



Finance Act 2013

2013 CHAPTER 29

PART 3

ANNUAL TAX ON ENVELOPED DWELLINGS

Exemptions

151 Charitable companies

- (1) A charitable company that is entitled to a single-dwelling interest is regarded as not meeting the ownership condition with respect to the interest on any day on which the interest is held by the company for qualifying charitable purposes, other than an excluded day.
- (2) The interest is “held for qualifying charitable purposes” if it is held—
 - (a) for use in furtherance of the charitable purposes of the charitable company or of another charity, or
 - (b) as an investment from which the profits are (or are to be) applied to the charitable purposes of the charitable company.
- (3) A day is an “excluded day” if the following conditions are met—
 - (a) a person (“the donor”) has on or before that day made, or agreed to make, a gift to the charitable company or to a charity that is connected with it,
 - (b) there exist on that day arrangements under which or as a result of which a linked individual is permitted, or is to be or may in the future be permitted, to occupy the dwelling, and
 - (c) it is reasonable to assume from either or both of—
 - (i) the likely effects of the gift and the arrangements, or
 - (ii) the circumstances in which the gift was made and the circumstances in which the arrangements were entered into,that the gift would not have been made and the arrangements would not have been entered into independently of one another;but see the exception in subsection (5).

Status: Point in time view as at 17/07/2013.

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2013, Section 151. (See end of Document for details)*

- (4) In subsection (3)(b) “linked individual” means an individual who—
- (a) is the donor, or
 - (b) was, when the arrangements were entered into, an associate of the donor.
- (5) A day is not an “excluded day” if the first, second or third condition is met on that day.
- The first condition is that the activities undertaken for carrying out the primary purposes of the charitable company include, or normally include, opening the dwelling to the public.
- The second condition is that the dwelling is being exploited through commercial activities that involve, or normally involve, opening the dwelling to the public.
- The third condition is that steps are being taken—
- (a) to secure that the first or second condition will be met without undue delay, or
 - (b) to secure that the single-dwelling interest will be sold without undue delay.
- (6) In subsection (5)—
- (a) “opening the dwelling to the public” means offering the public the opportunity to make use of, stay in or otherwise enjoy, on at least 28 days in any year, areas that constitute a significant part of the interior of the dwelling or of the dwelling’s garden or grounds;
 - (b) “without undue delay” means without delay, except so far as delay is justified by commercial considerations or for the sake of a primary purpose of the charitable company.
- (7) For the purposes of subsection (6)(a), the size (relative to the size of the whole dwelling or of the whole garden or grounds), nature, and function of the areas concerned are to be taken into account in determining whether they form a significant part of the interior of the dwelling or (as the case may be) of the garden or grounds.
- (8) For the purposes of subsection (3)(a)—
- (a) “connected” means connected in a matter relating to the structure, administration or control of the charitable company, and
 - (b) section 172 does not apply.

Status:

Point in time view as at 17/07/2013.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2013, Section 151.