Finance Act 2017

CHAPTER 10

FINANCE ACT 2017

PART 1

DIRECT AND INDIRECT TAXES

Income tax charge and rates

1 Income tax charge for tax year 2017-18
2 Main rates of income tax for tax year 2017-18
3 Default and savings rates of income tax for tax year 2017-18
4 Starting rate limit for savings for tax year 2017-18

Corporation tax charge

5 Corporation tax charge for financial year 2018

Income tax: general

6 Workers' services provided to public sector through intermediaries
7 Optional remuneration arrangements
8 Taxable benefits: asset made available without transfer
9 Overseas pensions
10 Pensions: offshore transfers
11 Deduction of income tax at source

Employee shareholder shares

12 Employee shareholder shares: amount treated as earnings
13 Employee shareholder shares: abolition of CGT exemption
14 Employee shareholder shares: purchase by company

Disguised remuneration

15 Employment income provided through third parties

Indirect taxes

16 VAT: zero-rating of adapted motor vehicles etc
17 Insurance premium tax: standard rate
18 Insurance premium tax: anti-forestalling provision
19 Air passenger duty: rates from 1 April 2017
20 Vehicle excise duty: rates
21 Alcoholic liquor duties: rates
22 Tobacco products duty: rates
23 Tobacco products duty: minimum excise duty

Avoidance

24 Promoters of tax avoidance schemes: threshold conditions etc

PART 2

SOFT DRINKS INDUSTRY LEVY

Introductory

25 Soft drinks industry levy
26 “Soft drink” and “package”
27 Meaning of “prepared drink”

Chargeable soft drinks

28 Meaning of “chargeable soft drink”
29 Sugar content condition
30 Exempt soft drinks

Charging of the soft drinks industry levy

31 Charge to soft drinks industry levy
32 Chargeable events: soft drinks packaged in the UK
33 Chargeable events: soft drinks imported into the UK
34 Secondary warehousing regulations
35 Liability to pay the levy
36 Levy rates
36A Determining levy rate for flavour concentrates

Exemption etc

37 Small producer exemption
38 Meaning of “small producer”
39 Tax credits

Registration

40 The register
41 Liability to register: packagers
42 Liability to register: producers
43 Liability to register: imported chargeable soft drinks
44 Notification of liability and registration

45 Voluntary registration: small producers
46 Cancellation of registration under section 41, 42 or 43
47 Cancellation of voluntary registration
48 Correction of the register
49 Applications, notifications etc

Offences

50 Fraudulent evasion
51 Failure to notify registration liability

Administration and enforcement

52 Payment, collection and recovery
53 Records
54 Power to make further provision about enforcement
55 Appeals etc
56 Supplementary amendments

Miscellaneous

57 Regulations: death, incapacity or insolvency of person carrying on a business
58 Provisional collection of soft drinks industry levy
58A Isle of Man: import and export of chargeable soft drinks

General

59 Interpretation of Part 2
60 Regulations
61 Commencement

PART 3

FINAL

62 Interpretation
63 Short title

SCHEDULES

SCHEDULE 1 — Workers' services provided to public sector through intermediaries
Part 1 — PRELIMINARY AMENDMENTS
1 ITEPA 2003 is amended as follows.
2 In section 48 (scope of Chapter 8 of Part 2:...
3 In section 49(1) (engagements to which Chapter applies), after paragraph...
4 In section 52(2)(b) and (c) (conditions of liability under Chapter...
5 In section 61(1) (interpretation of Chapter 8), before the definition...
6 In section 61A (scope of Chapter 9 of Part 2:...
7 In section 61D (deemed earnings where worker's services provided by...
8 In section 61J(1) (interpretation of Chapter 9), before the definition...
Part 2 — NEW CHAPTER 10 OF PART 2 OF ITEPA 2003
9 In Part 2 of ITEPA 2003 (employment income: charge to...

Part 3 — CONSEQUENTIAL AMENDMENTS
10 In section 7(5)(a) of ITEPA 2003 (amounts treated as earnings...
11 In section 49 of ITEPA 2003 (engagements to which Chapter...
12 In section 339A of ITEPA 2003 (travel for employment involving...
13 In Chapter 11 of Part 2 of ITTOIA 2005 (trade...
14 In Chapter 9 of Part 3 of CTA 2009 (trade...
Part 4 — COMMENCEMENT
15 The amendments made in ITEPA 2003 by Parts 1 and...
16 The amendment made by Part 2 of this Schedule has...
17 The payments to which the amendments made in ITTOIA 2005...

SCHEDULE 2 — Optional remuneration arrangements

Optional remuneration arrangements

1 In Part 3 of ITEPA 2003 (employment income: earnings and...

Benefits in kind: amount treated as earnings

2 Part 3 of ITEPA 2003 (employment income: earnings and benefits...
3 (1) Section 81 (benefit of cash voucher treated as earnings)...
4 After section 87 insert— Benefit of non-cash voucher treated as...
5 In section 88 (year in which earnings treated as received)—...
6 After section 94 insert— Benefit of credit-token treated as earnings:...
7 In section 97 (living accommodation to which Chapter 5 applies),...
8 In section 98 (accommodation provided by local authority), in the...
9 (1) Section 99 (accommodation provided for performance of duties) is...
10 In section 100 (accommodation provided as result of security threat),...
11 In section 100A (homes outside UK owned by company etc),...
12 In section 101 (Chevening House), in the words before paragraph...
13 (1) Section 102 (benefit of living accommodation treated as earnings)...
14 In section 103 (method of calculating cash equivalent), in subsection...
15 After section 103 insert— Accommodation provided pursuant to optional remuneration...
16 (1) Section 105 (cash equivalent: cost of accommodation not over...
17 (1) Section 106 (cash equivalent: cost of accommodation over £75,000)...
18 (1) Section 109 (priority of Chapter 5 over Chapter 1...
19 In section 114 (cars, vans and related benefits), in subsection...
20 (1) Section 119 (where alternative to benefit of car or...
21 In section 120 (benefit of car treated as earnings), after...
22 After section 120 insert— Benefit of car treated as earnings:...
23 After section 121 insert— Optional remuneration arrangements: method of calculating...
24 In section 126 (amounts taken into account in respect of...
25 (1) Section 131 (replacement accessories) is amended as follows.
26 In section 132 (capital contributions by employee), in subsection (1),...
27 After section 132 insert— Capital contributions by employee: optional remuneration...
28 (1) Section 143 (deduction for periods when car unavailable) is...
29 (1) Section 144 (deduction for payments for private use) is...
30 (1) Section 145 (modification of provisions where car temporarily replaced)...
31 (1) Section 146 (cars that run on road fuel gas)...

32 After section 147 insert— Classic cars: optional remuneration arrangements (1) This section applies in calculating the relevant amount in...
33 (1) Section 148 (reduction of cash equivalent where car is...
34 In section 149 (benefit of car fuel treated as earnings),...
35 After section 149 insert— Benefit of car fuel treated as...
36 In section 154 (benefit of van treated as earnings), after...
37 After section 154 insert— Benefit of van treated as earnings:...
38 After section 158 insert— Van provided pursuant to optional remuneration...
39 (1) Section 160 (benefit of van fuel treated as earnings)...
40 After section 160 insert— Benefit of van fuel treated as...
41 In section 170 (orders etc relating to Chapter 6 of...
42 In section 173 (loans to which Chapter 7 applies), in...
43 In section 175 (benefit of taxable cheap loan treated as...
44 (1) After section 175 insert— Optional remuneration arrangements: "relevant amount"...
45 In section 180 (threshold for benefit of loan to be...
46 In section 184 (interest treated as paid), in subsection (1),...
47 In section 202 (excluded benefits), after subsection (1) insert—
48 After section 203 insert— Employment-related benefit provided under optional remuneration...

Exemptions

49 In Part 4 of ITEPA 2003 (employment income: exemptions), after...

Other amendments

50 (1) Section 19 of ITEPA 2003 (receipt of non-money earnings)...
51 In section 95 of ITEPA 2003 (disregard for money, goods...
52 (1) In section 236 of ITEPA 2003 (interpretation of Chapter...
53 (1) Section 239 of ITEPA 2003 (payments and benefits connected...
54 In section 362 of ITEPA 2003 (deductions where non-cash voucher...
55 In section 318A of ITEPA 2003 (childcare: limited exemption for...
56 In section 363 of ITEPA 2003 (deductions where credit-token provided),...
57 In section 693 of ITEPA 2003 (cash vouchers), in subsection...
58 In section 694 of ITEPA 2003 (non-cash vouchers), in subsection...
59 In section 695 of ITEPA 2003 (benefit of credit-token treated...
60 In Part 2 of Schedule 1 to ITEPA 2003 (index...
61 In Part 2 of Schedule 1 to ITEPA 2003 (index...

Commencement and transitional provision

62 (1) The amendments made by paragraphs 1, 52(1)(a) and (2)...

SCHEDULE 3 — Overseas pensions

Part 1 — REGISTERED PENSION SCHEMES ESTABLISHED OUTSIDE THE UK

1 (1) In Chapter 5A of Part 4 of FA 2004...

Part 2 — INCOME TAX ON PENSION INCOME

UK residents to be taxed on 100%, not 90%, of foreign pension income

2 (1) Omit section 575(2) of ITEPA 2003 (foreign pensions received...

Superannuation funds to which section 615(3) of ICTA applies

3 (1) Section 615 of ICTA (trust funds for pensions in...

Part 3 — LUMP SUMS FOR UK RESIDENTS FROM FOREIGN PENSION SCHEMES

Introductory

4 ITEPA 2003 is amended as follows.

Employer-financed retirement benefit schemes: ending of foreign-service relief

5 (1) Section 395B (exemption or reduction for foreign service) is...
6 After section 395B insert— Meaning of "foreign service" in section...
7 In section 554Z4 (treatment of relevant step: residence issues), after...

Lump sums under other foreign schemes

8 In section 573 (foreign pensions), after subsection (3) insert—
9 In section 574(1) (foreign pensions: meaning of "pension"), after paragraph...
10 (1) After section 574 insert— "Pension": relevant lump sums (1) A lump sum paid under a pension scheme to...
11 (1) In section 576A (temporary non-residents), as it applies where...
12 (1) In section 576A, as it applies where the year...

Relief from tax under Part 9 of ITEPA 2003 not to give rise to tax under other provisions

13 (1) In section 393B(2)(a) (tax on benefits under employer-financed retirement...

SCHEDULE 4 — Pensions: offshore transfers

Part 1 — CHARGES WHERE PAYMENTS MADE IN RESPECT OF OVERSEAS PENSIONS

Amendments of Schedule 34 to FA 2004

1 Schedule 34 to FA 2004 (non-UK pension schemes: application of...
2 (1) Paragraph 1 (application of member payment charges to relevant...
3 (1) Paragraph 2 (member payment provisions apply to payments out...
4 (1) Paragraph 3 (payments to or in respect of relieved...
5 (1) Paragraph 4 (payments to or in respect of transfer...
6 In paragraph 7(2)(c) (regulations about application of member payment provisions),...
7 (1) Paragraph 9ZB (application of section 227G) is amended as...
8 The amendments made by paragraph 3 apply in relation to...

Consequential amendments in ITEPA 2003

9 (1) Section 576A of ITEPA 2003, as it applies where...
10 (1) Section 576A of ITEPA 2003, as it applies where...

Part 2 — INCOME TAX ON PENSION TRANSFERS: OVERSEAS TRANSFER CHARGE

Tax charge on transfers to qualifying recognised overseas pension schemes

11 In Part 4 of FA 2004 (pension schemes etc), after...

Further amendments in Part 4 of FA 2004.

12 Part 4 of FA 2004 is further amended as follows....
13 (1) Section 169 (recognised transfers, and definition and obligations of...
14 After Chapter 5 insert— CHAPTER 5A Registered pension schemes established...
15 In section 254(6) (regulations about accounting for tax by scheme...
16 In section 255(1) (power to make provision for assessments), after...
17 In section 269(1)(a) (appeal against decision on discharge of liability),...
18 In Schedule 32 (benefit crystallisation events: supplementary provision), after paragraph...

Other amendments

19 In section 9(1A) of TMA 1970 (tax not within the...
20 In Schedule 56 to FA 2009 (penalty for failure to...
21 (1) In regulation 3(1) of the Registered Pension Schemes (Accounting...
22 (1) The Pension Schemes (Information Requirements for Qualifying Overseas Pension...
23 (1) The Registered Pension Schemes (Transfers of Sums and Assets)...
24 (1) The Registered Pension Schemes (Provision of Information) Regulations 2006...

Commencement and transitional provision

25 (1) Subject to sub-paragraphs (2) to (4), the amendments made...

SCHEDULE 5 — Deduction of income tax at source

Part 1 — INTEREST DISTRIBUTIONS OF INVESTMENT TRUST OR AUTHORISED INVESTMENT FUND

1 In Chapter 3 of Part 15 of ITA 2007 (deduction...
2 In section 45(2) of FA 2009 (provision that regulations may...

Part 2 — INTEREST ON PEER-TO-PEER LENDING

3 In Chapter 3 of Part 15 of ITA 2007 (deduction...

Part 3 — FURTHER AMENDMENT AND COMMENCEMENT

Further amendment

4 In section 874(3)(a) of ITA 2007 (which refers to provisions...

Commencement

5 (1) The new sections 888B to 888D of ITA 2007,...

SCHEDULE 6 — Employment income provided through third parties

Introductory

1 Part 7A of ITEPA 2003 (employment income provided through third...

Meaning of "relevant step"

2 In section 554A(2) (meaning of "relevant") at the end insert...

Loans: transferring, releasing or writing off

3 (1) Section 554C (relevant steps: payment of sum, transfer of...

4 In section 554A(4) (non-application of Chapter 2 where relevant step...
5 After section 554O insert— Exclusions: transfer of employment-related loans (1) Chapter 2 does not apply by reason of a...
6 In section 554Z(10)(b) (interpretation: relevant step which involves a sum...
7 In section 554Z12(1) (relevant step taken after A's death etc.),...

Exclusions: relevant repayments

8 After section 554R insert— Exclusions: relevant repayments (1) This section applies (subject to subsection (5)) if—

Exclusions: payments in respect of a tax liability

9 After section 554X insert— Exclusions: payments in respect of a...

Double taxation

10 For section 554Z5 (overlap with earlier relevant step) substitute— Overlap...
11 After section 554Z11A insert— Double taxation: earlier income tax liability...

Amendments to Schedule 2 to FA 2011

12 (1) Paragraph 59 of Schedule 2 to FA 2011 (transitional...

Commencement

13 Subject to paragraphs 14 to 16, the amendments made by...
14 Section 554RA of ITEPA 2003, inserted by paragraph 8 of...
15 (1) Paragraph 13 does not apply in relation to the...
16 The amendments made by paragraph 12 of this Schedule to...

SCHEDULE 7 — VAT: zero-rating of adapted motor vehicles etc

Adaptation of a qualifying motor vehicle

1 (1) In Schedule 8 to VATA 1994 (zero-rating), Group 12...

Three year rule, reporting and certification

2 In Schedule 8 to VATA 1994, in Group 12—

Penalty

3 (1) Section 62 of VATA 1994 (incorrect certificates as to...

Minor amendments

4 Schedule 8 to VATA 1994 is amended as follows.
5 In Part 1 (index to zero-rated supplies of goods and...
6 In Group 4 (talking books for the blind and handicapped...
7 In Group 12 (drugs, medicines, aids for the handicapped etc)—...
8 In Group 15 (charities etc)— (a) in item 5 and...

Commencement

9 The amendments made by this Schedule have effect in relation...

SCHEDULE 8 — Soft drinks industry levy: recovery and overpayments
Part 1 — RECOVERY

Recovery as debt due

1 Soft drinks industry levy is recoverable as a debt due...

Assessments

2 (1) Sub-paragraph (2) applies where it appears to the Commissioners —...
3 (1) Sub-paragraph (2) applies where— (a) the Commissioners have made...
4 (1) Sub-paragraph (2) applies where it appears to the Commissioners...

Supplementary assessments

5 (1) Sub-paragraph (2) applies where— (a) an assessment has been...

Further provision about assessments under paragraphs 2, 4 and 5

6 (1) Where an amount has been assessed and notified to...

Time limits for assessments

7 (1) An assessment under paragraph 2, 4 or 5 may...
Part 2 — OVERPAYMENTS

Repayments of overpaid levy

8 (1) This paragraph applies where a person (P) has paid...

Supplementary provisions about repayment etc.

9 (1) The Commissioners are not liable, on a claim for...
10 (1) This paragraph applies where— (a) an amount has been...

Reimbursement arrangements

11 (1) The Commissioners may by regulations make provision for reimbursement...

Assessment for excessive repayment

12 (1) Sub-paragraph (3) applies where— (a) an amount has been...

Supplementary assessments

13 (1) Sub-paragraph (2) applies where— (a) an assessment has been...

Further provision about assessments under paragraphs 12 and 13

14 (1) Where an amount has been assessed and notified to...

Time limits for assessments

15 An assessment under paragraph 12 or 13 may not be...

Part 3 — FURTHER PROVISION ABOUT NOTICES ETC.

Notifications to a person's representative

16 (1) A notice of an assessment under paragraph 2, 5,...

Service of notices

17 A notice under this Schedule may be given to a...

SCHEDULE 9 — Soft drinks industry levy: requirements to keep records etc: penalties

Part 1 — PENALTIES

Sections 48(2) and 53(1): requirements imposed by regulations

1 (1) A person who fails to comply with a requirement...

Section 53(2): requirements imposed by directions

2 (1) A person who fails to comply with a requirement...

Power to alter amounts specified in paragraphs 1 and 2

3 (1) If it appears to the Treasury that there has...

Reasonable excuse

4 (1) A failure by any person to comply with any...

Part 2 — ASSESSMENTS

Power to make assessments

5 (1) Where a person becomes liable for a penalty under...

Supplementary assessments

6 (1) Sub-paragraph (2) applies where— (a) an assessment has been...

Further provision about assessments under this Schedule

7 (1) Where an amount has been assessed and notified to...

Time limits for assessments

8 (1) An assessment under paragraph 5 may not be made...

Further provision about notices

9 (1) A notice of an assessment under paragraph 5 or...

10 A notice under this Schedule may be given to a...

SCHEDULE 10 — Soft drinks industry levy: appeals and reviews

Part 1 — APPEALABLE DECISIONS

Appealable decisions

1 A person may appeal against a decision of the Commissioners...

Part 2 — REVIEWS

Offer of review

2 (1) HMRC must offer a person (P) a review of...

Right to require review

3 (1) Any person (other than P) who has the right...

Review by HMRC

4 (1) HMRC must review a decision if—

Extensions of time

5 (1) If under paragraph 2 HMRC have offered P a...

Review out of time

6 (1) This paragraph applies if— (a) HMRC have offered a...

Nature of review etc.

7 (1) This paragraph applies if HMRC are required to undertake...

Service of notices

8 A notice under this Schedule may be given to a...

Part 3 — APPEALS

"Appeal tribunal"

9 In this Schedule "appeal tribunal" means the First-tier Tribunal or,...

Bringing of appeals

10 (1) An appeal under paragraph 1 is to be made...

Appeals: further provision

11 (1) An appeal relating to a decision that an amount...

Determinations on appeal

12 On an appeal against a decision mentioned in paragraph 1(a)...
13 On an appeal against a decision mentioned in paragraph 1(f)...
14 Subject to paragraph 15, on an appeal against a decision...
15 (1) On an appeal against a decision mentioned in paragraph...

SCHEDULE 11 — Soft drinks industry levy: supplementary amendments

HMRC powers to obtain information etc.

1 (1) Schedule 36 to FA 2008 (powers to obtain information...

Penalties: failure to notify etc.

2 (1) Schedule 41 to FA 2008 (penalties: failure to notify...

Penalties: failure to comply with requirements relating to returns

3 In Schedule 24 to FA 2007 (penalties for errors), in...
4 (1) Schedule 55 to FA 2009 (penalty for failure to...
5 (1) Schedule 56 to FA 2009 (penalty for failure to...
6 (1) Schedule 23 to FA 2011 (data-gathering powers) is amended...

Interest

7 In Schedule 53 to FA 2009 (late payment interest) after...

Changes to legislation:
There are currently no known outstanding effects for the Finance Act 2017.