



House of Commons

Tuesday 13 October 2015

PUBLIC BILL COMMITTEE

New Amendments handed in are marked thus ★

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

Amendments tabled since the last publication: NC5

FINANCE BILL

(Except clauses 16, 17, 43 and 45; Schedules 2 and 3; any new clauses and new Schedules, relating to the subject matter of those clauses or Schedules)

NOTE

This document includes all amendments remaining before the Committee and includes any withdrawn amendments at the end. The amendments have been arranged in accordance with the Order of the Committee [17 September 2015].

Mr David Gauke

13

Clause **21**, page **32**, line **44**, at end insert—

- “() In paragraph 16 of Schedule 32 to FA 2004 (benefit crystallisation event 7: defined benefits lump sum death benefit is a “relevant lump sum death benefit”)—
- (a) in the first sentence, in paragraph (a), after “benefit” insert “, other than one—
 - (i) paid by a registered pension scheme in respect of a member of the scheme who had not reached the age of 75 at the date of the member’s death, but
 - (ii) not paid before the end of the relevant two-year period”, and
 - (b) in the second sentence, for “sub-paragraph” substitute “paragraphs (a)(ii) and”.”
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Finance Bill, continued

Mr David Gauke

14

Schedule 4, page 99, line 43, leave out “227B(2)” and insert “227B(1)(b) and (2)”

Mr David Gauke

15

Schedule 4, page 100, line 10, leave out “section 227ZA(1)(b)” and insert “each of sections 227ZA(1)(b) and 227B(1)(b)”

Mr David Gauke

16

Schedule 4, page 100, line 14, leave out “section 227ZA(1)(b)” and insert “each of sections 227ZA(1)(b) and 227B(1)(b)”

Mr David Gauke

17

Schedule 4, page 103, line 3, at end insert—

“Exceptions in certain cases where individual is deferred member of scheme

(6A) Subsections (3) to (5) do not apply, and subsections (6B) and (6C) apply instead, if—

- (a) because of section 238ZA(2), a pension input period for the arrangement ends with 8 July 2015,
- (b) another pension input period for the arrangement ends with a day (“the unchanged last day”) after 5 April 2015 but before 8 July 2015, and
- (c) section 230(5B) or 234(5B), when applied separately to each of—
 - (i) the pension input period for the arrangement ending with 8 July 2015, and
 - (ii) the pension input period for the arrangement ending with 5 April 2016,

gives the result that the pension input amount in respect of the arrangement for each of those periods is nil.

(6B) The pension input amount in respect of the arrangement for the post-alignment tax year is nil.

(6C) The pension input amount in respect of the arrangement for the pre-alignment tax year is the amount which would be the pension input amount in respect of the arrangement for the pre-alignment tax year if—

- (a) the pension input period ending with the unchanged last day were the only pension input period for the arrangement ending in the pre-alignment tax year, and
- (b) subsections (3) to (5) were ignored.”

Mr David Gauke

18

Schedule 4, page 103, line 4, after “*Modifications*”, insert “*in some other cases*”

Finance Bill, continued

- Mr David Gauke 19
 Schedule 4, page 103, line 44, at end insert—
“Modification where last input period ends before 9 July 2015
 (11A) If the last pension input period for the arrangement ends after 5 April 2015 but before 9 July 2015—
 (a) the time-apportioned percentage for the post-alignment tax year is treated as being nil, and
 (b) the time-apportioned percentage for the pre-alignment tax year is treated as being 100.”
- Mr David Gauke 20
 Schedule 4, page 103, line 46, at end insert—
 “() subsections (6B) and (6C) do not apply,”
- Mr David Gauke 21
 Schedule 4, page 104, line 7, after “period”, insert “(for this purpose treating that remainder as a single pension input period if not otherwise the case)”
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- Mr David Gauke 22
 Clause 24, page 36, line 23, leave out “a property business carried on by a company” and insert “calculating the profits of a property business for the purposes of charging a company to income tax on so much of those profits as accrue to it”
- Mr David Gauke 23
 Clause 24, page 37, line 18, leave out “finance costs” and insert “costs of a dwelling-related loan”
- Mr David Gauke 24
 Clause 24, page 37, line 19, leave out “non-deductible costs of a dwelling-related loan” and insert “individuals”
- Mr David Gauke 25
 Clause 24, page 38, line 26, at end insert—
“274B Tax reduction for accumulated or discretionary trust income
 (1) Subsections (2) to (4) apply if—
 (a) an amount (“A”) would be deductible in calculating the profits for income tax purposes of a property business for a tax year but for section 272A,
 (b) the trustees of a particular settlement are liable for income tax on N% of those profits, where N is a number—

Finance Bill, continued

- (i) greater than 0, and
 - (ii) less than or equal to 100, and
 - (c) in relation to those trustees, that N% of those profits is accumulated or discretionary income.
- (2) The trustees of the settlement are entitled to relief under this section for the tax year in respect of an amount (“the relievable amount”) equal to N% of A.
- (3) The amount of the relief is given by—
- $$BR \times L$$
- where BR is the basic rate of income tax for the year, and L is the lower of—
- (a) the total of—
 - (i) the relievable amount, and
 - (ii) any difference available in relation to the trustees of the settlement and the property business for carry-forward to the year under subsection (4), and
 - (b) the profits for income tax purposes of the property business for the year after any deduction under section 118 of ITA 2007 (“the adjusted profits”) or, if less, the share of the adjusted profits—
 - (i) on which the trustees of the settlement are liable to income tax, and
 - (ii) which, in relation to the trustees of the settlement, is accumulated or discretionary income.
- (4) Where the amount (“AY”) of the relief under this section for the year in respect of the relievable amount is less than—
- $$BR \times T$$
- where BR is the basic rate of income tax for the year and T is the total found at subsection (3)(a), the difference between—
- (a) T, and
 - (b) AY divided by BR (with BR expressed as a fraction for this purpose),
- is available in relation to the trustees of the settlement and the property business for carry-forward to the following tax year.
- (5) In this section “accumulated or discretionary income” has the meaning given by section 480 of ITA 2007.”

Mr David Gauke

26

Clause 24, page 40, line 3, at end insert—

- “() In section 26(2) of ITA 2007 (tax reductions deductible at Step 6 of the calculation in section 23 of ITA 2007 in the case of taxpayer who is not an individual), before the “and” at the end of paragraph (a) insert—
 - “(aa) section 274B of ITTOIA 2005 (trusts with accumulated or discretionary income derived from property business: relief for non-deductible costs of dwelling-related loans).”.

Finance Bill, continued

- Mr David Gauke 8
 Schedule 7, page 179, line 6, leave out “and 33(2)”
- Mr David Gauke 9
 Schedule 7, page 179, line 8, leave out “the day on which this Act is passed” and
 insert “1 January 2015”
- Mr David Gauke 10
 Schedule 7, page 179, line 8, at end insert—
 “107A Paragraph 33(2) has effect in relation to the release of a debtor relationship of
 a company on or after the day on which this Act is passed.”
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- Mr David Gauke 11
 Schedule 8, page 186, line 41, at end insert “, and
 () contain a statement about HMRC’s compliance with paragraph 4A in
 relation to the notice.”
- Mr David Gauke 12
 Schedule 8, page 188, line 2, at end insert—
“Persons at a particular disadvantage in dealing with Revenue and Customs affairs
- 4A (1) Before deciding whether or not to exercise the power under paragraph 3(2) or
 4(1) in relation to a person, HMRC must consider whether or not, to the best
 of HMRC’s knowledge, there are any matters as a result of which the person
 is, or may be, at a particular disadvantage in dealing with the person’s Revenue
 and Customs affairs.
- (2) If HMRC determines that there are any such matters, HMRC must take those
 matters into account in deciding whether or not to exercise the power
 concerned in relation to the person.
- (3) The Commissioners must publish guidance as to the factors which are relevant
 to determining whether or not a person is at a particular disadvantage in
 dealing with the person’s Revenue and Customs affairs for the purposes of this
 Schedule.
- (4) In this paragraph “Revenue and Customs affairs”, in relation to a person by
 whom a relevant sum is payable, means any affairs of the person which relate
 to the relevant sum.”
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Finance Bill, continued*NEW CLAUSES*

Roger Mullin
George Kerevan
Alison Thewliss
Michelle Thomson

NC1

To move the following Clause—

“VAT treatment of the Scottish Police Authority and the Scottish Fire and Rescue Service

- (1) The Treasury shall, within six months of the passing of this Act, publish and lay before the House of Commons a report on the VAT treatment of the Scottish Police Authority and the Scottish Fire and Rescue Service.
 - (2) The report must include (but need not be limited to) an analysis of the impact on the financial position of Police Scotland and by the Scottish Fire and Rescue Service arising from their VAT treatment and an estimate of the change to their financial position were they eligible for a refund of VAT under section 33 of the VAT Act 1994.”
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Roger Mullin
George Kerevan
Alison Thewliss
Michelle Thomson

NC2

To move the following Clause—

“Tax treatment of private equity fund managers’ pay

- (1) The Chancellor of the Exchequer shall, within six months of the passing of this Act, publish and lay before the House of Commons a report setting out proposals for amending the law to ensure that no element of the remuneration paid to an investment fund manager may be treated as a capital gain, and that such remuneration shall be treated for tax purposes wholly as income.
 - (2) For the purposes of this section, an “investment fund manager” is a person who performs investment management services directly or indirectly.”
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Roger Mullin
George Kerevan
Alison Thewliss
Michelle Thomson

NC3

To move the following Clause—

“VAT on sanitary protection products

- (1) The Treasury must, within 12 months of the passing of this Act, lay before the House of Commons a report setting out the impact of exempting women’s sanitary protection products from value added tax.

Finance Bill, continued

- (2) The report must include (but need not be limited to)—
 - (a) an estimate of the impact on VAT revenue of exempting women’s sanitary protection products; and
 - (b) an assessment of the impact on the purchase of women’s sanitary protection products of exempting them from VAT, with particular reference to purchasing by women aged under 25.”

John McDonnell
Seema Malhotra
Barbara Keeley
Alison McGovern

NC4

To move the following Clause—

“Consultation on reforms to the system of tax reliefs for businesses

- (1) The Chancellor of the Exchequer shall, within three months of the passing of this Act, initiate a public consultation on potential reforms of the system of tax reliefs for businesses which would encourage long term investment and growth in the UK; and the Chancellor shall lay a report of the consultation before both Houses of Parliament by the end of September 2016.
- (2) The consultation under subsection (1) must address (though need not be limited to) the following issues:
 - (a) how reforms to the system of tax reliefs could benefit small businesses in particular;
 - (b) how such reforms could provide greater long-term certainty about business taxation;
 - (c) the impact of such reforms on Exchequer revenue; and
 - (d) the wider societal impacts of such reforms.”

Seema Malhotra
Rob Marris
Richard Burgon

NC5

★ To move the following Clause—

“VED rate: impact on carbon dioxide emissions

- (1) The Chancellor of the Exchequer must, within two years of the passing of this Act, undertake a review of the impact of introducing a flat rate of Vehicle Excise Duty for all cars regardless of carbon dioxide emissions, except those with zero-emissions.
- (2) The review must address (but need not be confined to):
 - (a) the impact on the UK car manufacturing industry, and ancillary industries, of introducing such a flat rate;
 - (b) the impact (including the environmental impact) of such a flat rate on sales of low-emissions vehicles; and
 - (c) the impact of such a flat rate on Exchequer revenue.

Finance Bill, continued

- (3) For the purposes of this section, a “low-emissions vehicle” is a light passenger vehicle the carbon dioxide emissions of which exceed 0 g/km but do not exceed 100 g/km.
- (4) The Chancellor of the Exchequer must promptly lay a report of the review before both Houses of Parliament.”

ORDER OF THE HOUSE [21 JULY 2015]

That the following provisions shall apply to the Finance Bill:

Committal

1. The following shall be committed to a Committee of the whole House—
 - (a) clauses 16, 17, 43 and 45;
 - (b) Schedules 2 and 3;
 - (c) any new clauses, and any new Schedules, relating to the subject matter of those clauses or Schedules.
2. The remainder of the Bill shall be committed to a Public Bill Committee.

Proceedings in committee

3. Proceedings in Committee of the whole House shall be completed at one day’s sitting.
4. Those proceedings shall be taken in the order shown in the first column of the following Table.
5. 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.

TABLE

<i>Proceedings</i>	<i>Time for conclusion of proceedings</i>
Clause 43 and any new clauses or new Schedules relating to the subject matter of that clause	Two hours after the commencement of proceedings on the Bill
Clause 45 and any new clauses or new Schedules relating to the subject matter of that clause	Four hours after the commencement of proceedings on the Bill
Clauses 16 and 17 and Schedules 2 and 3, and any new clauses or new Schedules relating to the subject matter of those clauses and Schedules	Six hours after the commencement of proceedings on the Bill
6. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 20 October 2015.	
7. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.	
8. 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.	

Finance Bill, *continued*

Consideration and Third Reading

9. Proceedings on Consideration and on Third Reading shall be completed at one day's sitting.
10. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.
11. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

Programming committee

12. Standing Order No. 83B (Programming committees) shall not apply to proceedings in Committee of the whole House or to proceedings on Consideration or Third Reading.

ORDER OF THE COMMITTEE [17 SEPTEMBER 2015]

That—

- (1) the Committee shall (in addition to its first meeting at 11.30 am on Thursday 17 September) meet—
 - (a) at 2.00 pm on Thursday 17 September;
 - (b) at 9.25 am and 2.00 pm on Tuesday 13 October;
 - (c) at 11.30 am and 2.00 pm on Thursday 15 October;
 - (d) at 9.25 am and 2.00 pm on Tuesday 20 October;
 - (2) the proceedings shall be taken in the following order: Clauses 1 to 11; Schedule 1; Clauses 12 to 15; Clauses 18 to 23; Schedule 4; Clauses 24 and 25; Schedule 5; Clause 26; Schedule 6; Clauses 27 to 31; Clause 33; Schedule 7; Clause 32; Clauses 34 to 42; Clause 44; Clauses 46 and 47; Schedule 8; Clauses 48 to 50; new Clauses other than those relating to the subject matter of Clauses 16 and 17 and Schedules 2 and 3 or the subject matter of Clause 43 or the subject matter of Clause 45; new Schedules other than those relating to the subject matter of Clauses 16 and 17 and Schedules 2 and 3 or the subject matter of Clause 43 or the subject matter of Clause 45; remaining proceedings on the Bill.
 - (3) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 20 October.
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