



Finance Act 2000

2000 CHAPTER 17

PART V **U.K.**

OTHER TAXES

Value added tax

135 Supplies to which reduced rate applies. **U.K.**

- (1) Schedule 35 to this Act (which amends Schedule A1 to the ^{M1}Value Added Tax Act 1994 for the purpose of extending the range of supplies to which the reduced rate of value added tax applies) has effect.
- (2) The amendments made by that Schedule have effect in relation to supplies made on or after 1st April 2000.
- (3) Subsection (2) does not apply to the amendment made by paragraph 8(5) of that Schedule.

That amendment has effect in relation to supplies made after the day on which this Act is passed.

Marginal Citations

M1 1994 c. 23.

136 Disposals of assets for which a VAT repayment is claimed. **U.K.**

- (1) In section 3(2) of the ^{M2}Value Added Tax Act 1994 (taxable persons and registration), for “Schedules 1 to 3” there shall be substituted “ Schedules 1 to 3A ”.
- (2) In section 67 of that Act (failure to notify)—

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, Part V. (See end of Document for details)

- (a) in subsection (1)(a), for “or with paragraph 3 or 8(2) of Schedule 3” there shall be substituted “, with paragraph 3 or 8(2) of Schedule 3 or paragraph 3, 4 or 7(2) or (3) of Schedule 3A ”;
 - (b) in subsection (3)(a), for “or paragraph 3 of Schedule 3” there shall be substituted “, paragraph 3 of Schedule 3 or paragraph 3 or 4 of Schedule 3A ”; and
 - (c) in subsection (3)(b), for “or with sub-paragraph (2) of paragraph 8 of Schedule 3” there shall be substituted “, with sub-paragraph (2) of paragraph 8 of Schedule 3 or with sub-paragraph (2) or (3) of paragraph 7 of Schedule 3A ”.
- (3) In section 69(1)(a) of that Act (breaches of regulatory provisions), for “or paragraph 5 of Schedule 3” there shall be substituted “, paragraph 5 of Schedule 3 or paragraph 5 of Schedule 3A ”.
- (4) In section 73(3)(b) of that Act (failure to make returns etc.), for “or paragraph 6(2) or (3) of Schedule 3” there shall be substituted “, paragraph 6(2) or (3) of Schedule 3 or paragraph 6(1) or (2) of Schedule 3A ”.
- (5) In section 74(1)(c) of that Act (interest on VAT recovered or recoverable by assessment), for “under paragraph 8 of Schedule 3” there shall be substituted “, under paragraph 8 of Schedule 3 or under paragraph 7 of Schedule 3A ”.
- (6) In the following provisions of that Act—
- (a) paragraph 1(4)(a) and (5) of Schedule 1 (registration in respect of taxable supplies); and
 - (b) paragraph 1(4) of Schedule 2 (registration in respect of supplies from other member States),
- for “or paragraph 6(3) of Schedule 3” there shall be substituted “, paragraph 6(3) of Schedule 3 or paragraph 6(2) of Schedule 3A ”.
- (7) In paragraph 1(3) of Schedule 3 to that Act (registration in respect of acquisitions from other member States), for “or paragraph 6(2) of Schedule 2” there shall be substituted “, paragraph 6(2) of Schedule 2 or paragraph 6(2) of Schedule 3A ”.
- (8) After Schedule 3 to that Act there shall be inserted the Schedule 3A set out in Schedule 36 to this Act.
- (9) In paragraph 5(5) of Schedule 4 to that Act (matters to be treated as a supply of goods or services), for the words from “under sections 25 and 26” to the end there shall be substituted—
- “(a) under sections 25 and 26, to credit for the whole or any part of the VAT on the supply, acquisition or importation of those goods or of anything comprised in them; or
 - (b) under a scheme embodied in regulations made under section 39, to a repayment of VAT on the supply or importation of those goods or of anything comprised in them.”.
- (10) Subsections (1) to (7) and (9) above have effect in relation to supplies made on or after 21st March 2000; and subsection (8) above and Schedule 36 to this Act have effect in relation to relevant supplies (within the meaning of Schedule 3A to that Act) made on or after that date.

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, Part V. (See end of Document for details)

Marginal Citations

M2 1994 c. 23.

137 **Gold: penalty for failure to comply with record-keeping requirements etc.** **U.K.**

- (1) Part IV of the ^{M3}Value Added Tax Act 1994 (administration, collection and enforcement) is amended as follows.
- (2) After section 69 (breaches of regulatory provisions) insert—

“69A Breach of record-keeping requirements etc. in relation to transactions in gold.

- (1) This section applies where a person fails to comply with a requirement of regulations under section 13(5)(a) or (b) of the ^{M4}Finance Act 1999 (gold: duties to keep records or provide information).

Where this section applies, the provisions of section 69 do not apply.

- (2) A person who fails to comply with any such requirement is liable to a penalty not exceeding 17.5% of the value of the transactions to which the failure relates.
 - (3) For the purposes of assessing the amount of any such penalty, the value of the transactions to which the failure relates shall be determined by the Commissioners to the best of their judgement and notified by them to the person liable.
 - (4) No assessment of a penalty under this section shall be made more than 2 years after evidence of facts sufficient in the opinion of the Commissioners to justify the making of the assessment comes to their knowledge.
 - (5) The reference in subsection (4) above to facts sufficient to justify the making of the assessment is to facts sufficient—
 - (a) to indicate that there had been a failure to comply with any such requirement as is referred to in subsection (1) above, and
 - (b) to determine the value of the transactions to which the failure relates.
 - (6) A failure by any person to comply with any such requirement as is mentioned in subsection (1) above shall not give rise to a liability to a penalty under this section if the person concerned satisfies the Commissioners or, on appeal, a tribunal, that there is a reasonable excuse for the failure.
 - (7) Where by reason of conduct falling within subsection (1) above a person—
 - (a) is assessed to a penalty under section 60, or
 - (b) is convicted of an offence (whether under this Act or otherwise),that conduct shall not also give rise to a penalty under this section.”.
- (3) In section 70(1) of that Act (mitigation of penalties), for “or 67” substitute “, 67 or 69A”.

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- (4) In section 76(1) of that Act (assessment of amount due by way of penalty etc.), for “to 69” (in both places) substitute “ to 69A ”.
- (5) In section 83 of that Act (appeals), in paragraph (n) for “59 to 69” substitute “ 59 to 69A ”.

Marginal Citations

- M3** 1994 c. 23.
M4 1999 c. 16.

Inheritance tax

138 Treatment of employee share ownership trusts. U.K.

- (1) The ^{M5}Inheritance Tax Act 1984 is amended as follows.
- (2) In section 13 (dispositions by close companies for benefit of employees), in subsection (4), after paragraph (b) insert “; or
- (c) if the trusts are those of an employee share ownership plan approved under Schedule 8 to the Finance Act 2000, of any power to appropriate shares to, or acquire shares on behalf of, individuals under the plan.”.
- (3) In section 72 (property leaving employee trusts and newspaper trusts)—
- (a) in subsection (2) after “subsection (4)” insert “, (4A)”, and
- (b) after subsection (4) insert—
- “(4A) If the trusts are those of an employee share ownership plan approved under Schedule 8 to the Finance Act 2000, tax shall not be chargeable under this section by virtue of subsection (3)(b) above on an appropriation of shares to, or acquisition of shares on behalf of, an individual under the plan.”.
- (4) In section 86 (trusts for benefit of employees), in subsection (3), after paragraph (b) insert “; or
- (c) the trusts on which the settled property is held are those of an employee share ownership plan approved under Schedule 8 to the Finance Act 2000.”.

Marginal Citations

- M5** 1984 c. 51.

Petroleum revenue tax

139 Operating expenditure incurred while safeguard relief applies. U.K.

- (1) After section 9 of the ^{M6}Oil Taxation Act 1975 insert—

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, Part V. (See end of Document for details)

“9A Operating expenditure incurred while section 9 applies.

- (1) Subsections (2) and (3) below apply where—
- (a) operating expenditure is incurred by a participator in an oil field during a chargeable period to which section 9(1) of this Act applies (“the relevant chargeable period”);
 - (b) a claim for the allowance of the expenditure is made under Schedule 5 or 6 for the claim period which coincides with the relevant chargeable period (“the relevant claim period”); and
 - (c) the claim is made more than four months after the end of the relevant claim period.
- (2) The Board shall not allow the expenditure except to such extent (if any) as they consider necessary to secure that the participator’s overall liability to tax is no greater than it would have been if the claim had been allowed before the Board had made an assessment to tax or a determination on or in relation to the participator in respect of the field for the relevant chargeable period.
- (3) Any amounts of oil allowance which, if the claim had been allowed before the Board had made an assessment to tax or a determination on or in relation to the participator in respect of the field for the relevant chargeable period, would not have been utilised by him in that period, or any subsequent chargeable period, shall be disregarded for the purposes of section 8(6) of this Act.
- (4) Where—
- (a) the participator transfers the whole or part of his interest in the oil field to another person; and
 - (b) Parts II and III of Schedule 17 to the ^{M7}Finance Act 1980 apply to the transfer,
- subsections (2) and (3) above shall have effect as if references to the participator included references to that other person.
- (5) In this section—
- “acquisition”, in relation to an asset, includes acquisition of an interest in the asset;
- “capital expenditure” means expenditure on the acquisition or construction of an asset which is to be used for any of the following purposes—
- (a) for ascertaining the extent or characteristics of any oil-bearing area wholly or partly included in the field, or what the reserves of oil of any such oil-bearing area are;
 - (b) for winning oil from the field;
 - (c) for transporting oil won from the field, whether to a place in the United Kingdom or to a place in another country; or
 - (d) for the initial treatment or initial storage of oil won from the field;
- “operating expenditure” means any expenditure other than capital expenditure.
- (6) Where a claim period is a period of twelve months, this section shall have effect as if—

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- (a) that period were two separate claim periods of six months each;
- (b) any claim for that period under Schedule 5 or 6 were two separate claims, one for each of those separate periods; and
- (c) the operating expenditure to which that claim relates were apportioned between those separate periods and those separate claims in such manner as may be just and reasonable.”.

(2) This section has effect in relation to expenditure incurred on or after 21st March 2000.

Marginal Citations

M6 1975 c. 22.

M7 1980 c. 48.

Landfill tax

140 Rate. **U.K.**

(1) In section 42 of the ^{M8}Finance Act 1996 (amount of landfill tax), in subsections (1)(a) and (2) for “£10” substitute “ £11 ”.

(2) This section has effect in relation to taxable disposals made, or treated as made, on or after 1st April 2000.

Marginal Citations

M8 1996 c. 8.

141 Disposals which are not taxable. **U.K.**

(1) In section 62 of the ^{M9}Finance Act 1996 (regulations about taxable disposals) amend subsection (7) (limit on power to make regulations providing that a disposal is not taxable) as follows.

(2) For paragraph (a) substitute—

“(a) the material comprised in the disposal is held temporarily pending one or more of the following—

- (i) the incineration or recycling of the material, or
- (ii) the removal of the material for use elsewhere, or
- (iii) the use of the material, if it is qualifying material within the meaning of section 42(3) above, for the restoration to use of the site at which the disposal takes place, or any part of that site, upon completion of waste disposal operations at the site, or as the case may be, that part of the site, or
- (iv) the sorting of the material with a view to its removal elsewhere or its eventual disposal, and”.

(3) In paragraph (b) for “the temporary disposal is made” substitute “ the material in question is held temporarily ”.

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, Part V. (See end of Document for details)

Marginal Citations

M9 1996 c. 8.

142 Secondary liability. U.K.

- (1) In section 60 of the ^{M10}Finance Act 1996 (which gives effect to Schedule 5 to the Act), after “penalties” insert “, secondary liability”.
- (2) Accordingly the sidenote to that section becomes “Information, powers, penalties, secondary liability, etc”.
- (3) At the end of Schedule 5 to that Act (supplementary provisions relating to landfill tax) add the Part VIII set out in Schedule 37 to this Act.
- (4) Subsection (3) has effect in relation to taxable disposals made on or after the day on which this Act is passed.

Marginal Citations

M10 1996 c. 8.

Status:

Point in time view as at 28/07/2000.

Changes to legislation:

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