



Finance Act 2007

2007 CHAPTER 11

PART 2

ENVIRONMENT

Energy-saving: houses

F1 17 Corporation tax deduction for expenditure on energy-saving items

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Textual Amendments

F1 S. 17 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009](#) (c. 4), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

18 Extension of income tax deduction for expenditure on energy-saving items

- (1) Section 312 of ITTOIA 2005 (deduction for expenditure on energy-saving items) is amended as follows.
- (2) In subsection (1)(b) (expenditure incurred in acquiring and installing energy-saving item in dwelling-house), for “in the dwelling-house an energy-saving item” substitute “an energy-saving item in the dwelling-house or in a building containing the dwelling-house”.
- (3) In subsection (1)(c) (expenditure incurred before 6th April 2009), for “2009” substitute “2015”.
- (4) In section 313 of that Act (restrictions on relief), insert at the end—
 - “(6) No deduction is allowed in respect of expenditure incurred in acquiring and installing the energy-saving item in a building containing the dwelling-house in so far as the expenditure is not for the benefit of the dwelling-house.”

Status: Point in time view as at 01/04/2009.

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- (5) In section 314 of that Act (regulations), insert at the end—
- “(3) Regulations under this section may—
- (a) make different provision for different cases, and
 - (b) contain incidental, supplemental, consequential and transitional provision and savings (including provision as to appeals in relation to apportionments mentioned in subsection (1)(d)).”

(6) The amendments made by subsections (2) and (4) have effect in relation to expenditure incurred on or after 6th April 2007.

(7) The amendment made by subsection (5) is deemed always to have had effect.

(8) Regulations under section 314 of ITTOIA 2005 made on or after the day on which this Act is passed but before 31st December 2007 may include provision having effect in relation to expenditure incurred on or after 6th April 2007.

19 SDLT relief for new zero-carbon homes

- (1) In FA 2003, after section 58A insert—

“58B Relief for new zero-carbon homes

- (1) The Treasury may make regulations granting relief on the first acquisition of a dwelling which is a “zero-carbon home”.
- (2) In subsection (1) “first acquisition of a dwelling” means the acquisition of a building which—
 - (a) has been constructed for use as a single dwelling, and
 - (b) has not previously been occupied.
- (3) For the purpose of subsection (2) land occupied or enjoyed with a dwelling as a garden or grounds is part of the dwelling.
- (4) The regulations shall define “zero-carbon home” by reference to specified aspects of the energy efficiency of a building; for which purpose “energy efficiency” includes—
 - (a) consumption of energy,
 - (b) conservation of energy, and
 - (c) generation of energy.
- (5) The relief may take the form of—
 - (a) exemption from charge, or
 - (b) a reduction in the amount of tax chargeable.
- (6) Regulations under this section shall not have effect in relation to acquisitions on or after 1st October 2012.
- (7) The Treasury may by order—
 - (a) substitute a later date for the date in subsection (6);
 - (b) make transitional provision, or provide savings, in connection with the effect of subsection (6).

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58C Relief for new zero-carbon homes: supplemental

- (1) Regulations under section 58B—
 - (a) shall include provision about the method of claiming relief (including documents or information to be provided), and
 - (b) in particular, shall include provision about the evidence to be adduced to show that a building satisfies the definition of “zero-carbon home”.
 - (2) Regulations made by virtue of subsection (1)(b) may, in particular—
 - (a) refer to a scheme or process established by or for the purposes of an enactment about building;
 - (b) establish or provide for the establishment of a scheme or process of certification;
 - (c) specify, or provide for the approval of, one or more schemes or processes for certifying energy efficiency.
 - (3) In defining “zero-carbon home” regulations under section 58B may include requirements which may be satisfied in relation to a building either—
 - (a) by features of the building itself, or
 - (b) by other installations or utilities.
 - (4) Regulations under section 58B may modify the effect of section 108, or another provision of this Part about linked transactions, in relation to a set of transactions of which at least one is the first acquisition of a dwelling which is a zero-carbon home.
 - (5) In determining whether section 116(7) applies, and in the application of section 116(7), a transaction shall be disregarded if or in so far as it involves the first acquisition of a dwelling which is a zero-carbon home.
 - (6) Regulations under section 58B—
 - (a) may provide for relief to be wholly or partly withdrawn if a dwelling ceases to be a zero-carbon home, and
 - (b) may provide for the reduction or withholding of relief where a person acquires more than one zero-carbon home within a specified period.
 - (7) Regulations under section 58B may include provision for relief to be granted in respect of acquisitions occurring during a specified period before the regulations come into force.”
- (2) In section 114 of FA 2003 (stamp duty land tax: orders and regulations), insert at the end—
- “(5) The first set of regulations under section 58B (new zero-carbon homes) may not be made unless a draft has been laid before and approved by resolution of the House of Commons.
 - (6) An order or regulations under this Part—
 - (a) may make provision having effect generally or only in specified cases or circumstances,
 - (b) may make different provision for different cases or circumstances, and

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- (c) may include incidental, consequential or transitional provision or savings.”

Domestic microgeneration

20 Income tax exemption for domestic microgeneration

- (1) In ITTOIA 2005, after section 782 insert—

“782A Domestic microgeneration

- (1) No liability to income tax arises in respect of income arising to an individual from the sale of electricity generated by a microgeneration system if—
- (a) the system is installed at or near domestic premises occupied by the individual, and
 - (b) the individual intends that the amount of electricity generated by it will not significantly exceed the amount of electricity consumed in those premises.

- (2) In subsection (1)—

“domestic premises” means premises used wholly or mainly as a separate private dwelling, and

“microgeneration system” has the same meaning as in section 4 of the Climate Change and Sustainable Energy Act 2006.”

- (2) The amendment made by subsection (1) has effect for the tax year 2007-08 and subsequent tax years.

21 Renewables obligation certificates for domestic microgeneration

- (1) In ITTOIA 2005, after section 782A (inserted by section 20) insert—

“782B Renewables obligation certificates for domestic microgeneration

- (1) No liability to income tax arises in respect of the receipt by an individual of a renewables obligation certificate if—
- (a) the individual receives the certificate in connection with the generation of electricity by a microgeneration system,
 - (b) the system is installed at or near domestic premises occupied by the individual, and
 - (c) the individual intends that the amount of electricity generated by it will not significantly exceed the amount of electricity consumed in those premises.

- (2) In subsection (1)—

“domestic premises” and “microgeneration system” have the same meaning as in section 782A, and

“renewables obligation certificate” means a certificate issued under section 32B of the Electricity Act 1989 or Article 54 of the Energy (Northern Ireland) Order 2003.”

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(2) In TCGA 1992, after section 263 insert—

“263AZA Renewables obligation certificates for domestic microgeneration

- (1) A gain accruing to an individual on a disposal of a renewables obligation certificate is not a chargeable gain if—
- (a) the individual acquired the certificate in connection with the generation of electricity by a microgeneration system,
 - (b) the system is installed at or near domestic premises occupied by the individual, and
 - (c) the individual intends that the amount of electricity generated by it will not significantly exceed the amount of electricity consumed in those premises.

(2) In subsection (1)—

“domestic premises” means premises used wholly or mainly as a separate private dwelling,

“microgeneration system” has the same meaning as in section 4 of the Climate Change and Sustainable Energy Act 2006, and

“renewables obligation certificate” means a certificate issued under section 32B of the Electricity Act 1989 or Article 54 of the Energy (Northern Ireland) Order 2003.”

- (3) The amendment made by subsection (1) has effect for the tax year 2007-08 and subsequent tax years.
- (4) The amendment made by subsection (2) has effect in relation to disposals on or after 6th April 2007.

Other measures

22 Aggregates levy: exemption for aggregate removed from railways etc

- (1) Section 17(3) of FA 2001 (exempt aggregate) is amended as follows.
- (2) Omit “or” at the end of paragraph (d).
- (3) After that paragraph insert—
- “(da) it consists wholly of aggregate won by being removed from the ground along the line or proposed line of any railway, tramway or monorail or proposed railway, tramway or monorail and in the course of excavations carried out—
 - (i) for the purpose of improving or maintaining the railway, tramway or monorail or of constructing the proposed railway, tramway or monorail; and
 - (ii) not for the purpose of extracting that aggregate;”.
- (4) Insert “ or ” at the end of paragraph (e).
- (5) The amendment made by subsection (3) comes into force on such day as the Treasury may by order made by statutory instrument appoint.

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Commencement Information

- II** [S. 22\(3\)](#) in force at 1.8.2007 for the purposes of the amendment made by that sub-section by [S.I. 2007/2118](#), [art. 2](#)

23 Climate change levy: reduced-rate supplies etc

Schedule 2 contains amendments of Schedule 6 to FA 2000 in relation to reduced-rate supplies and other matters.

24 Landfill tax: bodies concerned with the environment

- (1) In section 53(4) of FA 1996 (credit: bodies concerned with the environment), after paragraph (c) insert—

“(ca) provision for an environmental body to be and remain approved only if it complies with conditions imposed from time to time by the regulatory body or for the regulatory body to be and remain approved only if it complies with conditions imposed from time to time by the Commissioners (including provision for the variation or revocation of such conditions);”.

- (2) The amendment made by subsection (1) is deemed to have come into force on 22nd March 2007.

Status:

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