



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.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2010. (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).

PART 2

OTHER PROVISIONS

Pensions

5 Power to repeal high income excess relief charge

- (1) The Treasury may by order made by statutory instrument repeal section 23 of, and Schedule 2 to, FA 2010 (high income excess relief charge).
- (2) No order may be made under subsection (1) after 31 December 2010.
- (3) Section 1014 of ITA 2007 (orders and regulations under Income Tax Acts) does not apply to the power under subsection (1).

6 Treatment of persons at age 75

F1

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

Textual Amendments

- F1** S. 6 omitted (with effect as mentioned in Sch. 16 paras. 85, 107 of the amending Act) by virtue of Finance Act 2011 (c. 11), s. 65, **Sch. 16 para. 84(e)(i)**

Income tax

7 Expenses paid to MPs etc

Schedule 4 contains provision about expenses and allowances paid to members of the House of Commons and other representatives.

Corporation tax

8 Amounts not fully recognised for accounting purposes

Schedule 5 contains amendments of sections 311, 312 and 599A of CTA 2009 (loan relationships and derivative contracts: treatment of amounts not fully recognised for accounting purposes).

F29 Insurance companies: business transfers involving excess assets

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Textual Amendments

- F2** S. 9 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 247(v)**

Final provisions

10 Interpretation

(1) In this Act—

- “CTA 2009” means the Corporation Tax Act 2009;
- “CTA 2010” means the Corporation Tax Act 2010;
- “ICTA” means the Income and Corporation Taxes Act 1988;
- “ITA 2007” means the Income Tax Act 2007;
- “ITEPA 2003” means the Income Tax (Earnings and Pensions) Act 2003;
- “TCGA 1992” means the Taxation of Chargeable Gains Act 1992;
- “VATA 1994” means the Value Added Tax Act 1994.

(2) In this Act “FA”, followed by a year, means the Finance Act of that year.

11 Short title

This Act may be cited as the Finance (No.2) Act 2010.

Changes to legislation:

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