



# Finance Act 2007

## 2007 CHAPTER 11

### PART 2

#### ENVIRONMENT

##### *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—

*Status: Point in time view as at 19/07/2007.*

*Changes to legislation: Finance Act 2007, Cross Heading: Domestic microgeneration is up to date with all changes known to be in force on or before 06 July 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)*

### **“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.”
- (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.

**Status:**

Point in time view as at 19/07/2007.

**Changes to legislation:**

Finance Act 2007, Cross Heading: Domestic microgeneration is up to date with all changes known to be in force on or before 06 July 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.