



# 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.

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*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)*

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- (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).

**Changes to legislation:**

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