



Finance (No. 2) Act 2010

2010 CHAPTER 31

PART 1

RATES ETC

Corporation tax

1 Main rate of corporation tax for financial year 2011

In section 2(2)(a) of FA 2010 (main corporation tax rate for financial year 2011 on profits other than ring fence profits), for “28%” substitute “27%”.

Capital gains tax

2 Rates of capital gains tax

Schedule 1 contains provision in relation to the rates at which capital gains tax is charged.

Value added tax

3 Rate of value added tax

- (1) In section 2(1) of VATA 1994 (rate of VAT), for “17.5 per cent” substitute “20 per cent”.
- (2) In section 21(4) of that Act (restriction on value of imported goods), for “28.58 per cent” substitute “25 per cent”.
- (3) The amendment made by subsection (1) has effect in relation to any supply made on or after 4 January 2011 and any acquisition or importation taking place on or after that date.

Status: Point in time view as at 27/07/2010.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2010, Part 1. (See end of Document for details)

- (4) The amendment made by subsection (2) has effect in relation to goods imported on or after 4 January 2011.
- (5) Schedule 2 contains provision for a supplementary charge to value added tax on supplies spanning the date of the VAT change.

Insurance premium tax

4 Rates of insurance premium tax

- (1) In section 51(2) of FA 1994 (rates of insurance premium tax)—
 - (a) in paragraph (a) (higher rate), for “17.5 per cent” substitute “20 per cent”, and
 - (b) in paragraph (b) (standard rate), for “5 per cent” substitute “6 per cent”.
- (2) The amendments made by subsection (1) have effect in relation to a premium falling to be regarded for the purposes of Part 3 of FA 1994 as received under a taxable insurance contract by an insurer on or after 4 January 2011.
- (3) In the application of sections 67A and 67C of FA 1994 (announced increase in rate) in relation to the increases made by this section—
 - (a) the announcement for the purposes of section 67A(1) is to be taken to have been made on 22 June 2010, and
 - (b) the date of the change is 4 January 2011.
- (4) In FA 1999, omit section 125; and the repeal of that section comes into force in accordance with the provision made by this section for the coming into force of the amendments made by subsection (1).

Status:

Point in time view as at 27/07/2010.

Changes to legislation:

There are currently no known outstanding effects for the Finance (No. 2) Act 2010, Part 1.