



Finance Act 2021

2021 CHAPTER 26

PART 3

OTHER TAXES

Inheritance tax

86 Rate bands etc for tax years 2021-22 to 2025-26

Sections 8 and 8D(7) of IHTA 1984 (indexation of rate bands, residential enhancement and taper threshold) do not have effect by virtue of any difference between—

- (a) the consumer prices index for the month of September in 2020, 2021, 2022, 2023 or 2024, and
- (b) that index for the previous September.

Stamp duty land tax

87 Temporary period for reduced rates on residential property

- (1) The Stamp Duty Land Tax (Temporary Relief) Act 2020 is amended as follows.
- (2) In section 1 (reduced rates of SDLT on residential property for a temporary period)—
 - (a) in subsection (1)(b) (which specifies the end of that temporary period), for “31 March 2021” substitute “30 June 2021”,
 - (b) in subsections (1) and (6)(a), for “temporary” substitute “initial temporary”, and
 - (c) in the heading, for “a temporary” substitute “an initial temporary”.
- (3) After that section insert—

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“1A Further period for reduced rates of SDLT on residential property

- (1) This section makes modifications of Part 4 of the Finance Act 2003 in relation to any land transaction the effective date of which falls in the period (“the further temporary relief period”)—
- (a) beginning with 1 July 2021, and
 - (b) ending with 30 September 2021.
- (2) Section 55(1B) (amount of stamp duty land tax chargeable: general) has effect as if for Table A there were substituted—

“TABLE A: RESIDENTIAL

<i>Part of relevant consideration</i>	<i>Percentage</i>
So much as does not exceed £250,000	0%
So much as exceeds £250,000 but does not exceed £925,000	5%
So much as exceeds £925,000 but does not exceed £1,500,000	10%
The remainder (if any)	12%”.

- (3) Schedule 4ZA (higher rates of stamp duty land tax for additional dwellings etc) has effect as if for the Table A in section 55(1B) mentioned in paragraph 1(2) there were substituted—

“TABLE A: RESIDENTIAL

<i>Part of relevant consideration</i>	<i>Percentage</i>
So much as does not exceed £250,000	3%
So much as exceeds £250,000 but does not exceed £925,000	8%
So much as exceeds £925,000 but does not exceed £1,500,000	13%
The remainder (if any)	15%”.

- (4) Paragraph 2(3) of Schedule 5 (amount of SDLT chargeable in respect of rent) has effect as if for Table A there were substituted—

“TABLE A: RESIDENTIAL

<i>Rate bands</i>	<i>Percentage</i>
£0 to £250,000	0%
Over £250,000	1%”.

- (5) In a case where—

- (a) as a result of section 44(4) of the Finance Act 2003 the effective date of a land transaction falls in the further temporary relief period, and
- (b) the contract concerned is completed by a conveyance after that period ends,

section 44(8) of that Act is not to apply in relation to that conveyance if the sole reason that (but for this subsection) it would have applied is that the modifications made by this section have no effect in relation to that conveyance.

- (6) Section 44(10) of the Finance Act 2003 applies for the purposes of subsection (5).”

88 Increased rates for non-resident transactions

Schedule 16 makes provision for increased rates of stamp duty land tax in respect of non-resident transactions.

89 Relief from higher rate charge for certain housing co-operatives etc

- (1) In Schedule 4A to FA 2003 (higher rate of SDLT for certain transactions), after paragraph 5F insert—

“Qualifying housing co-operatives

5FA Paragraph 3 does not apply to a chargeable transaction so far as its subject-matter consists of a higher threshold interest that is acquired by a company on a day on which the company is a qualifying housing co-operative for the purposes of section 150(3A) of the Finance Act 2013 (relief from ATED).”

- (2) In that Schedule, after paragraph 5K insert—

“5L (1) This paragraph applies where relief under paragraph 5FA (qualifying housing co-operatives) has been allowed in respect of a higher threshold interest forming the whole or part of the subject-matter of a chargeable transaction.

- (2) References in this paragraph to a qualifying housing body are to—

- (a) a company that is a qualifying housing co-operative for the purposes of section 150(3A) of the Finance Act 2013 (relief from ATED),
- (b) a registered provider of social housing, or
- (c) a registered social landlord.

- (3) The relief under paragraph 5FA is withdrawn (subject to subparagraph (4)) if—

- (a) on any day in the period of three years beginning with the effective date of the chargeable transaction (“the control period”), the purchaser is not a qualifying housing body, and
- (b) immediately before the first day on which that is the case the purchaser still holds the higher threshold interest or holds a chargeable interest derived from it.

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- (4) If, on any day in the control period, the purchaser is not a qualifying housing body because it ceases to exist (whether by virtue of a conversion into, or amalgamation with, another person or for any other reason), relief is not to be withdrawn under this paragraph unless—
- (a) another person (“the first successor”) has succeeded to the engagements of the purchaser, and
 - (b) condition A or condition B is met (and if condition B is met, subject to sub-paragraph (7)).
- (5) Condition A is that, on the day the first successor succeeds to the engagements of the purchaser (“the day of succession”), the first successor is not a qualifying housing body.
- (6) Condition B is that—
- (a) on any day in the part of the control period that falls after the day of succession, the first successor is not a qualifying housing body, and
 - (b) immediately before the first day on which that is the case the first successor still holds the higher threshold interest or holds a chargeable interest derived from it.
- (7) If condition B is met because the first successor ceases to exist (whether by virtue of a conversion into, or amalgamation with, another person or for any other reason), relief is not to be withdrawn under this paragraph unless it would have been withdrawn by virtue of sub-paragraph (4) if references in sub-paragraphs (4) to (6)—
- (a) to the purchaser were references to the first successor, and
 - (b) to the first successor were references to the person who has succeeded to the engagements of the first successor (“the second successor”).
- (8) Sub-paragraph (7) is to apply to the second successor as it applies to the first successor, and so on, subject to the necessary modifications.”
- (3) Schedule 17 contains minor and consequential amendments of Part 4 of FA 2003 (stamp duty land tax).
- (4) The amendments made by this section and Schedule 17 have effect in relation to any land transaction of which the effective date is 3 March 2021 or a later date.

Annual tax on enveloped dwellings

90 Relief for certain housing co-operatives

- (1) In section 150 of FA 2013 (providers of social housing)—
- (a) after subsection (3) insert—

“(3A) A day in a chargeable period is relievably in relation to a single-dwelling interest if on that day a qualifying housing co-operative (as defined by section 150A) is entitled to the interest.”, and
 - (b) in the heading, at the end insert “etc”.
- (2) After that section insert—

“150A Meaning of “qualifying housing co-operative”

- (1) A company is a “qualifying housing co-operative” for the purposes of section 150(3A) on any day if on that day—
 - (a) it is a housing association within the meaning of—
 - (i) the Housing Associations Act 1985, or
 - (ii) Part 2 of the Housing (Northern Ireland) Order 1992 ([S.I. 1992/1725 \(N.I. 15\)](#)),
 - (b) it is a registered society within the meaning of—
 - (i) the Co-operative and Community Benefit Societies Act 2014, or
 - (ii) the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969, and
 - (c) the rules of the association comply with subsection (2).
- (2) The rules of the association—
 - (a) must restrict membership to persons who are tenants, or prospective tenants, of the association,
 - (b) must preclude the granting or assignment of tenancies to persons other than members,
 - (c) must prevent members from transferring any of their shares,
 - (d) must prevent members from receiving any more than the nominal value of their shares on a return of share capital, and
 - (e) must confer on members equal voting rights.”
- (3) The amendments made by this section have effect in relation to—
 - (a) the chargeable period beginning with 1 April 2021 and all subsequent chargeable periods;
 - (b) the chargeable period beginning with 1 April 2020 but only in relation to a person and a single-dwelling interest falling within case A or case B.
- (4) Case A is that the first day in the chargeable period on which the person is within the charge with respect to the single-dwelling interest is on or after 3 March 2021.
- (5) Case B is that the person was within the charge with respect to the single-dwelling interest on one or more days in the chargeable period before 3 March 2021 but has not delivered an annual tax on enveloped dwellings return for the period with respect to the interest by 3 March 2021.
- (6) For the purposes of subsections (3) to (5), “single-dwelling interest”, “within the charge” and “annual tax on enveloped dwellings return” have the same meanings that they have for the purposes of Part 3 of FA 2013.

91 Repayment to certain housing co-operatives: 2020-21 chargeable period

- (1) A claim for repayment of annual tax on enveloped dwellings paid, before 3 March 2021, by or on behalf of a chargeable person with respect to a single-dwelling interest may be made by the person for each day (if any) in the chargeable period beginning with 1 April 2020 on which—

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- (a) the person was within the charge with respect to the interest and not treated as being outside the charge by virtue of section 132(2) of FA 2013 (effect of reliefs under sections 133 to 150), and
 - (b) a qualifying housing co-operative was entitled to the interest.
- (2) For the purposes of a claim under this section with respect to a single-dwelling interest—
- (a) a company is a qualifying housing co-operative on any day if on that day it would have been a qualifying housing co-operative for the purposes of section 150(3A) of FA 2013 (if sections 150(3A) and 150A of FA 2013 (inserted by section 90) had been in force on that day);
 - (b) each day on which the conditions in subsection (1)(a) and (b) are met with respect to the interest is a “relievable day”;
 - (c) references to “the relevant return” are to the annual tax on enveloped dwellings return for the chargeable period beginning with 1 April 2020 with respect to the interest.
- (3) Where a claim is made under this section with respect to a single-dwelling interest, HMRC must repay the total of the daily amounts for all the relievable days.
- (4) A claim under this section must be made by amending the relevant return under paragraph 3 of Schedule 33 to FA 2013 on the same basis as it would have been amended if, on each of the relievable days, the chargeable person had been entitled to claim the type of relief numbered 8 in the table in section 159A(9) of FA 2013.
- (5) Terms used in this section and in Part 3 of FA 2013 have the same meaning in this section as in that Part.

Value added tax

92 Extension of temporary 5% reduced rate for hospitality and tourism sectors

In Articles 2 and 5 of the Value Added Tax (Reduced Rate) (Hospitality and Tourism) (Coronavirus) Order 2020 (S.I. 2020/728), for “31st March 2021” substitute “30th September 2021”.

93 Temporary 12.5% reduced rate for hospitality and tourism sectors

- (1) The modifications made by Articles 3 and 4 of the Value Added Tax (Reduced Rate) (Hospitality and Tourism) (Coronavirus) Order 2020 (S.I. 2020/728) (“the Reduced Rate Order”) continue to have effect (despite Article 2 of that Order) during the relevant period.
- (2) During that period, in relation to a supply that is of a description within Groups 14 to 16 in Part 2 of Schedule 7A to VATA 1994, the reference in section 29A(1) of that Act to “5 per cent” is to be read as a reference to “12.5 per cent” (and any reference elsewhere in that Act to a rate of 5% in the context of a supply of a description specified in Schedule 7A is to be read accordingly).
- (3) The modifications made by Article 6 of the Reduced Rate Order also continue to have effect (despite Article 5 of that Order) during the relevant period, but subject to the modifications in subsection (4).

- (4) The modifications to Article 6 of the Reduced Rate Order mentioned in subsection (3) are—
- (a) as if in paragraph (a), for “4.5” there were substituted “8.5”;
 - (b) as if in paragraph (b), for “0” there were substituted “5.5”;
 - (c) as if in paragraph (c), for “1” there were substituted “4”.
- (5) The relevant period means the period—
- (a) beginning with the day after the day on which the modifications made by Articles 3, 4 and 6 of the Reduced Rate Order would otherwise cease to apply by virtue of the ending of the periods mentioned in Articles 2 and 5 of that Order (whether in accordance with section 92 or any regulations made under section 26B or 29A(3) of VATA 1994), and
 - (b) ending on 31 March 2022.
- (6) The Treasury may by regulations—
- (a) repeal subsections (1) to (5);
 - (b) amend subsection (5) so as to substitute for the period for the time being mentioned there such other period as they consider appropriate.
- (7) A statutory instrument containing regulations under subsection (6) that would increase the rate of value added tax to be charged on a supply must be laid before the House of Commons after being made and, unless approved by that House before the end of the period of 28 days beginning with the date on which the instrument is made, ceases to have effect at the end of that period.
- (8) Any other statutory instrument containing regulations under subsection (6) is subject to annulment in pursuance of a resolution of the House of Commons.
- (9) The fact that a statutory instrument ceases to have effect as a result of subsection (7) does not affect—
- (a) anything previously done under the instrument, or
 - (b) the making of a new instrument.
- (10) In calculating the period of 28 days mentioned in subsection (7), no account is to be taken of any time—
- (a) during which Parliament is dissolved or prorogued, or
 - (b) during which the House of Commons is adjourned for more than four days.

94 Extending digital record-keeping for VAT purposes to all businesses

In paragraph 6 of Schedule 11 to VATA 1994 (duty of taxable person to keep records), omit sub-paragraphs (7) to (9).

95 Distance selling: Northern Ireland

- (1) In Schedule 18, which makes provision in relation to the Protocol on Ireland/Northern Ireland in the EU withdrawal agreement about value added tax and distance selling—
- (a) Part 1 makes provision amending—
 - (i) the criteria for registration under Part 9 of Schedule 9ZA to VATA 1994 (value added tax on acquisitions in Northern Ireland from member States: registration in respect of distance sales), and

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- (ii) the application of the place of supply rules in Part 5 of Schedule 9ZB to VATA 1994 (goods removed to or from Northern Ireland: rules relating to particular supplies);
 - (b) Part 2 makes provision implementing the European Union schemes known as the One Stop Shop (“OSS”) and the Import One Stop Shop (“IOSS”);
 - (c) Part 3 makes provision amending Schedule 9ZC to VATA 1994 (online sales by overseas persons and low value importations: modifications relating to the Northern Ireland Protocol) to omit Part 2 of that Schedule (modifications of the Value Added Tax (Imported Goods) Relief Order 1984);
 - (d) Part 4 makes provision about supplies of goods by persons established outside the United Kingdom that are facilitated by online marketplaces.
- (2) The Treasury may by regulations made by statutory instrument make such provision as they consider appropriate in consequence of this section or Schedule 18, including provision amending, repealing or revoking any provision of an Act whenever passed or made (including this Act and any Act amended by it).
- (3) The Treasury may by regulations made by statutory instrument make such transitional, transitory, saving, supplementary or incidental provision as they consider appropriate in connection with the coming into force of this section or Schedule 18.
- (4) Regulations under subsections (2) and (3) may (among other things)—
- (a) confer on a person specified in the regulations a discretion to do anything under, or for the purposes of, the regulations;
 - (b) make provision by reference to things specified in a notice published in accordance with the regulations;
 - (c) make different provision for different purposes or areas.
- (5) A statutory instrument that—
- (a) contains (whether alone or with other provision) regulations under subsection (2), and
 - (b) is not subject to any requirement under section 96 that the instrument be laid before, and approved by a resolution of, the House of Commons after being made,
- is subject to annulment in pursuance of a resolution of the House of Commons.
- (6) This subsection and the following provisions come into force on the day on which this Act is passed—
- (a) subsection (1) and Schedule 18 so far as making provision for anything to be done by regulations, directions or public notice, and
 - (b) subsections (2) to (5), (7) and (8).
- (7) Subsection (1) and Schedule 18 come into force for all remaining purposes on such day as the Treasury may by regulations made by statutory instrument appoint.
- (8) Regulations under subsection (7) may appoint different days for different purposes.

96 Distance selling: power to make further provision

- (1) The Treasury may by regulations made by statutory instrument make such provision relating to value added tax as they consider appropriate in relation to the Protocol on Ireland/Northern Ireland in the EU withdrawal agreement—

- (a) for the purposes of, or in connection with, giving effect to [Council Directive \(EU\) 2017/2455](#) of 5 December 2017 amending [Directive 2006/112/EC](#) and [Directive 2009/132/EC](#) as regards certain value added tax obligations for supplies of services and distance sales of goods, or
 - (b) otherwise for the purposes of dealing with matters arising out of, or related to, that Directive.
- (2) No regulations may be made under this section on or after 1 April 2024.
- (3) Regulations under this section—
 - (a) may make any such provision as might be made by an Act of Parliament, including provision amending or repealing any provision of this Act, but
 - (b) may not make provision taking effect from a date earlier than that of the making of the regulations.
- (4) A statutory instrument containing (whether alone or with other provision) regulations under this section that amend or repeal any Act of Parliament must be laid before the House of Commons after being made.
- (5) Regulations contained in a statutory instrument laid before the House of Commons under subsection (4) cease to have effect at the end of the period of 28 days beginning with the day on which the instrument is made unless, during that period, the instrument is approved by a resolution of the House of Commons.
- (6) In calculating the period of 28 days, no account is to be taken of any whole days that fall within a period during which—
 - (a) Parliament is dissolved or prorogued, or
 - (b) the House of Commons is adjourned for more than four days.
- (7) If regulations cease to have effect as a result of subsection (5), that does not—
 - (a) affect the validity of anything previously done under or by virtue of the instrument, or
 - (b) prevent the making of new regulations.
- (8) A statutory instrument containing (whether alone or with other provision) regulations under this section to which subsection (4) does not apply is subject to annulment in pursuance of a resolution of the House of Commons.
- (9) This section comes into force on the day on which this Act is passed.

97 Supply of imported works of art etc

- (1) In Schedule 6 to VATA 1994 (valuation: special cases), after paragraph 11 insert—
 - “11A (1) Sub-paragraph (2) applies to goods that—
 - (a) fall within subsection (5) of section 21 (works of art etc), and
 - (b) are treated as supplied in the United Kingdom as a result of section 7(5B) (importation of consignments with an intrinsic value not exceeding £135).
 - (2) The value of a supply of goods to which this sub-paragraph applies is to be taken to be an amount equal to 25% of the amount that, apart from this sub-paragraph, would be its value for the purposes of this Act.

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(3) An order under section 2(2) may contain provision making such alteration of the percentage for the time being specified in sub-paragraph (2) as the Treasury consider appropriate in consequence of any increase or decrease by that order of the rate of VAT.”

(2) The amendment made by subsection (1) has effect in relation to supplies made on or after IP completion day.

98 Continuing effect of principle preventing the abuse of the VAT system

(1) In section 42 of TCTA 2018 (EU law relating to VAT), after subsection (4) insert—

“(4A) Accordingly, that principle may continue to be relied upon in determining any matter relating to value added tax (including in determining the effect of any provision made by or under an enactment).”

(2) That section has effect, and is to be deemed always to have had effect, with the amendment made by subsection (1).

99 Deferring VAT payment by reason of the coronavirus emergency

(1) Schedule 19 makes provision about—

- (a) powers of the Commissioners for Her Majesty’s Revenue and Customs to agree that payment of sums to meet liabilities described in article 5 of the Finance Act 2008, Section 135 (Coronavirus) Order 2020 (S.I. 2020/934) (“the Coronavirus Order 2020”) may be further deferred,
- (b) surcharges arising on such sums, and
- (c) a penalty payable in connection with non-payment of such sums.

(2) Subsection (1) and Schedule 19 are to be treated as having come into force on 9 March 2021.

(3) The Treasury may by regulations repeal paragraphs 4 to 11 of Schedule 19 (penalty) where they consider it appropriate to do so by reason of circumstances arising as a result of the emergency specified in article 2 of the Coronavirus Order 2020.

(4) Regulations made under subsection (3)—

- (a) must make provision for the repayment of amounts paid in respect of penalties under Schedule 19, and
- (b) may make other transitional provision.

(5) Regulations under this section are to be made by statutory instrument.

(6) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons.

100 Refunds to S4C

(1) In section 33(3) of the Value Added Tax Act 1994 (refunds of VAT in certain cases), after paragraph (i) insert—

“(ia) S4C;”.

(2) The amendment made by this section has effect in relation to supplies made, and acquisitions and importations taking place, on or after 1 April 2021.

Customs duty

101 Steel removed to Northern Ireland

Schedule 20 contains amendments of the Customs (Northern Ireland) (EU Exit) Regulations 2020 (S.I. 2020/1605) in connection with the removal of certain steel products to Northern Ireland.

Fuel duties

102 Restriction of use of rebated diesel and biofuels

- (1) Schedule 21 makes—
 - (a) provision amending HODA 1979 to restrict the use of rebated diesel and biofuels to specified categories of machines, and
 - (b) related provision.
- (2) Schedule 21 comes into force on 1 April 2022.
- (3) The Treasury may by regulations make such consequential, supplementary, incidental, transitional, transitory or saving provision as the Treasury consider appropriate in connection with the coming into force of Schedule 21.
- (4) Regulations under subsection (3) may—
 - (a) amend, repeal or revoke provision made by or under an Act passed before this Act;
 - (b) make different provision for different purposes or areas.
- (5) Regulations under subsection (3) are to be made by statutory instrument.
- (6) A statutory instrument containing regulations under subsection (3) is subject to annulment in pursuance of a resolution of the House of Commons.
- (7) In Schedule 11 to FA 2020 (amendments of HODA 1979 relating to private pleasure craft), in paragraph 21 (power to make consequential amendments), after “enactment” insert “, including Schedule 21 to FA 2021,”.

Tobacco products duty

103 Rates of tobacco products duty

- (1) In Schedule 1 to TDPA 1979 (table of rates of tobacco products duty), for the Table substitute—

“TABLE

1 Cigarettes	An amount equal to the higher of— <ol style="list-style-type: none">(a) 16.5% of the retail price plus £244.78 per thousand cigarettes, or(b) £320.90 per thousand cigarettes.
2 Cigars	£305.32 per kilogram

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3 Hand-rolling tobacco	£271.40 per kilogram
4 Other smoking tobacco and chewing tobacco	£134.24 per kilogram
5 Tobacco for heating	£251.60 per kilogram”

(2) In consequence of the provision made by subsection (1), the Tobacco Products Duty (Alteration of Rates) Order 2020 (S.I. 2020/1256) is revoked.

Vehicle taxes

104 Rates for light passenger or light goods vehicles, motorcycles etc

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

(2) In paragraph 1 (general rate)—

- (a) in sub-paragraph (2) (vehicle not covered elsewhere in Schedule with engine cylinder capacity exceeding 1,549cc), for “£270” substitute “£280”, and
- (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£165” substitute “£170”.

(3) In paragraph 1B (graduated rates for light passenger vehicles registered before 1 April 2017), for the Table substitute—

<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	120	130
130	140	145	155
140	150	160	170
150	165	200	210
165	175	240	250
175	185	265	275
185	200	305	315
200	225	330	340
225	255	575	585
255	—	590	600”.

(4) In the sentence immediately following the Table in that paragraph, for paragraphs (a) and (b) substitute—

- “(a) in column (3), in the last two rows, “330” were substituted for “575” and “590”, and

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(b) in column (4), in the last two rows, “340” were substituted for “585” and “600”.

(5) In paragraph 1GC (graduated rates for first licence for light passenger vehicles registered on or after 1 April 2017), for Table 1 (vehicles other than higher rate diesel vehicles) substitute—

<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>
0	50	0	10
50	75	15	25
75	90	105	115
90	100	130	140
100	110	150	160
110	130	170	180
130	150	210	220
150	170	545	555
170	190	885	895
190	225	1335	1345
225	255	1900	1910
255	—	2235	2245”

(6) In that paragraph, for Table 2 (higher rate diesel vehicles) substitute—

<i>“CO₂ emissions figure</i>		<i>Rate</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>
0	50	25
50	75	115
75	90	140
90	100	160
100	110	180
110	130	220
130	150	555
150	170	895

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<i>“CO₂ emissions figure</i>		<i>Rate</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>
170	190	1345
190	225	1910
225	255	2245
255	—	2245”.

- (7) In paragraph 1GD(1) (rates for any other licence for light passenger vehicles registered on or after 1 April 2017)—
- in paragraph (a) (reduced rate), for “£140” substitute “£145”, and
 - in paragraph (b) (standard rate), for “£150” substitute “£155”.
- (8) In paragraph 1GE(2) (rates for light passenger vehicles registered on or after 1 April 2017 with a price exceeding £40,000)—
- in paragraph (a), for “£465” substitute “£480”, and
 - in paragraph (b), for “£475” substitute “£490”.
- (9) In paragraph 1J(a) (rates for light goods vehicles that are not pre-2007 or post-2008 lower emission vans), for “£265” substitute “£275”.
- (10) In paragraph 2(1) (rates for motorcycles)—
- in paragraph (a) (engine cylinder capacity not exceeding 150cc), for “£20” substitute “£21”,
 - in paragraph (b) (motorbicycles with engine cylinder capacity exceeding 150cc but not exceeding 400cc), for “£44” substitute “£45”,
 - in paragraph (c) (motorbicycles with engine cylinder capacity exceeding 400cc but not exceeding 600cc), for “£67” substitute “£69”, and
 - in paragraph (d) (other cases), for “£93” substitute “£96”.
- (11) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2021.

105 Rebates where higher rate of duty paid

- Section 19 of VERA 1994 (rebates of vehicle excise duty) is amended as follows.
- In subsection (3A) for “subsection (3B)” substitute “subsections (3B) and (3C)”.
- After subsection (3B) insert—

“(3C) Where the annual rate of duty chargeable on a vehicle licence at the time when it was taken out is determined in accordance with paragraph 1GE(2) of Schedule 1 (higher rates of duty: vehicles with a price exceeding £40,000) the relevant amount is given by—

$$\frac{(H \times R) + (L \times P)}{12}$$

where—

H is the annual rate of duty chargeable on the licence at the time when it was taken out;

R is the number of complete months (if any) of that part of the currency of the licence which is unexpired—

- (a) in respect of which the rebate condition is satisfied, and
- (b) which are within the period of six years beginning with the day of registration;

L is the annual rate of duty that would have been chargeable on the licence at the time when it was taken out if that time had been after the period of six years beginning with the day of registration;

P is the number of complete months (if any) of that part of the currency of the licence which is unexpired—

- (a) in respect of which the rebate condition is satisfied, and
- (b) which are not within R.

(3D) In subsection (3C) the “day of registration” means the day on which the vehicle in respect of which the licence is in force was first registered under this Act or under the law of a country or territory outside the United Kingdom.”

- (4) The amendments made by this section have effect in relation to cases where a rebate condition (within the meaning of section 19 of VERA 1994) is satisfied on or after 1 April 2021.

106 HGV road user levy (extension of suspension)

In section 88 of FA 2020 (suspension of HGV road user levy), in subsection (3), for “12” substitute “24”.

Air passenger duty

107 Rates of air passenger duty from 1 April 2022

- (1) In section 30(4A) of FA 1994 (air passenger duty: long haul rates)—
 - (a) in paragraph (a), for “£82” substitute “£84”, and
 - (b) in paragraph (b), for “£180” substitute “£185”.
- (2) The amendments made by this section have effect in relation to the carriage of passengers beginning on or after 1 April 2022.

Gaming duty

108 Amounts of gross gaming yield charged to gaming duty

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

“TABLE

Part of gross gaming yield	Rate
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Status: This is the original version (as it was originally enacted).

The first £2,548,500	15%
The next £1,757,000	20%
The next £3,077,000	30%
The next £6,494,500	40%
The remainder	50%”.

- (2) The amendment made by this section has effect in relation to accounting periods beginning on or after 1 April 2021.

Environmental taxes

109 Rates of climate change levy from 1 April 2022 to 31 March 2023

- (1) Paragraph 42 of Schedule 6 to FA 2000 (climate change levy: amount payable by way of levy) is amended as follows.
- (2) In sub-paragraph (1), 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	£0.00775 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	£0.00568 per kilowatt hour
Any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state	£0.02175 per kilogram
Any other taxable commodity	£0.04449 per kilogram”.

- (3) In sub-paragraph (1)(c) (reduced-rate supplies in respect of any taxable commodity other than electricity or petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state), for “17” substitute “14”.
- (4) In consequence of the amendment made by subsection (3), in the definition of “r” in the Notes to paragraph 2 of Schedule 1 to the Climate Change Levy (General) Regulations 2001, for “0.83” substitute “0.86”.
- (5) The amendments made by this section have effect in relation to supplies treated as taking place on or after 1 April 2022 but before 1 April 2023.

110 Rates of climate change levy from 1 April 2023

- (1) Paragraph 42 of Schedule 6 to FA 2000 (climate change levy: amount payable by way of levy) is amended as follows.
- (2) In sub-paragraph (1), 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	£0.00775 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	£0.00672 per kilowatt hour
Any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state	£0.02175 per kilogram
Any other taxable commodity	£0.05258 per kilogram”.

- (3) In sub-paragraph (1)(c) (reduced-rate supplies in respect of any taxable commodity other than electricity or petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state), as amended by section 109(3), for “14” substitute “12”.
- (4) In consequence of the amendment made by subsection (3), in the definition of “r” in the Notes to paragraph 2 of Schedule 1 to the Climate Change Levy (General) Regulations 2001, as amended by section 109(4), for “0.86” substitute “0.88”.
- (5) The amendments made by this section have effect in relation to supplies treated as taking place on or after 1 April 2023.

111 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 “£94.15” substitute “£96.70”.
- (3) In subsection (2) (reduced rate for certain disposals), in the words after paragraph (b) —
 - (a) for “£94.15” substitute “£96.70”, and
 - (b) for “£3” substitute “£3.10”.
- (4) The amendments made by this section have effect in relation to disposals made (or treated as made) on or after 1 April 2021.

112 Repeal of carbon emissions tax

- (1) In FA 2019, omit Part 3 (carbon emissions tax).
- (2) In FA 2020, omit section 95 and Schedule 12 (carbon emissions tax).