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STATUTORY INSTRUMENTS

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**2021 No. 245**

**ANNUAL TAX ON ENVELOPED DWELLINGS**

**The Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2021**

*Made - - - - 3rd March 2021*

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

**Citation**

1. This Order may be cited as the Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2021.

**Chargeable amounts**

2. The amounts that by virtue of section 101 of the Finance Act 2013 (indexation of annual chargeable amounts) are to be the annual chargeable amounts for chargeable periods beginning on or after 1st April 2021 are determined in accordance with the following table, by reference to the taxable value of the interest on the relevant day<sup>(2)</sup>.

<i>Annual chargeable amount</i>	<i>Taxable value of the interest on the relevant day</i>
£3,700	More than £500,000 but not more than £1 million.
£7,500	More than £1 million but not more than £2 million.
£25,300	More than £2 million but not more than £5 million.
£59,100	More than £5 million but not more than £10 million.

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(1) 2013 c. 29.

(2) “Relevant day” and “taxable value” are defined by sections 99(5) and 102 of the Finance Act 2013. Section 102 was amended by section 71 of the Finance Act 2015 (c. 11).

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**Status:** This is the original version (as it was originally made).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>
£118,600	More than £10 million but not more than £20 million.
£237,400	More than £20 million.

3rd March 2021

*Maggie Throup*  
*Rebecca Harris*  
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) sets out the annual chargeable amounts of tax. Section 101(5) of that Act provides for the indexation of those amounts.

This Order states the indexed amounts for chargeable periods beginning on or after 1st April 2021. Article 2 states the annual chargeable amounts by reference to the taxable value of the interest.

The annual chargeable amounts for each chargeable period beginning on or after 1st 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 2020 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 as the percentage increase in CPI, rounding down to the nearest multiple of £50. The September 2020 CPI was 0.5% (<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2020>) meaning that the annual chargeable amounts for chargeable periods beginning on or after 1st April 2021 have increased by comparison to the amounts for the chargeable period beginning on 1st April 2020, as set out by the Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2020 (S.I. 2020/341).

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 following a predetermined indexation formula.