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STATUTORY INSTRUMENTS

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**2016 No. 401**

**ANNUAL TAX ON ENVELOPED DWELLINGS**

**The Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2016**

*Made - - - - 17th March 2016*

The Treasury make the following Order in discharge of the duty imposed by section 101(5) of the Finance Act 2013<sup>(1)</sup>.

**Citation**

1. This Order may be cited as the Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2016.

**Chargeable amounts**

2. The amounts that are to be the annual chargeable amounts for the chargeable period beginning on 1st April 2016 by virtue of section 101 (indexation of annual chargeable amounts) of the Finance Act 2013 are determined in accordance with the following table, by reference to the taxable value of the interest on the relevant day.

<i>Annual chargeable amount</i>	<i>Taxable value of the interest on the relevant day</i>
£3,500	More than £500,000 but not more than £1 million.
£7,000	More than £1 million but not more than £2 million.
£23,350	More than £2 million but not more than £5 million.
£54,450	More than £5 million but not more than £10 million.
£109,050	More than £10 million but not more than £20 million.

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(1) 2013 c. 29.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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<i>Annual chargeable amount</i>	<i>Taxable value of the interest on the relevant day</i>
£218,200	More than £20 million.

17th March 2016

*George Hollingbery*  
*Charlie Elphicke*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order states the annual chargeable amounts of the Annual Tax on Enveloped Dwellings. Section 99(4) of the Finance Act 2013 (c. 29) (the Act) sets out the annual amounts of tax chargeable. The section was amended by sections 109 and 110 of the Finance Act 2014 and by section 70 of the Finance Act 2015, which specified the chargeable period beginning 1 April 2015. An order under section 101(5) of the Act was not therefore required for that period.

Section 101(5) of the Act provides for the indexation of the annual chargeable amounts. This Order gives effect to the indexation of the annual chargeable amounts for the chargeable period 1st April 2016 to 31st March 2017. This Order also reflects the introduction of a new band for properties valued at more than £500,000 but not more than £1 million, introduced in section 110 of the Finance Act 2014.

The amounts of tax charged for each chargeable period beginning on or after 1 April are determined by reference to the “all items” Consumer Prices Index (CPI) as published by the Office of National Statistics. Where the September CPI (in this case the September 2015 CPI) is higher than it was for the previous September, the amounts of tax for the next chargeable period are increased by the same percentage increase, rounding down to the nearest multiple of £50. The September 2015 “all items” Consumer Prices Index as published by the Office of National Statistics was -0.1%(2) meaning that the annual chargeable amounts for the chargeable period beginning 1st April 2016 remains unchanged.

Article 2 states the annual chargeable amounts by reference to the taxable value of the interest.

A Tax Information and Impact Note has not been prepared for this instrument as it gives effect to previously announced policy and relates to routine changes to rates to a predetermined indexation formula.

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(2) [http://www.ons.gov.uk/ons/dcp171778\\_419255.pdf](http://www.ons.gov.uk/ons/dcp171778_419255.pdf).