



Finance Act 2007

2007 CHAPTER 11

PART 2

ENVIRONMENT

Domestic microgeneration

20 Income tax exemption for domestic microgeneration

(1) In ITTOIA 2005, after section 782 insert—

“782A Domestic microgeneration

(1) No liability to income tax arises in respect of income arising to an individual from the sale of electricity generated by a microgeneration system if—

- (a) the system is installed at or near domestic premises occupied by the individual, and
- (b) the individual intends that the amount of electricity generated by it will not significantly exceed the amount of electricity consumed in those premises.

(2) In subsection (1)—

“domestic premises” means premises used wholly or mainly as a separate private dwelling, and

“microgeneration system” has the same meaning as in section 4 of the Climate Change and Sustainable Energy Act 2006.”

(2) The amendment made by subsection (1) has effect for the tax year 2007-08 and subsequent tax years.

21 Renewables obligation certificates for domestic microgeneration

(1) In ITTOIA 2005, after section 782A (inserted by section 20) insert—

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

“782B Renewables obligation certificates for domestic microgeneration

- (1) No liability to income tax arises in respect of the receipt by an individual of a renewables obligation certificate if—
- (a) the individual receives the certificate in connection with the generation of electricity by a microgeneration system,
 - (b) the system is installed at or near domestic premises occupied by the individual, and
 - (c) the individual intends that the amount of electricity generated by it will not significantly exceed the amount of electricity consumed in those premises.
- (2) In subsection (1)—
- “domestic premises” and “microgeneration system” have the same meaning as in section 782A, and
- “renewables obligation certificate” means a certificate issued under section 32B of the Electricity Act 1989 or Article 54 of the Energy (Northern Ireland) Order 2003.”
- (2) In TCGA 1992, after section 263 insert—

“263AZA Renewables obligation certificates for domestic microgeneration

- (1) A gain accruing to an individual on a disposal of a renewables obligation certificate is not a chargeable gain if—
- (a) the individual acquired the certificate in connection with the generation of electricity by a microgeneration system,
 - (b) the system is installed at or near domestic premises occupied by the individual, and
 - (c) the individual intends that the amount of electricity generated by it will not significantly exceed the amount of electricity consumed in those premises.
- (2) In subsection (1)—
- “domestic premises” means premises used wholly or mainly as a separate private dwelling,
- “microgeneration system” has the same meaning as in section 4 of the Climate Change and Sustainable Energy Act 2006, and
- “renewables obligation certificate” means a certificate issued under section 32B of the Electricity Act 1989 or Article 54 of the Energy (Northern Ireland) Order 2003.”
- (3) The amendment made by subsection (1) has effect for the tax year 2007-08 and subsequent tax years.
- (4) The amendment made by subsection (2) has effect in relation to disposals on or after 6th April 2007.

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 993 modified by [2016 c. 24 s. 118\(2\)](#)
- Sch. 24 para. 12(5)(za) inserted by [2015 c. 11 Sch. 20 para. 6\(a\)](#)
- Sch. 24 para. 21A(A1) inserted by [2015 c. 11 Sch. 20 para. 7\(2\)](#)
- Sch. 24 para. 4A(A1)(1) substituted for Sch. 24 para. 4A(1) by [2015 c. 11 Sch. 20 para. 3\(2\)](#)
- Sch. 24 para. 28(fa)(ia) words substituted by [2024 c. 3 Sch. 1 para. 11](#)