



House of Commons

Tuesday 22 May 2012

PUBLIC BILL COMMITTEE

New Amendments handed in are marked thus ★

☆ *Amendments which will comply with the required notice period at their next appearance*

FINANCE BILL

**(Except Clauses 1, 4, 8, 189 and 209, Schedules 1, 23 and 33,
and any new Clauses and new Schedules first appearing on the Order Paper not later than
Tuesday 17 April 2012 and relating to value added tax)**

NOTE

**The Amendments have been arranged in accordance with the Order of the
Committee [24 April 2012].**

Ed Balls
Rachel Reeves
Owen Smith
Cathy Jamieson
Chris Leslie

Clause 7, page 4, line 28, at end add—

‘(4) The Chancellor of the Exchequer shall review the impact of the corporate tax structure on businesses of different sizes, and shall place a copy of the review in the Library of the House of Commons.’.

6

Ed Balls
Rachel Reeves
Owen Smith
Cathy Jamieson
Chris Leslie

Clause 9, page 5, line 44, at end add—

7

Finance Bill, *continued*

- ‘(9) The Chancellor of the Exchequer shall review the ability of HMRC to deliver the anti-avoidance measures contained in this section and lay a report of his review before Parliament.’
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Ed Balls
Rachel Reeves
Cathy Jamieson
Catherine McKinnell
Chris Leslie

33

Clause 10, page 6, line 43, at end insert—

- ‘(5A) The Chancellor of the Exchequer shall review how the targeted anti-avoidance measure contained in this section will interact with the proposed General Anti-Abuse Rule in Finance Bill 2013, and lay a report of his review in the House of Commons Library.’
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Ed Balls
Rachel Reeves
Cathy Jamieson
Owen Smith
Chris Leslie

23

Clause 18, page 11, line 30, at end add—

- ‘(3) HM Revenue and Customs shall draw up plans to ensure that investors who are eligible to receive interest payments gross are made aware of the need to register with their account provider, to ensure that they do not overpay income tax.’
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Ed Balls
Rachel Reeves
Cathy Jamieson
Owen Smith
Chris Leslie

24

Clause 19, page 11, line 36, at end add—

- ‘(2) The Chancellor of the Exchequer shall review the impact of this provision on businesses and shall consider where there are other opportunities to introduce targeted support for business. A copy of the report shall be placed in the House of Commons Library.’
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Finance Bill, continued

Nigel Mills

32

Clause 20, page 12, line 3, at end add—

- ‘(2) The Chancellor of the Exchequer shall review the extent to which intellectual property created as a result of research and development expenditure which falls within Part 13 of CTA 2009 is vested in companies whose income is not within the charge to corporation tax, and place a copy of the report in the House of Commons Library.’.
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Nigel Mills

14

Schedule 3, page 185, line 3, at end insert—

‘37A(1) Section 1074 (“Additional deduction in calculating profits of trade”) is amended as follows.

(2) In section (i) leave out “and C” and insert “C and D”.

(3) After subsection (4) insert—

“(4A) Condition D is that any intellectual property created as a result of the research and development is or will be vested in a company whose income is within the change to corporation tax”.’.

Nigel Mills

13

Clause 23, page 14, line 36, leave out subsections (8) to (12).

David Gauke

15

Clause 24, page 15, line 32, leave out ‘moving into tonnage tax’ and insert ‘joining tonnage tax group’.

David Gauke

16

Clause 24, page 15, line 34, leave out ‘**moving into tonnage tax**’ and insert ‘**joining tonnage tax group**’.

David Gauke

17

Clause 24, page 15, line 36, leave out from ‘if’ to end of line 38 and insert ‘—

- (a) on that day A becomes a member of a tonnage tax group for the purposes of Schedule 22 to FA 2000 without entering tonnage tax on that day, or
- (b) the day ends immediately before the day on which, for the purposes of that Schedule, A both becomes a member of a tonnage tax group and enters tonnage tax.”’.

Finance Bill, *continued*

David Gauke

18

Clause 24, page 16, line 26, leave out ‘moving into tonnage tax’ and insert ‘joining tonnage tax group’.

David Gauke

19

Clause 24, page 16, line 28, at end insert—

‘(7A) In Schedule 22 to FA 2000 (tonnage tax), after paragraph 79 insert—

“79A(1) This paragraph applies if—

- (a) a balancing charge under this Part of this Schedule arises to the company on the disposal of any plant or machinery, and
 - (b) the plant or machinery is taken into account in calculating income that the company is treated as receiving under section 383 or 417 of the Corporation Tax Act 2010 (sales of lessors) as a result of section 394ZA of that Act (company joining tonnage tax group).
- (2) The balancing charge is to be reduced by the relevant part of the sales of lessors expense so far as relief has not previously been given for that expense (whether under this sub-paragraph or otherwise).
- (3) “The sales of lessors expense” means—
- (a) the expense which the company is treated as incurring under section 383 or 417 of the Corporation Tax Act 2010 as a result of section 394ZA of that Act, or
 - (b) if section 386 or 419 of that Act applies or has applied, the expense which derives from the expense within paragraph (a).
- (4) If the sales of lessors expense is incurred at a time when the company is in tonnage tax, the “relevant part” of that expense is so much of it as, on a just and reasonable basis, is attributable to the matters set out in paragraph 56(1)(a) or (b).
- (5) If—
- (a) the sales of lessors expense is not incurred at a time when the company is in tonnage tax,
 - (b) that expense is taken into account in calculating a loss made by the company in a trade, and
 - (c) the loss is one to which paragraph 56 applies,
- the “relevant part” of the sales of lessors expense is so much of the apportioned loss as, on a just and reasonable basis, is derived from the sales of lessors expense.
- (6) The reference here to the apportioned loss is to the loss that is attributable to the matters set out in paragraph 56(1)(a) or (b).”.

David Gauke

20

Clause 24, page 16, line 30, leave out paragraphs (a) and (b) and insert—

- ‘(a) where the income arises as a result of a company becoming a member of a tonnage tax group on or after 21 March 2012 and entering tonnage tax at the same time,

Finance Bill, continued

- (b) where the income arises as a result of a company becoming a member of a tonnage tax group on or after 23 April 2012 without entering tonnage tax at the same time, or
- (c) where the relevant day is on or after 21 March 2012 (in any case not within paragraph (a) or (b)).’.

David Gauke

21

Clause 24, page 16, line 33, leave out from ‘(5)’ to end of line 35 and insert ‘and (7A) have effect—

- (a) where a company becomes a member of a tonnage tax group on or after 21 March 2012 and enters tonnage tax at the same time, or
- (b) where a company becomes a member of a tonnage tax group on or after 23 April 2012 without entering tonnage tax at the same time.’.

David Gauke

22

Clause 24, page 16, line 36, leave out from ‘effect’ to end of line 37 and insert ‘—

- (a) except in a case within paragraph (b), where the transfer day is on or after 21 March 2012, and
- (b) in a case where the relevant change in the relationship occurs as a result of a company becoming a member of a tonnage tax group without entering tonnage tax at the same time, where the transfer day is on or after 23 April 2012.’.

Ed Balls
Rachel Reeves
Cathy Jamieson
Catherine McKinnell
Chris Leslie

- 42**
- ★ Clause 34, page 24, line 2, at end add—
- ‘(8) The Chancellor of the Exchequer shall review the impact of this section on the number of taxpayers brought into Capital Gains Tax, and will lay a report of his review in the House of Commons Library.’.

Ed Balls
Rachel Reeves
Cathy Jamieson
Catherine McKinnell
Chris Leslie

- 43**
- ★ Schedule 7, page 260, line 34, leave out ‘£5 million’ and insert ‘£10 million’.
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Finance Bill, *continued*

Ed Balls
 Rachel Reeves
 Cathy Jamieson
 Catherine McKinnell
 Chris Leslie

★ Schedule 8, page 270, line 37, leave out ‘£5 million’ and insert ‘£10 million’. 44

David Gauke

Schedule 8, page 275, line 16, leave out ‘6 April 2012’ insert ‘the day on which this Act is passed’. 28

David Gauke

Schedule 8, page 275, line 18, leave out ‘date’ insert ‘day’. 29

David Gauke

Schedule 8, page 275, line 21, leave out ‘date’ insert ‘day’. 30

David Gauke

Schedule 8, page 275, line 31, leave out sub-paragraph (2) and insert—
 ‘(2) Those amendment have effect for the purpose of determining whether shares or securities issued on or after 6 April 2012 are to be regarded as comprised in a company’s qualifying holdings.’. 31

Nigel Mills

Clause 42, page 27, line 2, at end add— 34
 ‘The Chancellor of the Exchequer shall instruct the Office of Tax Simplification to prepare a report considering whether reforming the capital allowances regime, including by switching to using accounts depreciation, would be a more effective method of tackling avoidance. The report shall be placed in the House of Commons Library.’.

Ed Balls
 Rachel Reeves
 Cathy Jamieson
 Catherine McKinnell
 Chris Leslie

★ Clause 44, page 27, line 8, at end insert— 45

Finance Bill, continued

- (2) The Chancellor of the Exchequer shall review the impact of his capital allowances policies on long-term investment, and will lay a report of his review in the House of Commons Library.’.

David Gauke

Clause 46, page 28, line 28, leave out ‘or’.

25

David Gauke

Clause 46, page 28, line 31, at end insert—

- (iii) an initial payment or any other payment made under a relevant superior lease to the person who is the lessor under that lease by the person who is the lessee under that lease, or
- (iv) a payment to the seller of the proceeds of a sale of the plant or machinery to which subsection (2FC) applies.’.

26

David Gauke

Clause 46, page 28, leave out lines 36 to 38 and insert—

‘(2FB) For the purposes of subsection (2FA)—

“payment” includes the provision of any benefit, the assumption of any liability and any other transfer of money’s worth (and “payable” is to be construed accordingly);

“relevant superior lease” means any lease of the plant or machinery to which the long funding lease mentioned in subsection (1)(a) is inferior.

(2FC) This subsection applies to a sale of the plant or machinery if—

- (a) a person has entered into a relevant transaction with another person in respect of the plant or machinery for the purposes of Chapter 17 of this Part (see section 213) and the sale is within section 213(1)(a),
- (b) the plant or machinery is within section 216(1)(b) (sale and lease back), and
- (c) the conditions in section 227(2) are met.’.

27

David Gauke

- ★ Schedule 13, page 330, line 33, leave out from ‘year’ to end of line 35 and insert ‘(but allowing for payments otherwise due to arise on a non-working day to arise on the next working day)’.

35

David Gauke

- ★ Schedule 13, page 330, line 49, at end insert—

‘(4A) For the purposes of subsection (4)(b) the first payment is to arise no later than one year after the day on which the advance is paid.’.

36

Finance Bill, *continued*

David Gauke

37

- ★ Schedule 13, page 333, line 22, leave out from ‘year’ to end of line 24 and insert ‘(but allowing for determinations otherwise due to be made on a non-working day to be made on the next working day),’.

David Gauke

38

- ★ Schedule 13, page 333, line 40, at end insert—
 ‘(4A) For the purposes of subsection (4)(c) the first determination is to be made no later than one year after the day on which the advance is paid.’.

David Gauke

39

- ★ Schedule 13, page 336, line 11, leave out from ‘year’ to end of line 13 and insert ‘(but allowing for determinations otherwise due to be made on a non-working day to be made on the next working day),’.

David Gauke

40

- ★ Schedule 13, page 336, line 29, at end insert—
 ‘(4A) For the purposes of subsection (4)(c) the first determination is to be made no later than one year after the day on which the advance is paid.’.

David Gauke

41

- ★ Schedule 13, page 342, line 17, at end insert—
 ‘(3) For the purposes of sub-paragraph (1)(d), in sections 196C(4A), 196E(4A) and 196G(4A) the reference to one year is to be read as a reference to 18 months.’.

Stephen Williams
 Mark Durkan
 Caroline Lucas
 Ian Swales

2

- Clause 180, page 105, line 19, at end add—
 ‘(2) Notwithstanding the provisions of Part 4 of Schedule 20, the Schedule will not come into force until a full impact assessment has been prepared in conjunction with the Department for International Development reviewing the effect on developing countries’ tax revenue, and details of aid and technical assistance being provided to developing countries in order to increase the capability and technical expertise in their tax regimes to collect the taxes that are due in their countries, has been laid before and approved by the House of Commons.’.

Finance Bill, *continued*

Mark Durkan
Caroline Lucas

1

Page 105, line 13, leave out Clause 180.

Stephen Williams
Mark Durkan
Caroline Lucas

3

Schedule 20, page 520, line 31, at end insert—

‘42A Notwithstanding the provisions of this Part, this Schedule will not come into force until a full impact assessment has been prepared in conjunction with the Department for International Development reviewing the effect on developing countries’ tax revenue, and details of aid and technical assistance being provided to developing countries in order to increase the capability and technical expertise in their tax regimes to collect the taxes that are due in their countries, has been laid before and approved by the House of Commons.’.

NEW CLAUSES

Bingo Duty

John Hemming

NC1

To move the following Clause:—

- ‘(1) BGDA 1981 is amended as follows.
 - (2) In section 17(1)(b) of BGDA 1981 (bingo duty chargeable at 20 per cent of bingo promotion profits), for “20” substitute “15”.
 - (3) The amendment made by subsection (2) has effect in relation to accounting periods beginning on or after 30 April 2012.’.
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Finance Bill, continued*Levy on obligated energy suppliers*

Caroline Lucas
 Katy Clark
 Kate Hoey
 Kelvin Hopkins
 Mr Dai Havard
 Mark Durkan

Martin Caton
 Bill Esterson

Michael Connarty

John McDonnell

NC2

To move the following Clause:—

‘The Treasury shall prepare a report on the introduction of a levy on the profits of obligated energy suppliers, with money raised to be put towards a country-wide domestic energy efficiency programme prioritising those in fuel poverty, and report to Parliament with proposals within three months of Royal Assent to this Act.’.

ORDER OF THE HOUSE [16 APRIL 2012]

That the following provisions shall apply to the Finance (No. 4) Bill:

Committal

1. The following shall be committed to a Committee of the whole House—
 - (a) Clauses 1, 4, 8, 189 and 209;
 - (b) Schedules 1, 23 and 33;
 - (c) any new Clauses and any new Schedules, first appearing on the Order Paper not later than Tuesday 17 April 2012 and relating to value added tax.
2. The remainder of the Bill shall be committed to a Public Bill Committee.

Proceedings in Committee

3.
 - (1) Proceedings in Committee of the whole House shall be completed in two days.
 - (2) Those proceedings shall be taken on each of those days as shown in the first column of the following table and in the order so shown.
 - (3) Each part of the proceedings shall (so far as not previously concluded) be brought to a conclusion at the time specified in relation to it in the second column of the Table.
 - (4) Standing Order No. 83B (Programming committees) shall not apply to proceedings in Committee of the whole House.

TABLE

<i>Proceedings</i>	<i>Time for conclusion of proceedings</i>
<i>First day</i>	
Clause 1	Three hours after the commencement of proceedings on the Bill.

Finance Bill, continued

<i>Proceedings</i>	<i>Time for conclusion of proceedings</i>
Clause 209 and Schedule 33	Five hours after the commencement of proceedings on the Bill.
New Clauses or new Schedules first appearing on the Order paper not later than Tuesday 17 April 2012 and relating to value added tax.	Seven hours after the commencement of proceedings on the Bill.
Clause 189 and Schedule 23	Eight and a quarter hours after the commencement of proceedings on the Bill.

Second day

Clause 4	Three hours after the commencement of proceedings on the Bill.
Clause 8 and Schedule 1	At 6.00 pm on the second day.

4. (1) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 26 June 2012.
- (2) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.
5. When the provisions of the Bill considered, respectively, by the Committee of the whole House and by the Public Bill Committee have been reported to the House, the Bill shall be proceeded with as if it had been reported as a whole to the House from the Public Bill Committee.

Consideration and Third Reading

6. Proceedings on Consideration and on Third Reading shall be completed in two days.
7. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

ORDER OF THE COMMITTEE [24 APRIL 2012]

That—

- (1) the Committee shall (in addition to its first meeting at 10.30 am on Tuesday 24 April) meet—
 - (a) at 4.30 pm on Tuesday 24 April;
 - (b) at 9.00 am and 1.00 pm on Thursday 26 April;
 - (c) at 10.30 am and 4.30 pm on Tuesday 22 May;
 - (d) at 9.00 am and 1.00 pm on Thursday 24 May;
 - (e) at 10.30 am and 4.30 pm on Tuesday 12 June;
 - (f) at 9.00 am and 1.00 pm on Thursday 14 June;
 - (g) at 10.30 am and 4.30 pm on Tuesday 19 June;
 - (h) at 9.00 am and 1.00 pm on Thursday 21 June;
 - (i) at 10.30 am and 4.30 pm on Tuesday 26 June;
- (2) proceedings on consideration of the Bill in Committee shall be taken in the

Finance Bill, *continued*

following order: Clauses 2 and 3; Clauses 5 to 7; Clauses 9 to 19; Schedule 2; Clause 20; Schedule 3; Clause 21; Schedule 4; Clauses 22 to 31; Schedule 5; Clauses 32 to 36; Clause 215; Clauses 37 and 38; Schedule 6; Clause 39; Schedule 7; Clause 40; Schedule 8; Clauses 41 and 42; Schedule 9; Clause 43; Schedule 10; Clause 44; Schedule 11; Clauses 45 to 47; Schedule 12; Clause 48; Schedule 13; Clause 49; Schedule 14; Clauses 50 and 51; Schedule 15; Clauses 52 to 146; Schedule 16; Clause 147; Schedule 17; Clauses 148 to 176; Schedule 18; Clause 177; Schedule 19; Clauses 178 to 180; Schedule 20; Clauses 181 to 183; Schedule 21; Clause 184; Schedule 22; Clauses 185 to 188; Clause 190; Schedule 24; Clauses 191 to 193; Schedule 25; Clauses 194 and 195; Schedule 26; Clauses 196 to 201; Schedule 27; Clause 202; Schedule 28; Clauses 203 to 205; Schedules 29 to 31; Clauses 206 and 207; Schedule 32; Clause 208; Clauses 210 to 212; Schedule 34; Clauses 213 and 214; Clause 216; Schedule 35; Clauses 217 and 218; Schedule 36; Clauses 219 to 221; Schedule 37; Clauses 222 to 225; Schedule 38; Clauses 226 and 227; new Clauses other than those first appearing on the Order Paper not later than Tuesday 17 April and relating to value added tax; new Schedules other than those first appearing on the Order Paper not later than Tuesday 17 April and relating to value added tax; remaining proceedings on the Bill;

- (3) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 9.00 pm on Tuesday 26 June.
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