



Finance Act 2013

2013 CHAPTER 29

PART 4

EXCISE DUTIES AND OTHER TAXES

Inheritance tax

175 Open-ended investment companies and authorised unit trusts

- (1) In section 65 of IHTA 1984 (settlements without interests in possession etc: charge when property ceases to be relevant property etc), after subsection (7) insert—

“(7A) Tax shall not be charged under this section by reason only that property comprised in a settlement becomes excluded property by virtue of section 48(3A)(a) (holding in an authorised unit trust or a share in an open-ended investment company is excluded property unless settlor domiciled in UK when settlement made).”

- (2) The amendment made by this section is treated as having come into force on 16 October 2002.

176 Treatment of liabilities for inheritance tax purposes

Schedule 36 makes provision in relation to the treatment of liabilities for the purposes of inheritance tax.

177 Election to be treated as domiciled in United Kingdom

- (1) IHTA 1984 is amended as follows.

- (2) In section 267 (persons treated as domiciled in United Kingdom), at the end insert—

“(5) In determining for the purposes of this section whether a person is, or at any time was, domiciled in the United Kingdom, sections 267ZA and 267ZB are to be ignored.”

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2013, PART 4. (See end of Document for details)*

(3) After that section insert—

“267ZA Election to be treated as domiciled in United Kingdom

- (1) A person may, if condition A or B is met, elect to be treated for the purposes of this Act as domiciled in the United Kingdom (and not elsewhere).
- (2) A person's personal representatives may, if condition B is met, elect for the person to be treated for the purposes of this Act as domiciled in the United Kingdom (and not elsewhere).
- (3) Condition A is that, at any time on or after 6 April 2013 and during the period of 7 years ending with the date on which the election is made, the person had a spouse or civil partner who was domiciled in the United Kingdom.
- (4) Condition B is that a person (“the deceased”) dies and, at any time on or after 6 April 2013 and within the period of 7 years ending with the date of death, the deceased was—
 - (a) domiciled in the United Kingdom, and
 - (b) the spouse or civil partner of the person who would, by virtue of the election, be treated as domiciled in the United Kingdom.
- (5) An election under this section does not affect a person's domicile for the purposes of section 6(2) or (3) or 48(4).
- (6) An election under this section is to be ignored—
 - (a) in interpreting any such provision as is mentioned in section 158(6), and
 - (b) in determining the effect of any qualifying double taxation relief arrangements in relation to a transfer of value by the person making the election.
- (7) For the purposes of subsection (6)(b) a qualifying double taxation relief arrangement is an arrangement which is specified in an Order in Council made under section 158 before the coming into force of this section (other than by way of amendment by an Order made on or after the coming into force of this section).
- (8) In determining for the purposes of this section whether a person making an election under this section is or was domiciled in the United Kingdom, section 267 is to be ignored.

267ZB Section 267ZA: further provision about election

- (1) For the purposes of this section—
 - (a) references to a lifetime election are to an election made by virtue of section 267ZA(3), and
 - (b) references to a death election are to an election made by virtue of section 267ZA(4).
- (2) A lifetime or death election is to be made by notice in writing to HMRC.
- (3) A lifetime or death election is treated as having taken effect on a date specified, in accordance with subsection (4), in the notice.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, PART 4. (See end of Document for details)

- (4) The date specified in a notice under subsection (3) must—
 - (a) be 6 April 2013 or a later date,
 - (b) be within the period of 7 years ending with—
 - (i) in the case of a lifetime election, the date on which the election is made, or
 - (ii) in the case of a death election, the date of the deceased's death, and
 - (c) meet the condition in subsection (5).
- (5) The condition in this subsection is met by a date if, on the date—
 - (a) in the case of a lifetime election—
 - (i) the person making the election was married to, or in a civil partnership with, the spouse or civil partner, and
 - (ii) the spouse or civil partner was domiciled in the United Kingdom, or
 - (b) in the case of a death election—
 - (i) the person who is, by virtue of the election, to be treated as domiciled in the United Kingdom was married to, or in a civil partnership with, the deceased, and
 - (ii) the deceased was domiciled in the United Kingdom.
- (6) A death election may only be made within 2 years of the death of the deceased or such longer period as an officer of Revenue and Customs may in the particular case allow.
- (7) Subsection (8) applies if—
 - (a) a lifetime or death election is made,
 - (b) a disposition is made, or another event occurs, during the period beginning with the time when the election is treated by virtue of subsection (3) as having taken effect and ending at the time when the election is made, and
 - (c) the effect of the election being treated as having taken effect at that time is that the disposition or event gives rise to a transfer of value.
- (8) This Act applies with the following modifications in relation to the transfer of value—
 - (a) subsections (1) and (6)(c) of section 216 have effect as if the period specified in subsection (6)(c) of that section were the period of 12 months from the end of the month in which the election is made, and
 - (b) sections 226 and 233 have effect as if the transfer were made at the time when the election is made.
- (9) A lifetime or death election cannot be revoked.
- (10) If a person who made an election under section 267ZA(1) is not resident in the United Kingdom for the purposes of income tax for a period of four successive tax years beginning at any time after the election is made, the election ceases to have effect at the end of that period.”

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, PART 4. (See end of Document for details)

178 Transfer to spouse or civil partner not domiciled in United Kingdom

- (1) Section 18 of IHTA 1984 (transfers between spouses or civil partners) is amended as follows.
- (2) In subsection (2) (transfer to spouse or civil partner not domiciled in United Kingdom), for “£55,000” substitute “ the exemption limit at the time of the transfer, ”.
- (3) After subsection (2) insert—
 - “(2A) For the purposes of subsection (2), the exemption limit is the amount shown in the second column of the first row of the Table in Schedule 1 (upper limit of portion of value charged at rate of nil per cent).”
- (4) The amendments made by this section have effect in relation to transfers of value made on or after 6 April 2013.

Fuel

179 Fuel duties: rates of duty and rebates from 1 April 2013

- (1) HODA 1979 is amended as follows.
- (2) In section 6(1A) (main rates)—
 - (a) in paragraph (a) (unleaded petrol), for “£0.6097” substitute “ £0.5795 ”,
 - (b) in paragraph (aa) (aviation gasoline), for “£0.3966” substitute “ £0.3770 ”,
 - (c) in paragraph (b) (light oil other than unleaded petrol or aviation gasoline), for “£0.7069” substitute “ £0.6767 ”, and
 - (d) in paragraph (c) (heavy oil), for “£0.6097” substitute “ £0.5795 ”.
- (3) In section 8(3) (road fuel gas)—
 - (a) in paragraph (a) (natural road fuel gas), for “£0.2907” substitute “ £0.2470 ”, and
 - (b) in paragraph (b) (other road fuel gas), for “£0.3734” substitute “ £0.3161 ”.
- (4) In section 11(1) (rebate on heavy oil)—
 - (a) in paragraph (a) (fuel oil), for “£0.1126” substitute “ £0.1070 ”, and
 - (b) in paragraph (b) (gas oil), for “£0.1172” substitute “ £0.1114 ”.
- (5) In section 14(1) (rebate on light oil for use as furnace fuel), for “£0.1126” substitute “ £0.1070 ”.
- (6) In section 14A(2) (rebate on certain biodiesel), for “£0.1172” substitute “ £0.1114 ”.
- (7) The following instruments are revoked—
 - (a) Excise Duties (Surcharges or Rebates) (Hydrocarbon Oils etc) Order 2012 (S.I. 2012/3055), and
 - (b) Excise Duties (Road Fuel Gas) (Reliefs) Regulations 2012 (S.I. 2012/3056).
- (8) The amendments and revocations made by this section are treated as having come into force on 1 April 2013.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, PART 4. (See end of Document for details)

Alcohol

180 Rates of alcoholic liquor duties

- (1) ALDA 1979 is amended as follows.
- (2) In section 5 (rate of duty on spirits), for “£26.81” substitute “ £28.22 ”.
- (3) In section 36(1AA) (rates of general beer duty)—
 - (a) in paragraph (za) (rate of duty on lower strength beer), for “£9.76” substitute “ £9.17 ”, and
 - (b) in paragraph (a) (standard rate of duty on beer), for “£19.51” substitute “ £19.12 ”.
- (4) In section 37(4) (rate of high strength beer duty), for “£4.88” substitute “ £5.09 ”.
- (5) In section 62(1A) (rates of duty on cider)—
 - (a) in paragraph (a) (rate of duty per hectolitre on sparkling cider of a strength exceeding 5.5 per cent), for “£245.32” substitute “ £258.23 ”,
 - (b) in paragraph (b) (rate of duty per hectolitre on cider of a strength exceeding 7.5 per cent which is not sparkling cider), for “£56.55” substitute “ £59.52 ”, and
 - (c) in paragraph (c) (rate of duty per hectolitre in any other case), for “£37.68” substitute “ £39.66 ”.
- (6) For the table in Schedule 1 substitute—

“Table of rates of duty on wine and made-wine

PART 1

WINE OR MADE-WINE OF A STRENGTH NOT EXCEEDING 22 PER CENT

<i>Description of wine or made-wine</i>	<i>Rates of duty per hectolitre £</i>
Wine or made-wine of a strength not exceeding 4 per cent	82.18
Wine or made-wine of a strength exceeding 4 per cent but not exceeding 5.5 per cent	113.01
Wine or made-wine of a strength exceeding 5.5 per cent but not exceeding 15 per cent and not being sparkling	266.72
Sparkling wine or sparkling made-wine of a strength exceeding 5.5 per cent but less than 8.5 per cent	258.23
Sparkling wine or sparkling made-wine of a strength of 8.5 per cent or of a strength exceeding 8.5 per cent but not exceeding 15 per cent	341.63
Wine or made-wine of a strength exceeding 15 per cent but not exceeding 22 per cent	355.59

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PART 2

WINE OR MADE-WINE OF A STRENGTH EXCEEDING 22 PER CENT

<i>Description of wine or made-wine</i>	<i>Rates of duty per litre of alcohol in wine or made-wine £</i>
Wine or made-wine of a strength exceeding 22 per cent	28.22”.

(7) The amendments made by this section are treated as having come into force on 25 March 2013.

Tobacco

181 Rates of tobacco products duty

(1) For the table in Schedule 1 to TPDA 1979 substitute—

“TABLE

1. Cigarettes	An amount equal to 16.5 per cent of the retail price plus £176.22 per thousand cigarettes
2. Cigars	£219.82 per kilogram
3. Hand-rolling tobacco	£172.74 per kilogram
4. Other smoking tobacco and chewing tobacco	£96.64 per kilogram”.

(2) The amendment made by this section is treated as having come into force at 6 pm on 20 March 2013.

182 Meaning of “tobacco products”

(1) Section 1 of TPDA 1979 (tobacco products) is amended as follows.

(2) In subsection (1), omit “, but does not include herbal smoking products”.

(3) After that subsection insert—

“(1A) But a product is not a tobacco product for the purposes of this Act if—

(a) the product does not contain any tobacco, and

(b) the Commissioners are satisfied that—

(i) the product is of a description that is used for medical purposes, and

(ii) the product is intended to be used exclusively for such purposes.”

(4) In subsection (3), omit “but not including herbal smoking products”.

(5) Omit subsection (6).

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2013, PART 4. (See end of Document for details)*

(6) The amendments made by this section come into force on 1 January 2014.

Gambling

183 Rates of gaming duty

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

“TABLE

<i>Part of gross gaming yield</i>	<i>Rate</i>
The first £2,242,500	15 per cent
The next £1,546,000	20 per cent
The next £2,707,500	30 per cent
The next £5,714,500	40 per cent
The remainder	50 per cent”.

(2) The amendment made by this section has effect in relation to accounting periods beginning on or after 1 April 2013.

184 Combined bingo

(1) Section 20A of BGDA 1981 (combined bingo) is amended as follows.

(2) In subsection (3) for the words from the beginning to “second promoter”)—” substitute “Where money representing such payments (so far as they constituted stakes hazarded in the combined bingo) is paid in an accounting period by one promoter of the bingo (“the first promoter”) to another (“the second promoter”), to the extent that the money is used (directly or indirectly) to provide bingo winnings for combined bingo promoted by the second promoter—”.

(3) Omit subsection (4).

(4) The amendments made by this section have effect in relation to accounting periods beginning on or after the day on which this Act is passed.

Air passenger duty

185 Air passenger duty: rates of duty from 1 April 2013

(1) Section 30 of FA 1994 (air passenger duty: rates of duty) is amended as follows.

(2) In subsection (3)—

(a) in paragraph (a) for “£65” substitute “ £67 ”, and

(b) in paragraph (b) for “£130” substitute “ £134 ”.

(3) In subsection (4)—

(a) in paragraph (a) for “£81” substitute “ £83 ”, and

(b) in paragraph (b) for “£162” substitute “ £166 ”.

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- (4) In subsection (4A)—
 - (a) in paragraph (a) for “£92” substitute “ £94 ”, and
 - (b) in paragraph (b) for “£184” substitute “ £188 ”.
- (5) The amendments made by this section have effect in relation to the carriage of passengers beginning on or after 1 April 2013.

186 Air passenger duty: miscellaneous provision

- (1) In section 38 of FA 1994 (accounting for and payment of duty) after subsection (2) insert—
 - “(2A) Regulations may require a prescribed person to make, at prescribed times during a prescribed period, payments based on an estimate of what the person's liability will be for duty charged in the period.
 - (2B) The estimate and the amounts of the payments are to be determined in accordance with provision made by the regulations.
 - (2C) The payments are to be treated as being payments on account of the person's liability for duty charged in the period.
 - (2D) The regulations must make provision for dealing with cases where this results in an overpayment of duty by providing for amounts—
 - (a) to be repaid by the Commissioners, or
 - (b) to be treated as having been paid on account of the person's liability for duty charged in other periods,
or both.”
- (2) In Part 2 of Schedule 5A to FA 1994 (territories etc) at the appropriate place insert “ South Sudan ”.
- (3) The amendment made by subsection (2) has effect in relation to the carriage of passengers beginning on or after 9 July 2011.

Vehicle excise duty

187 VED rates for light passenger vehicles, light goods vehicles, motorcycles etc

- (1) Schedule 1 to VERA 1994 (annual rates of duty) is amended as follows.
- (2) In paragraph 1 (general)—
 - (a) in sub-paragraph (2) (vehicle not covered elsewhere in Schedule otherwise than with engine cylinder capacity not exceeding 1,549cc), for “£220” substitute “ £225 ”, and
 - (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£135” substitute “ £140 ”.
- (3) In paragraph 1B (graduated rates of duty for light passenger vehicles)—
 - (a) for the tables substitute—

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“TABLE 1

RATES PAYABLE ON FIRST VEHICLE LICENCE FOR VEHICLE

<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>
130	140	115	125
140	150	130	140
150	165	165	175
165	175	275	285
175	185	325	335
185	200	465	475
200	225	610	620
225	255	830	840
255		1055	1065

TABLE 2

RATES PAYABLE ON ANY OTHER VEHICLE LICENCE FOR VEHICLE

<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	95	105
130	140	115	125
140	150	130	140
150	165	165	175
165	175	190	200
175	185	210	220
185	200	250	260
200	225	270	280
225	255	465	475

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255

480

490”;

- (b) in the sentence immediately following the tables, for paragraphs (a) and (b) substitute—
- “(a) in column (3), in the last two rows, “270” were substituted for “465” and “ 480 ”, and
- (b) in column (4), in the last two rows, “280” were substituted for “475” and “ 490 ”.”
- (4) In paragraph 1J (VED rates for light goods vehicles)—
- (a) in paragraph (a), for “£215” substitute “ £220 ”, and
- (b) in paragraph (b), for “£135” substitute “ £140 ”.
- (5) In paragraph 2(1) (VED rates for motorcycles)—
- (a) in paragraph (a), for “£16” substitute “ £17 ”,
- (b) in paragraph (b), for “£36” substitute “ £37 ”,
- (c) in paragraph (c), for “£55” substitute “ £57 ”, and
- (d) in paragraph (d), for “£76” substitute “ £78 ”.
- (6) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2013.

188 Not exhibiting licence: period of grace

- (1) In section 33 of VERA 1994 (not exhibiting licence), omit subsections (1B) to (1D).
- (2) After that section insert—

“33A Not exhibiting licence: period of grace

- (1) A person is not guilty of an offence under subsection (1) or (1A) of section 33 by using or keeping a vehicle on a public road during any of the following periods.

First registration The period of 14 days beginning with the day on which the vehicle is first registered under this Act.

Change of keeper The period of 14 days beginning with the day on which a new licence or nil licence is issued for the vehicle because of a change in the person by whom the vehicle is being kept.

Renewal etc. The period of 14 days following the time when a licence or nil licence for or in respect of the vehicle, or a relevant declaration applying to the vehicle, ceases to be in force, but only if an application for a licence or nil licence for or in respect of the vehicle to run from that time has been received before that time.

Replacement The period beginning with the time when a licence or nil licence that is in force for or in respect of the vehicle is delivered to the Secretary of State with an application for a replacement licence, and ending with the time when the replacement licence is obtained.

- (2) For the purposes of this section—
- (a) there is a relevant declaration applying to a vehicle if the particulars and declaration required to be furnished and made by regulations

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- under section 22(1D) have been furnished and made in relation to the vehicle in accordance with the regulations, and
- (b) the relevant declaration ceases to be in force if, after the particulars and declaration have been furnished and made the vehicle is used or kept on a public road (otherwise than under a trade licence).”
- (3) In consequence of the provision made by subsections (1) and (2) omit—
- (a) section 147 of FA 2008, and
- (b) in regulation 6 of the Road Vehicles (Registration and Licensing) Regulations 2002 (S.I. 2002/2742), paragraph (1) and, in paragraph (2), the words “Except where paragraph (1) applies,”.

189 Vehicles not kept or used on public road

- (1) VERA 1994 is amended as follows.
- (2) In section 7A (supplement payable on vehicle ceasing to be appropriately covered), in subsection (1A)(d) omit “within the immediately preceding period of 12 months”.
- (3) In Schedule 2A (immobilisation, removal and disposal of vehicles), in paragraph 1(10) (b) omit “within the immediately preceding period of 12 months”.

190 Vehicle licences for disabled people

Schedule 37 makes provision about vehicle licences for disabled people.

Value added tax

191 Repayments of value added tax to health service bodies

- (1) In section 41 of VATA 1994 (application to the Crown), in subsection (7), after “Board” insert “ and a clinical commissioning group, the Health and Social Care Information Centre, the National Health Service Commissioning Board and the National Institute for Health and Care Excellence ”.
- (2) The amendment made by this section is treated as having come into force on 1 April 2013.

192 Valuation of certain supplies of fuel

Schedule 38 contains provision about the valuation of certain supplies of fuel for the purposes of value added tax.

193 Reduced rate for energy-saving materials

- (1) Group 2 (installation of energy-saving materials) of Part 2 of Schedule 7A to VATA 1994 (reduced rate supplies of goods and services) is amended as follows.
- (2) For items 1 and 2 substitute—

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“1 Supplies of services of installing energy-saving materials in residential accommodation.

2 Supplies of energy-saving materials by a person who installs those materials in residential accommodation.”

(3) Omit Note 3 (meaning of “use for a relevant charitable purpose”).

(4) The amendments made by this section have effect in relation to supplies made on or after 1 August 2013.

Stamp duty land tax

194 Pre-completion transactions: existing cases

(1) Section 45 of FA 2003 (contract and conveyance: effect of transfer of rights)—

(a) has effect subject to the amendment in subsection (2) below in relation to agreements for the grant or assignment of an option that are entered into during the period beginning with 21 March 2012 and ending immediately before the day on which this Act is passed, and

(b) has effect subject to the amendments in subsections (3) to (7) below in relation to transfers of rights (see subsection (1) of that section) entered into during that period.

(2) At the end of subsection (1A) insert “ or an agreement for the future grant or assignment of an option ”.

(3) In subsection (3), in the second sentence, after “except” insert “ in a case excluded by subsection (3A) or ”.

(4) After subsection (3) insert—

“(3A) A case is excluded by this subsection from the second sentence of subsection (3) if—

(a) the secondary contract is substantially performed at the same time as, and in connection with, the substantial performance or completion of the original contract but is not completed at that time (“the relevant time”),

(b) the original purchaser or a person connected with the original purchaser is in possession of the whole, or substantially the whole, of the subject-matter of the transfer of rights at any time after the relevant time, and

(c) having regard to all the circumstances, it would be reasonable to conclude that the obtaining of a tax advantage for the original purchaser was the main purpose, or one of the main purposes, of the original purchaser in entering into the transfer of rights.

(3B) In subsection (3A)—

“possession” has the same meaning as in section 44(5)(a);

“tax advantage” means—

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- (a) a relief from tax or increased relief from tax,
 - (b) a repayment of tax or increased repayment of tax, or
 - (c) the avoidance or reduction of a charge to tax.
- (3C) Nothing in subsection (3A) or (3B) affects the breadth of the application of sections 75A to 75C.”
- (5) In subsection (4), at the end insert “ except in a case excluded by subsection (4A) ”.
- (6) After subsection (4) insert—
 - “(4A) Subsection (3A) applies for the purposes of subsection (4) as if—
 - (a) the reference to subsection (3) were a reference to subsection (4),
 - (b) a reference to the original contract were a reference to the secondary contract arising from the earlier transfer of rights,
 - (c) a reference to the original purchaser were a reference to the transferee under the earlier transfer of rights, and
 - (d) a reference to the transfer of rights were a reference to the subsequent transfer of rights.”
- (7) In subsection (5)(b)—
 - (a) after “subsection (3) above” insert “ or in subsection (3A) above ”, and
 - (b) after “subsection (4)” insert “ or (4A) ”.
- (8) Subsections (10) to (12) apply where—
 - (a) as a result of subsection (2) of this section, section 45 of FA 2003 does not apply in relation to a contract of the kind mentioned in subsection (1)(a) of that section (“the original contract”),
 - (b) the original contract was substantially performed or completed (or, in a case that would have fallen within subsection (5) of that section, substantially performed or completed so far as relating to the relevant part of the subject-matter of the original contract) at the same time as, and in connection with, the substantial performance or completion of an agreement for the grant or assignment of an option, and
 - (c) that time fell before the day on which this Act is passed.
- (9) Subsections (10) to (12) also apply where—
 - (a) section 45 of FA 2003 applies in relation to the contract for a land transaction (“the original contract”),
 - (b) as a result of subsections (1) to (7) above, the substantial performance or completion of the original contract (or, in a case within subsection (5) of that section, its substantial performance or completion so far as relating to part of the subject-matter of the original contract) is not disregarded, and
 - (c) the relevant time referred to in subsection (3A)(a) of that section fell before the day on which this Act is passed.
- (10) Section 76 of FA 2003 (duty to deliver land transaction return) is to be regarded as requiring the purchaser under the original contract to deliver a land transaction return relating to the land transaction not later than 30 September 2013.
- (11) Accordingly, 30 September 2013 is for the purposes of Part 4 of FA 2003 the filing date for the land transaction return relating to the transaction.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, PART 4. (See end of Document for details)

- (12) If the purchaser under the original contract (“P”) has delivered a land transaction return relating to the land transaction before the day on which this Act is passed, P must not later than 30 September 2013 give notice under paragraph 6 of Schedule 10 to FA 2003 amending the return, but this does not prevent P from making subsequent amendments within the time allowed by sub-paragraph (3) of that paragraph.

195 Pre-completion transactions

Schedule 39 contains provisions about certain transactions relating to a contract that is to be completed by a conveyance.

196 Relief from higher rate

Schedule 40 contains provisions about relief from the higher rate of stamp duty land tax.

197 Leases

Schedule 41 contains provision about stamp duty land tax in relation to leases.

Landfill tax

198 Standard rate 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 “£72” substitute “ £80 ”.
- (3) In subsection (2) (reduced rate) for “£72” substitute “ £80 ”.
- (4) The amendments made by this section have effect in relation to disposals made (or treated as made) on or after 1 April 2014.

Climate change levy

199 Climate change levy: main rates

- (1) In paragraph 42(1) of Schedule 6 to FA 2000 (climate change levy: amount payable by way of levy) for the table substitute—

“TABLE

<i>Taxable commodity supplied</i>	<i>Rate at which levy payable if supply is not a reduced-rate supply or a supply for use in scrap metal recycling</i>
Electricity	£0.00541 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	£0.00188 per kilowatt hour

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Any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state £0.01210 per kilogram

Any other taxable commodity £0.01476 per kilogram”.

- (2) The amendment made by subsection (1) has effect in relation to supplies treated as taking place on or after 1 April 2014.

200 Climate change levy: supplies subject to carbon price support rates etc

Schedule 42 amends Schedule 6 to FA 2000 (climate change levy).

Insurance premium tax

201 Contracts that are not taxable

- (1) In Schedule 7A to FA 1994 (IPT: contracts that are not taxable), paragraph 3 (contracts relating to motor vehicles for use by handicapped persons) is amended as follows.
- (2) In sub-paragraph (2)(a)—
- (a) after “disability living allowance” insert “ , or personal independence payment, ” and
 - (b) after “component” insert “ , or of an armed forces independence payment ”.
- (3) In sub-paragraph (3), after “disability living allowance” insert “ , personal independence payment, armed forces independence payment ”.
- (4) After sub-paragraph (4)(b) insert—
- “(ba) personal independence payment” means a personal independence payment under Part 4 of the Welfare Reform Act 2012 or the corresponding provision having effect in Northern Ireland;
 - “(bb) “armed forces independence payment” means an armed forces independence payment under a scheme established under section 1 of the Armed Forces (Pensions and Contributions) Act 2004;”.
- (5) The amendments made by this section are treated as having come into force on 8 April 2013.

Bank levy

202 Bank levy: rates from 1 January 2013

- (1) Schedule 19 to FA 2011 (bank levy) is amended as follows.
- (2) In paragraph 6 (steps for determining the amount of the bank levy), in sub-paragraph (2)—
- (a) for “0.044%” substitute “ 0.065% ”, and
 - (b) for “0.088%” substitute “ 0.130% ”.
- (3) In paragraph 7 (special provision for chargeable periods falling wholly or partly before 1 January 2013), in sub-paragraph (2) (as substituted by paragraph 6 of Schedule 34 to FA 2012), in the table in the substituted Step 7—

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- (a) in the second column for “0.0525%” substitute “ 0.065% ”, and
 - (b) in the third column for “0.105%” substitute “ 0.130% ”.
- (4) In Schedule 34 to FA 2012 (bank levy)—
- (a) omit paragraph 5 (which substituted new rates from 1 January 2013), and
 - (b) in paragraph 7 for “paragraphs 5 and” substitute “ paragraph ”.
- (5) The amendments made by subsections (2) to (4) are treated as having come into force on 1 January 2013 (and accordingly the paragraph repealed by subsection (4) is treated as never having come into force).
- (6) Subsections (7) to (13) apply where—
- (a) an amount of the bank levy is treated as if it were an amount of corporation tax chargeable on an entity (“E”) for an accounting period of E,
 - (b) the chargeable period in respect of which the amount of the bank levy is charged falls (or partly falls) on or after 1 January 2013, and
 - (c) under the Instalment Payment Regulations, one or more instalment payments, in respect of the total liability of E for the accounting period, were treated as becoming due and payable before the commencement date (“pre-commencement instalment payments”).
- (7) Subsections (1) to (5) are to be ignored for the purpose of determining the amount of any pre-commencement instalment payment.
- (8) If there is at least one instalment payment, in respect of the total liability of E for the accounting period, which under the Instalment Payment Regulations is treated as becoming due and payable on or after the commencement date (“post-commencement instalment payments”), the amount of that instalment payment, or the first of them, is to be increased by the adjustment amount.
- (9) If there are no post-commencement instalment payments, a further instalment payment, in respect of the total liability of E for the accounting period, of an amount equal to the adjustment amount is to be treated as becoming due and payable at the end of the period of 30 days beginning with the commencement date.
- (10) “The adjustment amount” is the difference between—
- (a) the aggregate amount of the pre-commencement instalments determined in accordance with subsection (7), and
 - (b) the aggregate amount of those instalment payments determined ignoring subsection (7) (and so taking account of subsections (1) to (5)).
- (11) In the Instalment Payment Regulations—
- (a) in regulations 6(1)(a), 7(2), 8(1)(a) and (2)(a), 9(5), 10(1), 11(1) and 13, references to regulation 4A, 4B, 4C, 4D, 5, 5A or 5B of those Regulations are to be read as including a reference to subsections (6) to (10) (and in regulation 7(2) “the regulation in question”, and in regulation 8(2) “that regulation”, are to be read accordingly), and
 - (b) in regulation 9(3), the reference to those Regulations is to be read as including a reference to subsections (6) to (10).
- (12) In section 59D of TMA 1970 (general rule as to when corporation tax is due and payable), in subsection (5), the reference to section 59E is to be read as including a reference to subsections (6) to (11).

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(13) In this section—

“the chargeable period” is to be construed in accordance with paragraph 4 or (as the case may be) 5 of Schedule 19 to FA 2011;

“the commencement date” means the day on which this Act is passed;

“the Instalment Payment Regulations” means the Corporation Tax (Instalment Payments) Regulations 1998 (S.I. 1998/3175);

and references to the total liability of E for an accounting period are to be construed in accordance with regulation 2(3) of the Instalment Payment Regulations.

F1 203 Bank levy: rates from 1 January 2014

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Textual Amendments

F1 S. 203 repealed (1.1.2014 retrospective) by [Finance Act 2014 \(c. 26\), s. 119\(4\)\(5\)](#)

204 No deductions for UK or foreign bank levies

(1) Schedule 19 to FA 2011 (the bank levy) is amended as follows.

(2) In paragraph 46 (bank levy to be ignored for purposes of corporation tax and income tax), in paragraph (b), after “paid” insert “ (directly or indirectly) ”.

(3) In Part 7 (double taxation relief), after paragraph 69 insert—

69A “Foreign levies to be ignored for purposes of income tax or corporation tax

(1) In calculating profits or losses for the purposes of income tax or corporation tax—

(a) no deduction is allowed in respect of any tax which is imposed by the law of a territory outside the United Kingdom and corresponds to the bank levy, and

(b) no account is to be taken of any amount which is paid (directly or indirectly) by a member of a group to another member for the purposes of meeting or reimbursing the cost of such a tax charged in relation to the group.

(2) Paragraph 66(3) applies for the purposes of sub-paragraph (1) as it applies for the purposes of paragraph 66(2).”

(4) Accordingly—

(a) in paragraph 3, after “double taxation relief” insert “ and with the deduction of foreign levies for the purposes of corporation tax and income tax ”, and

(b) in the heading for Part 7, after “RELIEF” insert “ ETC ”

(5) The amendments made by this section have effect in relation to any period of account beginning on or after 1 January 2013.

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- (6) The amendments made by subsections (3) and (4) also have effect in relation to any period of account beginning before that date, but only if, and to the extent that, the tax is the subject of a claim for relief under paragraph 66 or 67 of Schedule 19 to FA 2011 (bank levy: double taxation relief) made on or after 5 December 2012.
- (7) For the purposes of subsections (5) and (6), a period of account beginning before, and ending on or after 1 January 2013 is to be treated as if so much of the period as falls before that date, and so much of the period as falls on or after that date, were separate periods of account.

205 High quality liquid assets

- (1) In paragraph 70 of Schedule 19 to FA 2011 (bank levy: definitions), in subparagraph (1), in the definition of “high quality liquid asset” for “section 12.7.2(1) to (4)” substitute “section 12.7 (assets that are eligible for inclusion in a firm's regulatory liquid assets buffer)”.
- (2) The amendment made by this section has effect in relation to chargeable periods ending on or after 1 January 2011, and in relation to those chargeable periods the amendment is to be treated as always having had effect.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2013, PART 4.