



# Finance Act 2007

## 2007 CHAPTER 11

### PART 1

#### CHARGES, RATES, THRESHOLDS ETC

##### *Income tax*

#### **1 Charge and rates for 2007-08**

Income tax is charged for the tax year 2007-08; and for that tax year—

- (a) the starting rate is 10%,
- (b) the basic rate is 22%, and
- (c) the higher rate is 40%.

##### *Corporation tax*

#### **2 Charge and main rates for financial year 2008**

(1) Corporation tax is charged for the financial year 2008; and for that year the rate of corporation tax is—

- (a) 28% on profits of companies other than ring fence profits, and
- (b) 30% on ring fence profits of companies.

(2) In this section “ring fence profits” has the same meaning as in Chapter 5 of Part 12 of ICTA (see section 502(1) and (1A)).

#### **<sup>F13</sup> 3 Small companies' rates and fractions for financial year 2007**

.....

*Status: Point in time view as at 01/05/2023.*

*Changes to legislation: Finance Act 2007, Part 1 is up to date with all changes known to be in force on or before 23 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

**Textual Amendments**

**F1** S. 3 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 574, **Sch. 3 Pt. 1** (with Sch. 2)

*Inheritance tax*

**F24 Rates and rate bands for 2010-11**

.....

**Textual Amendments**

**F2** S. 4 omitted (8.4.2010) by virtue of [Finance Act 2010 \(c. 13\)](#), s. **8(2)(b)**

*Alcohol and tobacco*

**5 Rates of duty on alcoholic liquor**

- (1) The Alcoholic Liquor Duties Act 1979 (c. 4) is amended as follows.
- (2) In section 36(1AA)(a) (standard rate of duty on beer), for “£13.26” substitute “ £13.71 ”.
- (3) In section 62(1A) (rates of duty on cider)—
  - (a) in paragraph (a) (rate of duty per hectolitre in the case of sparkling cider of a strength exceeding 5.5 per cent), for “£166.70” substitute “ £172.33 ”,
  - (b) in paragraph (b) (rate of duty per hectolitre in the case of cider of a strength exceeding 7.5 per cent which is not sparkling cider), for “£38.43” substitute “ £39.73 ”, and
  - (c) in paragraph (c) (rate of duty per hectolitre in any other case), for “£25.61” substitute “ £26.48 ”.
- (4) For Part 1 of the Table in Schedule 1 substitute—

**“PART 1**

WINE AND 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                            | 54.85                               |
| Wine or made-wine of a strength exceeding 4 per cent but not exceeding 5.5 per cent | 75.42                               |

*Status: Point in time view as at 01/05/2023.*

*Changes to legislation: Finance Act 2007, Part 1 is up to date with all changes known to be in force on or before 23 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

|   |          |
|---|----------|
| Wine or made-wine of a strength exceeding 5.5 per cent but not exceeding 15 per cent and not sparkling                                    | 177.99   |
| Sparkling wine or sparkling made-wine of a strength exceeding 5.5 per cent but less than 8.5 per cent                                     | 172.33   |
| 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 | 227.99   |
| Wine or made-wine of a strength exceeding 15 per cent but not exceeding 22 per cent   | 237.31”. |

(5) The amendments made by this section are deemed to have come into force on 26th March 2007.

## 6 Rates of tobacco products duty

(1) For the Table in Schedule 1 to the Tobacco Products Duty Act 1979 (c. 7) substitute—

“TABLE

|  |  |
|--|--|
| 1. Cigarettes                                | An amount equal to 22 per cent of the retail price plus £108.65 per thousand cigarettes. |
| 2. Cigars                                    | £158.24 per kilogram.  |
| 3. Hand-rolling tobacco                      | £113.74 per kilogram.  |
| 4. Other smoking tobacco and chewing tobacco | £69.57 per kilogram.”  |

(2) The amendment made by subsection (1) is deemed to have come into force at 6 p.m. on 21st March 2007.

## *Gambling*

## 7 Rates of gaming duty

(1) For the Table in section 11(2) of FA 1997 substitute—

“TABLE

| <i>Part of gross gaming yield</i> | <i>Rate</i>   |
|-----------------------------------|---------------|
| The first £1,836,500              | 15 per cent.  |
| The next £1,266,000               | 20 per cent.  |
| The next £2,217,500               | 30 per cent.  |
| The next £4,680,000               | 40 per cent.  |
| The remainder                     | 50 per cent.” |

*Status: Point in time view as at 01/05/2023.*

*Changes to legislation: Finance Act 2007, Part 1 is up to date with all changes known to be in force on or before 23 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (2) In section 11(3) of that Act, for “40 per cent” substitute “ 50 per cent ”.
- (3) The amendments made by this section have effect in relation to accounting periods beginning on or after 1st April 2007.

## 8 Remote gaming duty

- (1) Schedule 1 contains amendments of and relating to Part 2 of BGDA 1981 (gaming duties) imposing a remote gaming duty.
- (2) The amendments made by Schedule 1 have effect in respect of the provision of facilities on or after a date appointed by the Commissioners for Her Majesty's Revenue and Customs by order made by statutory instrument.

## 9 Amusement machine licence duty

- (1) Section 23 of BGDA 1981 (amount of duty payable on amusement machine licence) is amended as follows.

<sup>F3</sup>(2) .....

- (3) After subsection (6) insert—

“(7) The Commissioners may by order substitute for a sum for the time being specified in subsection (3) such higher sum as they consider appropriate.”

<sup>F4</sup>(4) .....

### Textual Amendments

**F3** S. 9(2) omitted (retrospective to 1.6.2009) by virtue of [Finance Act 2009 \(c. 10\)](#), s. 22(11)(b)(12)

**F4** S. 9(4) omitted (retrospective to 1.6.2009) by virtue of [Finance Act 2009 \(c. 10\)](#), s. 22(11)(b)(12)

### Commencement Information

**II** S. 9 wholly in force at Royal Assent; s. 9(2) deemed to have come into force on 22.3.2007 see s. 9(4); s. 9(1)(3)(4) in force at Royal Assent

## *Environment*

## 10 Fuel duty rates and rebates

- (1) The Hydrocarbon Oil Duties Act 1979 (c. 5) is amended as follows.
- (2) In section 6(1A) (hydrocarbon oil: rates of duty)—
- (a) in paragraph (a) (ultra low sulphur petrol), for “£0.4835” substitute “ £0.5035 ”,
  - (b) in paragraph (aa) (sulphur-free petrol), for “£0.4835” substitute “ £0.5035 ”,
  - (c) in paragraph (b) (light oil other than ultra low sulphur petrol and sulphur-free petrol), for “£0.5768” substitute “ £0.6007 ”,
  - (d) in paragraph (c) (ultra low sulphur diesel), for “£0.4835” substitute “ £0.5035 ”,

*Status: Point in time view as at 01/05/2023.*

*Changes to legislation: Finance Act 2007, Part 1 is up to date with all changes known to be in force on or before 23 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (e) in paragraph (ca) (sulphur-free diesel), for “£0.4835” substitute “ £0.5035 ”, and
  - (f) in paragraph (d) (heavy oil other than ultra low sulphur diesel and sulphur-free diesel), for “£0.5468” substitute “ £0.5694 ”.
- (3) In section 6AA(3) (biodiesel), for “£0.2835” substitute “ £0.3035 ”.
- (4) In section 6AD(3) (bioethanol), for “£0.2835” substitute “ £0.3035 ”.
- (5) In section 8(3) (road fuel gas)—
- (a) in paragraph (a) (natural road fuel gas), for “£0.1081” substitute “ £0.1370 ”, and
  - (b) in paragraph (b) (other road fuel gas), for “£0.1221” substitute “ £0.1649 ”.
- (6) In section 11(1) (rebate on heavy oil)—
- (a) in paragraph (a) (fuel oil), for “£0.0729” substitute “ £0.0929 ”,
  - (b) in paragraph (b) (gas oil which is not ultra low sulphur diesel), for “£0.0769” substitute “ £0.0969 ”, and
  - (c) in paragraph (ba) (ultra low sulphur diesel), for “£0.0769” substitute “ £0.0969 ”.
- (7) In section 13A(1) (rebate on unleaded petrol), for “£0.0617” substitute “ £0.0642 ”.
- (8) In section 14(1) (rebate on light oil for use as furnace oil), for “£0.0729” substitute “ £0.0929 ”.
- (9) The amendments made by this section come into force on 1st October 2007.

## 11 Rates of vehicle excise duty

- (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 “£175” substitute “ £180 ”, and
  - (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£110” substitute “ £115 ”.
- (3) Paragraph 1B (graduated rates for light passenger vehicles) is amended as follows.
- (4) For the words from “Table A” to “date,” substitute “ the following table ”.
- (5) For “, or is liable to the standard rate or the premium” substitute

“TABLE

| <i>CO<sub>2</sub> 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                                    | 120                  | 15                  | 35                   |

*Status: Point in time view as at 01/05/2023.*

*Changes to legislation: Finance Act 2007, Part 1 is up to date with all changes known to be in force on or before 23 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

|     |     |     |     |
|-----|-----|-----|-----|
| 120 | 150 | 95  | 115 |
| 150 | 165 | 120 | 140 |
| 165 | 185 | 145 | 165 |
| 185 | 225 | 190 | 205 |
| 225 |     | 285 | 300 |

“The table has effect in relation to vehicles first registered before 23rd March 2006 as if—

- (a) in column (3), in the last row, “190” were substituted for “ 285 ”, and
- (b) in column (4), in the last row, “205” were substituted for “ 300 or is liable to the standard ”.”.

(6) For Tables A and B substitute—

(7) For paragraphs 1D and 1E substitute—

**1D “The standard rate**

A vehicle is liable to the standard rate of duty if it does not qualify for the reduced rate of duty.”

(8) In paragraph 1J (light goods vehicles)—

- (a) in sub-paragraph (a) (vehicle which is not lower-emission van), for “£170” substitute “ £175 ”, and
- (b) in sub-paragraph (b) (lower-emission van), for “£110” substitute “ £115 ”.

(9) In paragraph 2(1) (motorcycles)—

- (a) in paragraph (b) (motorbicycle and engine's cylinder capacity more than 150cc but not more than 400cc), for “£31” substitute “ £32 ”,
- (b) in paragraph (c) (motorbicycle and engine's cylinder capacity more than 400cc but not more than 600cc), for “£46” substitute “ £47 ”, and
- (c) in paragraph (d) (any other case), for “£62” substitute “ £64 ”.

(10) The amendments made by this section have effect in relation to licences taken out on or after 22nd March 2007.

**<sup>F5</sup>12 Rates of air passenger duty**

.....

**Textual Amendments**

**F5** S. 12 omitted (with effect in accordance with Sch. 5 para. 7 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 5 para. 6\(d\)](#)

**13 Rates of climate change levy**

(1) For the Table in paragraph 42(1) of Schedule 6 to FA 2000 substitute—

*Status: Point in time view as at 01/05/2023.*

*Changes to legislation: Finance Act 2007, Part 1 is up to date with all changes known to be in force on or before 23 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

“TABLE

| <i><b>Taxable commodity supplied</b></i>   | <i><b>Rate at which levy payable if supply is not a reduced-rate supply</b></i> |
|--|---|
| Electricity  | £0.00456 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 | £0.00159 per kilowatt hour  |
| Any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state                                      | £0.01018 per kilogram   |
| Any other taxable commodity  | £0.01242 per kilogram”.   |

- (2) The amendment made by subsection (1) has effect in relation to supplies treated as taking place on or after 1st April 2008.

**14 Rate of aggregates levy**

- (1) In section 16(4) of FA 2001 (rate of aggregates levy), for “£1.60” substitute “ £1.95 ”.
- (2) The amendment made by subsection (1) has effect in relation to aggregate subjected to commercial exploitation on or after 1st April 2008.

**15 Rates of landfill tax**

- (1) Section 42 of FA 1996 (amount of landfill tax) is amended as follows.
- (2) In—
- (a) subsection (1)(a) (the standard rate), and
  - (b) subsection (2) (reference to the standard rate taken to be £2 in cases of disposals of qualifying material),
- for “£21” substitute “ £24 ”.
- (3) The amendments made by subsection (2) have effect in relation to disposals made (or treated as made) on or after 1st April 2007 (but before 1st April 2008).
- (4) In subsection (1)(a), for “£24” substitute “ £32 ” and, in subsection (2), for “£24 were to £2” substitute “ £32 were to £2.50 ”.
- (5) The amendments made by subsection (4) come into force on 1st April 2008 and have effect in relation to disposals made (or treated as made) on or after that date.

**16 Emissions trading: charges for allocations**

- (1) The Treasury may impose charges by providing for Community tradeable emissions allowances to be allocated in return for payment.
- (2) The Treasury must by regulations make provision for and in connection with allocations of allowances in return for payment.

<sup>F6</sup>(3) . . . . .

*Status: Point in time view as at 01/05/2023.*

*Changes to legislation: Finance Act 2007, Part 1 is up to date with all changes known to be in force on or before 23 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (4) The regulations may make any other provision about allocations which the Treasury consider appropriate, including (in particular)—
- (a) provision as to the imposition of fees, and as to the making and forfeiting of deposits, in connection with participation in allocations,
  - (b) provision as to the persons by whom allocations are to be conducted,
  - (c) provision for the [<sup>F7</sup>creation of criminal offences, or for the imposition and recovery of civil penalties,] for failure to comply with the terms of a scheme made under subsection (5),
  - (d) provision for and in connection with the recovery of payments due in respect of allowances allocated (including provision as to the imposition and recovery of interest and penalties), and
  - (e) provision conferring rights of appeal against decisions made in allocations, the forfeiting of deposits and the imposition of penalties (including provision specifying the person, court or tribunal to hear and determine appeals).
- (5) The Treasury may make schemes about the conduct and terms of allocations (to have effect subject to any regulations under this section); and schemes may in particular include provision about—
- (a) who may participate in allocations,
  - (b) the allowances to be allocated, and
  - (c) where and when allocations are to take place.
- (6) “Community tradeable emissions allowances” are transferable allowances which—
- (a) relate to the making of emissions of greenhouse gases, and
  - (b) are allocated as part of a system made for the purpose of implementing any [<sup>F8</sup>EU] obligation of the United Kingdom relating to such emissions;
- and “greenhouse gases” means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.
- [<sup>F9</sup>(6A) Subsection (4)(c) does not permit the creation of a criminal offence with maximum penalties in excess of the maximum penalties which an instrument under section 2(2) of the European Communities Act 1972 may provide in respect of an offence created by such an instrument.]
- (7) Regulations under this section are to be made by statutory instrument.
- (8) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons unless a draft of the regulations has been laid before, and approved by a resolution of, that House.

#### Textual Amendments

- F6** S. 16(3) repealed (14.11.2012) by [The Community Emissions Trading Scheme \(Allocation of Allowances for Payment\) Regulations 2012](#) (S.I. 2012/2661), regs. 1, **6(1)(a)** (with reg. 6(2))
- F7** Words in s. 16(4)(c) substituted (21.7.2008) by [Finance Act 2008](#) (c. 9), s. **164(2)**
- F8** Words in Act substituted (22.4.2011) by [The Treaty of Lisbon \(Changes in Terminology\) Order 2011](#) (S.I. 2011/1043), arts. 2, **3**, 6 (with art. 3(2)(3), 4(2), 6(4)(5))
- F9** S. 16(6A) inserted (21.7.2008) by [Finance Act 2008](#) (c. 9), s. **164(3)**



**Status:**

Point in time view as at 01/05/2023.

**Changes to legislation:**

Finance Act 2007, Part 1 is up to date with all changes known to be in force on or before 23 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.