is amended as follows.
- (2) For paragraph 5 substitute—

5 “Types of machine

- (1) Machines are divided into three types for the purposes of machine games duty.
 - (2) A machine is a “type 1 machine” if it can be demonstrated that—
 - (a) the highest charge payable for playing a dutiable machine game on the machine does not exceed 20p, and
 - (b) the maximum amount of cash that can be won from playing a dutiable machine game on the machine does not exceed £10.
 - (3) A machine is a “type 2 machine” if—
 - (a) it is not a type 1 machine, and
 - (b) it can be demonstrated that the highest charge payable for playing a dutiable machine game on the machine does not exceed £5.
 - (4) Any other machine is a “type 3 machine”.
 - (5) The Treasury may by order substitute for a sum for the time being specified in sub-paragraph (2)(a) or (b) or (3)(b) such higher sum as may be specified in the order.”
- (3) For paragraph 6(2) substitute—
- “(2) The amount of the duty is found by—
- (a) applying the lower rate to the person's total net takings in the accounting period for type 1 machines,
 - (b) applying the standard rate to the person's total net takings in the accounting period for type 2 machines,
 - (c) applying the higher rate to the person's total net takings in the accounting period for type 3 machines, and
 - (d) aggregating the results.”
- (4) For paragraph 9 substitute—

9 “The rates

- (1) The lower rate is 5%.
- (2) The standard rate is 20%.
- (3) The higher rate is 25%.
- (4) If a rate changes during an accounting period—
 - (a) the old rate is to be applied to the person's total net takings in the part of the period before the change, and

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- (b) the new rate is to be applied to the person's total net takings in the part of the period after the change.
- (5) If it is not possible to identify for the purposes of sub-paragraph (4) the part of the period to which an amount relates, it is to be apportioned on a just and reasonable basis.”
- (5) The Machine Games Duty (Types of Machine) Order 2014 (S.I. 2014/47) is revoked.
- (6) The amendments and revocation made by this section have effect in relation to the playing of machine games on or after 1 March 2015.

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