Finance Act 2019

2019 CHAPTER 1

PART 2

OTHER TAXES

Stamp duty land tax

42 Relief for first-time buyers in cases of shared ownership

(1) Schedule 9 to FA 2003 (stamp duty land tax: shared ownership leases etc) is amended as follows.

(2) In paragraph 4 (shared ownership lease: election where staircasing allowed), after sub-paragraph (4) insert—

"(4A) See paragraph 15 for further provision in connection with relief for first-time buyers."

(3) After paragraph 14 insert—

"Relief for first-time buyers: shared ownership lease where election made

15 Where—

(a) paragraph 4 applies, and

(b) relief is claimed under paragraph 1 of Schedule 6ZA in respect of the grant of the lease concerned,

no tax is chargeable in respect of so much of the chargeable consideration for the grant as consists of rent."

(4) After paragraph 15 (as inserted by subsection (3)) insert—

"Relief for first-time buyers: shared ownership lease where no election made

15A (1) This paragraph applies where—

(a) a shared ownership lease is granted, and

(b) no election is made for tax to be charged in accordance with paragraph 2 or 4.

(2) For the purpose of determining whether the second condition in paragraph 1 of Schedule 6ZA is met in respect of the grant, the chargeable consideration for the grant is to be treated as being the amount stated in the lease in accordance with paragraph 2(2)(e) or paragraph 4(2)(e)(i) or (ii).

(3) If relief is claimed in respect of the grant under paragraph 1 of Schedule 6ZA no tax is chargeable in respect of so much of the chargeable consideration for the grant as consists of rent.

(4) In this paragraph "shared ownership lease" has the same meaning as in paragraph 4A.

Relief for first-time buyers: shared ownership trust where no election made

15B (1) This paragraph applies where—

(a) a shared ownership trust is declared, and

(b) no election is made for tax to be charged in accordance with paragraph 9.

(2) For the purpose of determining whether the second condition in paragraph 1 of Schedule 6ZA is met in respect of the declaration, the chargeable consideration for the declaration is to be treated as being the sum specified in the trust in accordance with paragraph 7(4)(f).

(3) If relief is claimed in respect of the declaration under paragraph 1 of Schedule 6ZA no tax is chargeable in respect of any rent-equivalent payment treated by reason of paragraph 11(b) as rent."

(5) For the italic cross-heading before paragraph 16 substitute "No relief for first-time buyers for staircasing transactions etc".

(6) In paragraph 16 (cases where first-time buyer's relief is not available)—

(a) in sub-paragraph (1), omit paragraphs (a), (b) and (d) (but not "or" at the end of paragraph (d)), and

(b) in sub-paragraph (2), omit paragraphs (a) and (c) (but not "or" at the end of paragraph (c)).

(7) The amendments made by this section have effect in relation to—

(a) any land transaction of which the effective date is on or after 29 October 2018, and

(b) any land transaction of which the effective date is before 29 October 2018 and in respect of which a land transaction return has not been given by that date.

43 Repayment to first-time buyers in cases of shared ownership

(1) Until 29 October 2019, a claim for the repayment of tax may be made in respect of a land transaction within subsection (2) or (3).

(2) A transaction is within this subsection if the amount of tax chargeable in respect of the transaction would have been less had the amendment made by section 42(3) been in force from the effective date of the transaction.

(3) A transaction is within this subsection if first-time buyer's relief—

(a) could not have been claimed for the transaction, but

(b) could have been claimed had the amendments made by section 42(4), (5) and (6) been in force from the effective date of the transaction.

(4) Where a claim is made under this section, HMRC must repay—

(a) in a case where the transaction is within subsection (2), so much of the tax paid as exceeds the amount that would have been chargeable had the amendment made by section 42(3) been in force from the effective date of the transaction, and

(b) in a case where the transaction is within subsection (3), so much of the tax paid as exceeds the amount that would have been chargeable had the amendments made by section 42(4), (5) and (6) been in force from the effective date of the transaction and had a claim for first-time buyer's relief been made.

(5) A claim under this section must be made by amendment of the land transaction return.

(6) Sub-paragraphs (2A) and (3) of paragraph 6 of Schedule 10 to FA 2003 do not apply in the case of an amendment of a land transaction return made for the purpose of making a claim under this section.

(7) In this section—

(a) the expressions used have the same meaning as in Part 4 of FA 2003;

(b) "first-time buyer's relief" means relief under Schedule 6ZA to FA 2003.

44 Higher rates of tax for additional dwellings etc

(1) Schedule 4ZA to FA 2003 (stamp duty land tax: higher rates for additional dwellings and dwellings purchased by companies) is amended as follows.

(2) In paragraph 2 (meaning of "higher rates transaction" etc) after sub-paragraph (4) insert—

"(5) References in this Schedule to a major interest in a dwelling include an undivided share in a major interest in a dwelling."

(3) The amendment made by subsection (2) has effect in relation to any land transaction of which the effective date is on or after 29 October 2018.

(4) In paragraph 8(3) (period during which land transaction return may be amended to take account of subsequent disposal of main residence) for the words from "whichever" to the end substitute "the period of 12 months beginning with—

(a) the effective date of the subsequent transaction, or

(b) if later, the filing date for the return.

(5) The amendment made by subsection (4) has effect in a case where the effective date of the subsequent transaction is on or after 29 October 2018.

45 Exemption in respect of financial institutions in resolution

(1) In FA 2003, after section 66 insert—

"**66A Resolution of financial institutions**

(1) A land transaction is exempt from charge if it is effected by—

(a) an instrument listed in subsection (2), or

(b) an instrument made under an instrument listed in subsection (2).

(2) The instruments are—

(a) a property transfer instrument made in accordance with section 12(2) of the Banking Act 2009 (transfer to a bridge bank),

(b) a property transfer instrument made in accordance with section 12ZA(3) of that Act (transfer to asset management vehicle),

(c) a supplemental property transfer instrument made in accordance with section 42(2) of that Act where the original instrument was made in accordance with section 12(2), 12ZA(3) or 41A(2) of that Act,

(d) a property transfer instrument made in accordance with section 41A(2) of that Act (transfer of property subsequent to resolution instrument),

(e) a bridge bank supplemental property transfer instrument made in accordance with section 44D(2) of that Act,

(f) a property transfer order made in accordance with section 45(2) of that Act (temporary public ownership: property transfer), or

(g) a third-country instrument made in accordance with section 89H(2) or 89I(4) of that Act.

(3) References in subsection (2) to a provision of the Banking Act 2009 include references to that provision as applied by or under any other provision of that Act (including where it is applied with modifications or in a substituted form)."

(2) The amendment made by this section has effect in relation to any land transaction the effective date of which is on or after the day on which this Act is passed.

46 Changes to periods for delivering returns and paying tax

(1) FA 2003 is amended as follows.

(2) In section 76(1) (duty to deliver land transaction return), for "30 days" substitute "14 days".

(3) For section 80(2) (adjustment where contingency ceases or consideration is ascertained) substitute—

"(2) If the effect of the new information is that a transaction becomes notifiable, the purchaser must make a return to HMRC within 14 days.

(2A) If the effect of the new information is that—

(a) tax is payable in respect of a transaction where none was payable before and subsection (2) does not apply, or

(b) additional tax is payable in respect of a transaction,

the purchaser must make a further return to HMRC within 30 days.

(2B) For the purposes of subsections (2) and (2A), any tax or additional tax payable is calculated according to the effective date of the transaction.

(2C) If a purchaser is required to make a return under subsection (2) or a further return under subsection (2A)—

(a) that return must contain a self-assessment of the tax chargeable in respect of the transaction on the basis of the information contained in the return, and

(b) the tax or additional tax payable must be paid not later than the filing date for that return."

(4) In section 81 (further return where relief withdrawn)—

(a) in subsection (1B)—

(i) after paragraph (c) insert—

"(ca) in the case of relief under paragraph 5CA of that Schedule (acquisition under a regulated home reversion plan), the first day in the period mentioned in paragraph 5IA(2) of that Schedule on which the purchaser holds the higher threshold interest otherwise than for the purposes of the regulated home reversion plan, unless paragraph 5IA(3)(a) and (b) applies;", and

(ii) after paragraph (d) insert—

"(da) in the case of relief under paragraph 5EA of that Schedule (acquisition by management company of flat for occupation by caretaker), the first day in the period mentioned in paragraph 5JA(2) of that Schedule on which the purchaser holds the higher threshold interest otherwise than for the purpose of making the flat available for use as caretaker accommodation;", and

(b) in subsection (2A), after "subsection (1)" insert "or (1A)".

(5) For section 81A(1) (return or further return in consequence of later linked transaction) substitute—

"(1) Where the effect of a transaction ("the later transaction") that is linked to an earlier transaction is that the earlier transaction becomes notifiable, the purchaser under the earlier transaction must deliver a return in respect of that transaction before the end of the period of 14 days after the effective date of the later transaction.

(1A) Where the effect of a transaction ("the later transaction") that is linked to an earlier transaction is that—

(a) tax is payable in respect of the earlier transaction where none was payable before and subsection (1) does not apply, or

(b) additional tax is payable in respect of the earlier transaction,

the purchaser under the earlier transaction must deliver a further return in respect of that transaction before the end of the period of 30 days after the effective date of the later transaction.

(1B) For the purposes of subsections (1) and (1A), any tax or additional tax payable is calculated according to the effective date of the earlier transaction.

(1C) Where a purchaser is required to deliver a return under subsection (1) or a further return under subsection (1A)—

(a) that return must include a self-assessment of the amount of tax chargeable as a result of the later transaction, and

(b) the tax or additional tax payable must be paid not later than the filing date for that return."

(6) In section 86(2) (payment of tax), before paragraph (a) insert—

"(za) any of paragraphs 5G to 5K of Schedule 4A (higher rate for certain transactions),".

(7) In section 87 (interest on unpaid tax)—

(a) after subsection (1) insert—

"(1A) But where the relevant date is determined by subsection (3)(aa), (aaa), (ab) or (c), and a return is required to be delivered before the end of the period of 14 days after that relevant date, interest is instead payable on the amount of any unpaid tax from the end of that period until the tax is paid.",

(b) in subsection (2), after "subsection (1)" insert "or (1A)", and

(c) in subsection (3), before paragraph (a) insert—

"(za) in the case of an amount payable because relief is withdrawn under any of paragraphs 5G to 5K of Schedule 4A (higher rate for certain transactions), the date which is the relevant date for the purposes of section 81(1A);".

(8) In Schedule 17A (further provisions relating to leases)—

(a) for paragraph 3(3) substitute—

"(3) Where the effect of sub-paragraph (2) in relation to the continuation of the lease for a period (or further period) of one year after the end of a fixed term is that a transaction becomes notifiable, the purchaser must deliver a return in respect of that transaction before the end of the period of 14 days after the end of that one year period.

(3ZA) Where the effect of sub-paragraph (2) in relation to the continuation of the lease for a period (or further period) of one year after the end of a fixed term is that—

(a) tax is payable in respect of a transaction where none was payable before and sub-paragraph (3) does not apply, or

(b) additional tax is payable in respect of a transaction,

the purchaser must deliver a further return in respect of that transaction before the end of the period of 30 days after the end of that one year period.

(3ZB) For the purposes of sub-paragraphs (3) and (3ZA), any tax or additional tax payable is calculated according to the effective date of the transaction.

(3ZC) Where a purchaser is required to deliver a return under sub-paragraph (3) or a further return under sub-paragraph (3ZA)—

(a) that return must include a self-assessment of the amount of tax chargeable in respect of the transaction on the basis of the information contained in the return, and

(b) the tax or additional tax payable must be paid not later than the filing date for that return.",

(b) for paragraph 4(3) substitute—

"(3) Where the effect of sub-paragraph (1) in relation to the continuation of the lease after the end of a deemed fixed term is that a transaction becomes notifiable, the purchaser must deliver a return in respect of that transaction before the end of the period of 14 days after the end of that term.

(3A) Where the effect of sub-paragraph (1) in relation to the continuation of the lease after the end of a deemed fixed term is that—

(a) tax is payable in respect of a transaction where none was payable before and sub-paragraph (3) does not apply, or

(b) additional tax is payable in respect of a transaction,

the purchaser must deliver a further return in respect of that transaction before the end of the period of 30 days after the end of that term.

(3B) For the purposes of sub-paragraphs (3) and (3A), any tax or additional tax payable is calculated according to the effective date of the transaction.

(3C) Where a purchaser is required to deliver a return under sub-paragraph (3) or a further return under sub-paragraph (3A)—

(a) that return must include a self-assessment of the amount of tax chargeable in respect of the transaction on the basis of the information contained in the return, and

(b) the tax or additional tax payable must be paid not later than the filing date for that return.", and

(c) for paragraph 8(3) substitute—

"(3) If the result as regards the rent paid or payable in respect of the first five years of the term of the lease is that a transaction becomes notifiable, the purchaser must make a return to HMRC within 14 days of the date referred to in sub-paragraph (1)(a) or (b).

(3A) If the result as regards the rent paid or payable in respect of the first five years of the term of the lease is that—

(a) tax is payable in respect of a transaction where none was payable before and sub-paragraph (3) does not apply, or

(b) additional tax is payable in respect of a transaction,

the purchaser must make a further return to HMRC within 30 days of the date referred to in sub-paragraph (1)(a) or (b).

(3B) If a purchaser is required to make a return under sub-paragraph (3) or a further return under sub-paragraph (3A)—

(a) that return must contain a self-assessment of the tax chargeable in respect of the transaction on the basis of the information contained in the return,

(b) the tax so chargeable is to be calculated by reference to the rates in force at the effective date of the transaction, and

(c) the tax or additional tax payable must be paid not later than the filing date for that return."

(9) In Schedule 61 to FA 2009 (alternative finance investment bonds)—

(a) in paragraph 7(5) (interest due on first transaction where relief is withdrawn) for "30 days" substitute "14 days", and

(b) in paragraph 20(3)(a) (no relief where bond-holder acquires control of underlying asset) for "30 days" substitute "14 days".

(10) The amendments made by this section are to be treated as having effect in relation to—

(a) any land transaction with an effective date on or after 1 March 2019, and

(b) any land transaction with an effective date before 1 March 2019 which becomes notifiable on or after 1 March 2019.

Stamp duty and SDRT

47 Stamp duty: transfers of listed securities and connected persons

(1) This section applies if—

(a) an instrument transfers listed securities to a company or a company's nominee (whether or not for consideration), and

(b) the person transferring the securities is connected with the company or is the nominee of a person connected with the company.

(2) "Listed securities" are stock or marketable securities which are regularly traded on—

(a) a regulated market,

(b) a multilateral trading facility, or

(c) a recognised foreign exchange,

and expressions used in paragraphs (a) to (c) have the same meaning as in section 80B of FA 1986 (intermediaries: supplementary).

(3) For the purposes of the enactments relating to stamp duty—

(a) in a case where listed securities are transferred for consideration which consists of money or any stock or security, or to which section 57 of the Stamp Act 1891 applies, the amount or value of the consideration is to be treated as being equal to—

(i) the amount or value of the consideration for the transfer, or

(ii) if higher, the value of the listed securities;

(b) in any other case, the transfer of listed securities effected by the instrument is to be treated as being for an amount of consideration in money equal to the value of the listed securities.

(4) For the purposes of subsection (3)—

(a) "the enactments relating to stamp duty" means the Stamp Act 1891 and any enactment amending that Act or that is to be construed as one with that Act, and

(b) the value of listed securities is to be taken to be the price which they might reasonably be expected to fetch on a sale in the open market at the date the instrument is executed.

(5) Section 1122 of CTA 2010 (connected persons) has effect for the purposes of this section.

(6) The Treasury may by regulations made by statutory instrument provide for this section not to apply in relation to particular cases.

(7) Regulations under subsection (6) may have effect in relation to instruments executed before the regulations come into force.

(8) A statutory instrument containing regulations under subsection (6) is subject to annulment in pursuance of a resolution of the House of Commons.

(9) This section is to be construed as one with the Stamp Act 1891.

(10) This section has effect in relation to instruments executed on or after 29 October 2018.

48 SDRT: listed securities and connected persons

(1) This section applies if a person is connected with a company and—

(a) the person or the person's nominee agrees to transfer listed securities to the company or the company's nominee (whether or not for consideration), or

(b) the person or the person's nominee transfers such securities to the company or the company's nominee for consideration in money or money's worth.

(2) "Listed securities" are chargeable securities which are regularly traded on—

(a) a regulated market,

(b) a multilateral trading facility, or

(c) a recognised foreign exchange,

and expressions used in paragraphs (a) to (c) have the same meaning as in section 88B of FA 1986 (intermediaries: supplementary).

(3) For the purposes of stamp duty reserve tax chargeable under section 87 of FA 1986 (the principal charge)—

(a) in a case where the agreement is one to transfer listed securities for consideration in money or money's worth, the amount or value of the consideration is to be treated as being equal to—

(i) the amount or value of the consideration for the transfer, or

(ii) if higher, the value of the listed securities at the time the agreement is made;

(b) in any other case, the agrement to transfer listed securities is to be treated as being one for an amount of consideration in money equal to the value of the listed securities at the time the agreement is made.

(4) Subsection (5) has effect for the purposes of stamp duty reserve tax chargeable under section 93 (depositary receipts) or 96 (clearance services) of FA 1986.

(5) If the amount or value of the consideration for any transfer of listed securities is less than the value of those securities at the time they are transferred, the transfer is to be treated as being for an amount of consideration in money equal to that value.

(6) For the purposes of this section, the value of listed securities at any time is the price which they might reasonably be expected to fetch on a sale in the open market at that time.

(7) Section 1122 of CTA 2010 (connected persons) has effect for the purposes of this section.

(8) The Treasury may by regulations made by statutory instrument provide for this section not to apply in relation to particular cases.

(9) Regulations under subsection (8) may have effect in relation to transactions entered into before the regulations come into force.

(10) A statutory instrument containing regulations under subsection (8) is subject to annulment in pursuance of a resolution of the House of Commons.

(11) This section is to be construed as one with Part 4 of FA 1986.

(12) This section has effect—

(a) in relation to the charge to tax under section 87 of FA 1986 where—

(i) the agreement to transfer securities is conditional and the condition is satisfied on or after 29 October 2018, or

(ii) in any other case, the agreement is made on or after that date;

(b) in relation to the charge to tax under section 93 or 96 of that Act, where the transfer is on or after 29 October 2018 (whenever the arrangement was made).

49 Stamp duty: exemption in respect of financial institutions in resolution

(1) In FA 1986, after section 85 insert—

"Resolution of financial institutions

85A Resolution of financial institutions

(1) Stamp duty is not chargeable on the transfer of stock or marketable securities by—

(a) an instrument listed in subsection (2), or

(b) an instrument made under an instrument listed in subsection (2).

(2) The instruments are—

(a) a mandatory reduction instrument made in accordance with section 6B of the Banking Act 2009 (mandatory write-down, conversion etc of capital instruments),

(b) a share transfer instrument or property transfer instrument made in accordance with section 12(2) of that Act (transfer to a bridge bank),

(c) a property transfer instrument made in accordance with section 12ZA(3) of that Act (transfer to asset management vehicle),

(d) a resolution instrument made in accordance with section 12A of that Act (bail-in),

(e) a share transfer order or share transfer instrument made in accordance with section 13(2) of that Act (share transfer),

(f) a supplemental share transfer instrument made in accordance with section 26 of that Act, where the original instrument was made in accordance with section 12(2) or 13(2) of that Act,

(g) a supplemental share transfer order made in accordance with section 27 of that Act,

(h) a property transfer instrument made in accordance with section 41A(2) of that Act (transfer of property subsequent to resolution instrument),

(i) a supplemental property transfer instrument made in accordance with section 42(2) of that Act where the original instrument was made in accordance with section 12(2), 12ZA(3) or 41A(2) of that Act,

(j) a bridge bank supplemental property transfer instrument made in accordance with section 44D(2) of that Act,

(k) a property transfer order made in accordance with section 45(2) of that Act,

(l) a supplemental resolution instrument made in accordance with section 48U(2) of that Act,

(m) an onward transfer resolution instrument made in accordance with section 48V of that Act in the circumstances set out in subsection (3),

(n) an order under section 85 of that Act (temporary public ownership: building societies), or

(o) a third-country instrument made in accordance with section 89H(2) or 89I(4) of that Act.

(3) The circumstances referred to in subsection (2)(m) are that the transfer—

(a) is to a person within section 67(6), (7) or (8) or section 70(6), (7) or (8) of this Act (depositary receipt issuers, clearance services), and

(b) is made by way of compensation to a creditor of the financial institution in respect of which the original instrument (within the meaning of section 48V of the Banking Act 2009) was made.

(4) References in this section to a provision of the Banking Act 2009 include references to that provision as applied by or under any other provision of that Act (including where it is applied with modifications or in a substituted form).”

(2) The amendment made by this section has effect in relation to instruments—

(a) within section 85A(2) of FA 1986, or

(b) made under an instrument within section 85A(2) of FA 1986,

which are executed on or after the day on which this Act is passed.

50 Stamp duty and SDRT: exemptions in respect of share incentive plans

(1) In section 95 of FA 2001 (exemptions in relation to approved share incentive plans)—

(a) in subsections (1) and (2), and in the heading, omit “approved”, and

(b) in subsection (3), for "an approved share incentive plan" substitute "a Schedule 2 SIP".

(2) The amendments made by subsection (1) are to be treated as having effect from 6 April 2014.

Value added tax

51 Duty of customers to account for tax on supplies

In section 55A of VATA 1994 (customers to account for tax on certain supplies of goods or services), after subsection (9) insert—

"(9A) An order made under subsection (9) may modify the application of subsection (3) in relation to any description of goods or services specified in the order."

52 Treatment of vouchers

Schedule 17 makes provision about the VAT treatment of vouchers.

53 Groups: eligibility

(1) Schedule 18 contains provision about the eligibility of individuals and partnerships to be treated as members of a group for the purposes of value added tax.

(2) That Schedule comes into force on such day as the Treasury may by regulations made by statutory instrument appoint.

Alcohol

54 Rates of duty on cider, wine and made-wine

(1) ALDA 1979 is amended as follows.

(2) In section 62(1A) (rates of duty on cider) in paragraph (a) (rate of duty on sparkling cider of a strength exceeding 5.5%), for "£279.46" substitute "£288.10".

(3) For Part 1 of the table in Schedule 1 substitute—

"WINE OR MADE-WINE OF A STRENGTH NOT EXCEEDING 22%

Description of wine or made-wine	*Rates of duty per hectolitre £*
Wine or made-wine of a strength not exceeding 4%	91.68
Wine or made-wine of a strength exceeding 4% but not exceeding 5.5%	126.08
Wine or made-wine of a strength exceeding 5.5% but not exceeding 15% and not being sparkling	297.57

Description of wine or made-wine	*Rates of duty per hectolitre £*
Sparkling wine or sparkling made-wine of a strength exceeding 5.5% but less than 8.5%	288.10
Sparkling wine or sparkling made-wine of a strength of at least 8.5% but not exceeding 15%	381.15
Wine or made-wine of a strength exceeding 15% but not exceeding 22%	396.72”

(4) The amendments made by this section are treated as having come into force on 1 February 2019.

55 Excise duty on mid-strength cider

(1) ALDA 1979 is amended as follows.

(2) In section 62(1A) (rates of excise duty on cider)—

(a) omit the “and” at the end of paragraph (b), and

(b) after paragraph (b) insert—

“(ba) £50.71 per hectolitre in the case of cider of a strength of not less than 6.9 per cent but not exceeding 7.5 per cent which is not sparkling cider; and”.

(3) In section 62B (cider labelled as strong cider)—

(a) in the heading, after “strong cider” insert “or mid-strength cider”,

(b) in subsection (1)—

(i) in the opening words, after “standard cider” insert “or mid-strength cider”,

(ii) for paragraph (a) substitute—

“(a) is in a container which is up-labelled as a container of strong cider, or”,

(iii) in paragraph (b), for “an up-labelled container” substitute “a container which is up-labelled as a container of strong cider,”, and

(iv) in the words after paragraph (b), after “standard cider” insert “or mid-strength cider”,

(c) after subsection (1), insert—

“(1A) For the purposes of this Act, any liquor which would apart from this section be standard cider and which—

(a) is in a container which is up-labelled as a container of mid-strength cider, or

(b) has, at any time after 31 January 2019 when it was in the United Kingdom, been in a container which is up-labelled as a container of mid-strength cider,

shall be deemed to be mid-strength cider, and not standard cider.”,

(d) for subsection (2) substitute—

“(2) Accordingly, references in this Act to making cider include references to—

(a) putting standard or mid-strength cider in a container which is up-labelled as a container of strong cider;

(b) causing a container in which there is standard or mid-strength cider to be up-labelled as a container of strong cider;

(c) putting standard cider in a container which is up-labelled as a container of mid-strength cider; or

(d) causing a container in which there is standard cider to be up-labelled as a container of mid-strength cider.",

(e) in subsection (4)—

(i) in paragraph (a), for "not exceeding 7.5 per cent" substitute "of less than 6.9 per cent",

(ii) omit the "and" at the end of that paragraph, and

(iii) after paragraph (a), insert—

"(aa) "mid-strength cider" means cider which is not sparkling and is of a strength of not less than 6.9 per cent but not exceeding 7.5 per cent; and",

(f) in subsection (5), in the opening words, after "up-labelled" insert "as a container of strong cider", and

(g) after subsection (6), insert—

"(7) For the purposes of this section a container is up-labelled as a container of mid-strength cider if there is anything on—

(a) the container itself,

(b) a label or leaflet attached to or used with the container, or

(c) any packaging used for or in association with the container,

which states or tends to suggest that the strength of any liquor in that container falls within the mid-strength cider strength range.

(8) For the purposes of subsection (7), a strength falls within the mid-strength cider strength range if it is not less than 6.9 per cent but does not exceed 7.5 per cent.

(9) Where liquor is no longer in a container which is an up-labelled container, and it falls within subsection (1)(b) and within subsection (1A)(b), then it is deemed to be cider of the strength range stated or suggested by the labelling for the up-labelled container in which it was first contained.

(10) For the purposes of subsection (9)—

(a) an "up-labelled container" means—

(i) a container which is up-labelled as a container of strong cider as mentioned in subsection (1)(b), or

(ii) a container which is up-labelled as a container of mid-strength cider as mentioned in subsection (1A)(b), and

(b) references to the labelling for any container are references to anything on—

(i) the container itself,

(ii) a label or leaflet attached to or used with the container, or

(iii) any packaging used for or in association with the container."

(4) The amendments made by this section are to be treated as having come into force on 1 February 2019.

Tobacco

56 Rates

(1) TPDA 1979 is amended as follows.

(2) For the table in Schedule 1 substitute—

"TABLE

1 Cigarettes	An amount equal to the higher of— (a) 16.5% of the retail price plus £228.29 per thousand cigarettes, or (b) £293.95 per thousand cigarettes.
2 Cigars	£284.76 per kilogram
3 Hand-rolling tobacco	£234.65 per kilogram
4 Other smoking tobacco and chewing tobacco	£125.20 per kilogram"

(3) The amendment made by this section is treated as having come into force at 6pm on 29 October 2018.

57 Tobacco for heating

(1) TPDA 1979 is amended as follows.

(2) In section 1 (tobacco products), in subsection (1)—

(a) in paragraph (d), omit the final "and";

(b) after paragraph (e) insert "and

(f) tobacco for heating,".

(3) In that section, in subsection (3), for "and chewing tobacco" substitute ", chewing tobacco and tobacco for heating".

(4) In the table in Schedule 1 (as substituted by section 56), at the end insert—

"5. Tobacco for heating	£234.65 per kilogram".

(5) The Commissioners for Her Majesty's Revenue and Customs may by regulations made by statutory instrument make consequential, supplementary, incidental or transitional provision in relation to the provision made by subsections (2) to (4) (including provision amending any enactment).

(6) A statutory instrument containing regulations under subsection (5) is subject to annulment in pursuance of a resolution of the House of Commons.

(7) The amendments made by subsections (2) and (4) come into force on such day as the Treasury may by regulations made by statutory instrument appoint.

Vehicle duties

58 VED: rates for light passenger vehicles, light goods vehicles, motorcycles etc

(1) Schedule 1 to VERA 1994 (annual rates of vehicle excise duty) is amended as follows.

(2) In paragraph 1 (general rate)—

(a) in sub-paragraph (2) (vehicle not covered elsewhere in Schedule with engine cylinder capacity exceeding 1,549cc), for "£255" substitute "£265", and

(b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for "£155" substitute "£160".

(3) In paragraph 1B (graduated rates for light passenger vehicles registered before 1 April 2017)—

(a) for the Table substitute—

"CO_2 emissions figure		*Rate*	
(1)	*(2)*	*(3)*	*(4)*
Exceeding	*Not exceeding*	*Reduced rate*	*Standard rate*
g/km	*g/km*	*£*	*£*
100	110	10	20
110	120	20	30
120	130	115	125
130	140	135	145
140	150	150	160
150	165	190	200
165	175	225	235
175	185	250	260
185	200	290	300
200	225	315	325
225	255	545	555
255	—	560	570";

(b) in the sentence immediately following the Table, for paragraphs (a) and (b) substitute—

"(a) in column (3), in the last two rows, "315" were substituted for "545" and "560", and

(b) in column (4), in the last two rows, "325" were substituted for "555" and "570"."

(4) In paragraph 1GC (graduated rates for first licence for light passenger vehicles registered on or after 1 April 2017)—

(a) for Table 1 (vehicles other than higher rate diesel vehicles) substitute—

"CO_2 emissions figure		*Rate*	
(1)	*(2)*	*(3)*	*(4)*
Exceeding	*Not exceeding*	*Reduced rate*	*Standard rate*
g/km	*g/km*	*£*	*£*
0	50	0	10
50	75	15	25
75	90	100	110
90	100	120	130
100	110	140	150
110	130	160	170
130	150	200	210
150	170	520	530
170	190	845	855
190	225	1270	1280
225	255	1805	1815
255	—	2125	2135", and

(b) for Table 2 (higher rate diesel vehicles) substitute—

"CO_2 emissions figure		*Rate*
(1)	*(2)*	*(3)*
Exceeding	*Not exceeding*	*Rate*
g/km	*g/km*	*£*
0	50	25
50	75	110
75	90	130
90	100	150
100	110	170
110	130	210
130	150	530
150	170	855
170	190	1280
190	225	1815
225	255	2135
255	—	2135".

(5) In paragraph 1GD (rates for any other licence for light passenger vehicles registered on or after 1 April 2017), in sub-paragraph (1)—

(a) in paragraph (a) (the reduced rate) for "£130" substitute "£135", and

(b) in paragraph (b) (the standard rate) for "£140" substitute "£145".

(6) In paragraph 1GE (rates for light passenger vehicles registered on or after 1 April 2017 with a price exceeding £40,000), in sub-paragraph (4) for "£310" substitute "£320".

(7) In paragraph 1J (rates for light goods vehicles), in paragraph (a) for "£250" substitute "£260".

(8) In paragraph 2(1) (rates for motorcycles)—

(a) in paragraph (a) for "£19" substitute "£20",

(b) in paragraph (b) for "£42" substitute "£43",

(c) in paragraph (c) for "£64" substitute "£66", and

(d) in paragraph (d) for "£88" substitute "£91".

(9) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2019.

59 VED: taxis capable of zero emissions

(1) Part 1AA of Schedule 1 to VERA 1994 (annual rates of duty: light passenger vehicles first registered on or after 1 April 2017) is amended as follows.

(2) In paragraph 1GE (higher rates for vehicles with price above £40,000), after sub-paragraph (4) insert—

"(5) Sub-paragraphs (2) and (4) do not apply to a vehicle if when it is first registered, whether that is under this Act or under the law of a country or territory outside the United Kingdom, it is a taxi capable of zero emissions (see paragraph 1GG)."

(3) After paragraph 1GF insert—

"Meaning of "taxi capable of zero emissions"

1GG (1) The Secretary of State may by regulations make provision about the meaning of "taxi capable of zero emissions" in paragraph 1GE.

(2) In the following provisions of this paragraph "regulations" means regulations under sub-paragraph (1).

(3) Regulations may (in particular) make provision of any one or more of the following kinds—

(a) that a vehicle is a taxi capable of zero emissions if the vehicle is of a description specified in regulations;

(b) that a vehicle is at any particular time a taxi capable of zero emissions if the vehicle is of a model specified at that time in a list maintained by the Secretary of State;

(c) that a vehicle is a taxi capable of zero emissions if conditions specified in regulations are met.

(4) Where regulations make provision of the kind mentioned in sub-paragraph (3)(b)—

(a) regulations may (in particular) provide that a model of vehicle may be specified in the list only if it appears to the Secretary of State that vehicles of that model are of a description specified in regulations;

(b) regulations must provide for publication of the list;

(c) regulations may allow a model of vehicle to be included in the list with backdated effect.

(5) A description of a kind mentioned in sub-paragraph (3)(a) or (4)(a) may be framed (in particular) by reference to a scheme, or an instrument or other document, as it has effect from time to time.

(6) Regulations made before 1 April 2020 that do not increase the amount of vehicle excise duty for which any person is liable may have effect in relation to vehicle licences taken out at times before the regulations come into force (including times before the regulations are made).”

(4) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2019.

(5) The new paragraph 1GE(5) has effect, in the case of a vehicle first registered in the two years beginning with 1 April 2017, as if the reference to when the vehicle is first registered were to the start of the first period beginning on or after 1 April 2019 for which a vehicle licence for the vehicle is taken out.

60 HGV road user levy

(1) The HGV Road User Levy Act 2013 is amended in accordance with subsections (2) to (6).

(2) In section 5(5) (payment of levy for UK heavy goods vehicles) for “in Schedule 1” substitute “or Table 1A in Schedule 1 (depending on which of those Tables applies to the vehicle)”.

(3) In section 6(4) (payment of levy for non-UK heavy goods vehicles) for “in Schedule 1” substitute “or Table 1A in Schedule 1 (depending on which of those Tables applies to the vehicle)”.

(4) In section 7 (rebate of levy), after subsection (2) insert—

“(2A) A rebate entitlement also arises where—

(a) HGV road user levy has been paid in respect of a vehicle at the rate applicable to a vehicle that does not meet Euro 6 emissions standards, and

(b) the vehicle becomes a vehicle that meets those standards.”

(5) In section 19 (interpretation)—

(a) in subsection (3)—

(i) in paragraph (b), for “under section 7” substitute “as a result of an entitlement arising under section 7(2)”, and

(ii) after paragraph (b) insert—

"(c) where a person receives a rebate of levy in respect of a vehicle as a result of an entitlement arising under section 7(2A), the person is treated as not having paid levy in respect of the vehicle for the period starting with the first day of the month after the month in which the application for a rebate was made and ending with the end of the levy period.", and

(b) after subsection (3), insert—

"(4) For the purposes of subsection (3)(c), a month starts on the day of the month on which the levy period started."

(6) In Schedule 1 (rates of HGV road user levy)—

(a) for paragraph 1 substitute—

"1 (1) Table 1 applies to a heavy goods vehicle that meets Euro 6 emissions standards.

(2) Table 1A applies to a heavy goods vehicle that does not meet Euro 6 emissions standards.

(3) Tables 1 and 1A set out the rates of levy for each of the Bands given by Tables 2 to 5 and by paragraph 4.";

(b) in paragraph 5, after paragraph (b) insert—

"(c) a heavy goods vehicle meets Euro 6 emissions standards if it complies with the emission limits set out in Annex 1 of Regulation (EC) No. 595/2009 of the European Parliament and of the Council of 18th June 2009 on type approval of motor vehicles and engines with respect to emissions from heavy duty vehicles (Euro VI) and on access to repair and maintenance information.";

(c) for Table 1 substitute—

"TABLE 1: VEHICLES MEETING EURO 6
EMISSIONS STANDARDS - RATES FOR EACH BAND

Band	*Daily rate*	*Weekly rate*	*Monthly rate*	*Half-yearly rate*	*Yearly rate*
A	£1.53	£3.83	£7.65	£45.90	£76.50
B	£1.89	£4.73	£9.45	£56.70	£94.50
C	£4.32	£10.80	£21.60	£129.60	£216.00
D	£6.30	£15.75	£31.50	£189.00	£315.00
E	£9.00	£28.80	£57.60	£345.60	£576.00
F	£9.00	£36.45	£72.90	£437.40	£729.00
G	£9.00	£45.00	£90.00	£540.00	£900.00
B(T)	£2.43	£6.08	£12.15	£72.90	£121.50
C(T)	£5.58	£13.95	£27.90	£167.40	£279.00
D(T)	£8.10	£20.25	£40.50	£243.00	£405.00

Band	*Daily rate*	*Weekly rate*	*Monthly rate*	*Half-yearly rate*	*Yearly rate*
E(T)	£9.00	£37.35	£74.70	£448.20	£747.00

TABLE 1A: VEHICLES NOT MEETING EURO 6 EMISSIONS STANDARDS - RATES FOR EACH BAND

Band	*Daily rate*	*Weekly rate*	*Monthly rate*	*Half-yearly rate*	*Yearly rate*
A	£2.04	£5.10	£10.20	£61.20	£102.00
B	£2.52	£6.30	£12.60	£75.60	£126.00
C	£5.76	£14.40	£28.80	£172.80	£288.00
D	£8.40	£21.00	£42.00	£252.00	£420.00
E	£10.00	£38.40	£76.80	£460.80	£768.00
F	£10.00	£48.60	£97.20	£583.20	£972.00
G	£10.00	£60.00	£120.00	£720.00	£1,200.00
B(T)	£3.24	£8.10	£16.20	£97.20	£162.00
C(T)	£7.44	£18.60	£37.20	£223.20	£372.00
D(T)	£10.00	£27.00	£54.00	£324.00	£540.00
E(T)	£10.00	£49.80	£99.60	£597.60	£996.00”

(7) The HGV Road User Levy (Rate for Prescribed Vehicles) Regulations 2018 (S.I. 2018/417) are revoked.

(8) In section 19 of VERA 1994 (rebates)—

(a) in subsection (3), after paragraph (g) insert—

“(h) a relevant application for a vehicle licence for the vehicle has been received by the Secretary of State.”,

(b) after subsection (3ZA) insert—

“(3ZB) An application for a vehicle licence is a relevant application for the purposes of subsection (3)(h) if—

(a) there is an unexpired licence for the vehicle in respect of which the application is made,

(b) when the unexpired licence was taken out, the vehicle was chargeable to HGV road user levy under section 5 of the HGV Road User Levy Act 2013 at a rate applicable to a vehicle that does not meet Euro 6 emissions standards, and

(c) the vehicle now meets those standards, and an application for a rebate of HGV road user levy has been made under section 7 of that Act as a result of an entitlement arising under subsection (2A) of that section.”,

(c) in subsection (7), after “rebate conditions” insert “(other than the condition in subsection (3)(h))”, and

(d) after subsection (7) insert—

"(7A) Where the rebate condition in subsection (3)(h) is satisfied in relation to a licence, the licence ceases to be in force immediately before the first day of the period for which the relevant person is treated as not having paid levy in respect of the vehicle as a result of section 19(3)(c) of the HGV Road User Levy Act 2013."

(9) The amendments and revocation made by subsections (1) to (7) are to be treated as having effect in relation to HGV road user levy that—

(a) becomes due on or after 1 February 2019, and

(b) is paid on or after that date.

(10) The amendments made by subsection (8) are to be treated as having effect in relation to licences taken out on or after 1 February 2019.

Air passenger duty

61 Rates of duty from 1 April 2020

(1) In section 30 of FA 1994 (air passenger duty: rates), in subsection (4A) (long haul rates of duty)—

(a) in paragraph (a) for "£78" substitute "£80", and

(b) in paragraph (b) for "£172" substitute "£176".

(2) Those amendments have effect in relation to the carriage of passengers beginning on or after 1 April 2020.

Gaming

62 Remote gaming duty: rate

(1) In section 155(3) of FA 2014 (rate of remote gaming duty) for "15%" substitute "21%".

(2) That amendment has effect in relation to accounting periods beginning on or after 1 April 2019.

(3) The amount of remote gaming duty charged in respect of an accounting period that begins before and ends on or after 1 April 2019 is the sum of—

(a) the amount of that duty that would have been charged in respect of the accounting period had it consisted only of those days within the period that fell before that date, and

(b) the amount of that duty that would have been charged in respect of the accounting period had it consisted only of those days within the period that fell on or after that date and had the amendment made by subsection (1) had effect in relation to it.

63 Gaming duty

Schedule 19 contains provision about gaming duty.

Environmental taxes

64 Climate change levy: exemption for mineralogical and metallurgical processes

(1) Paragraph 12A of Schedule 6 to FA 2000 (exemption: mineralogical and metallurgical processes) is amended as follows.

(2) In sub-paragraph (1)—

(a) omit "to a person", and

(b) omit "by the person".

(3) In sub-paragraph (2), for the words from "has the same meaning" to the end substitute "means a process falling within Division 23 of NACE Rev 2."

(4) In sub-paragraph (4), the words after paragraph (c) become sub-paragraph (4A).

(5) In that sub-paragraph, for "sub-paragraph" substitute "paragraph".

65 Landfill tax rates

(1) Section 42 of FA 1996 (amount of landfill tax) is amended as follows.

(2) In subsection (1)(a) (standard rate), for "£88.95" substitute "£91.35".

(3) In subsection (2) (reduced rate for certain disposals), in the words after paragraph (b) —

(a) for "£88.95" substitute "£91.35", and

(b) for "£2.80" substitute "£2.90".

(4) The amendments made by this section have effect in relation to disposals made (or treated as made) on or after 1 April 2019.

Inheritance tax

66 Residence nil-rate band

(1) IHTA 1984 is amended as follows.

(2) In section 8FA(2)(b) and (5) (conditions for entitlement to downsizing addition), for "VT", in each place it occurs, substitute "the value transferred by the transfer of value under section 4 on the person's death".

(3) In section 8FE(9) (calculation of downsizing addition in section 8FA cases), in Step 2, for "VT" substitute "the value transferred by the transfer of value under section 4 on the person's death".

(4) In section 8E(1) (which, in relation to the person mentioned in section 8D(1), refers to the transfer of value under section 4), after "section 4" insert "on the person's death".

(5) In section 8J(6) (meaning of "inherited": property disposed of before death by gift subject to a reservation), for the words after "by way of" substitute "gift—

(a) subsections (2) to (5) do not apply, and

(b) B inherits the property if the property originally comprised in the gift became comprised in B's estate on the making of the disposal."

(6) The amendments made by this section apply for the purpose of calculating the amount of the charge to inheritance tax under section 4 of IHTA 1984 on a person's death if the person dies after 29 October 2018.

Soft drinks industry levy

67 Application of penalty provisions

(1) In Schedule 10 to F(No.3)A 2010 (which prospectively amends Schedule 55 to FA 2009 (penalties for failure to make returns etc)) in paragraph 7, in the inserted paragraph 13A(1), after "7B" insert ", 13A".

(2) The amendments to Schedule 55 to FA 2009 made by Schedule 10 to F(No.3)A 2010 (including the amendment made by subsection (1)) are taken to have come into force for the purposes of soft drinks industry levy on the day on which this section comes into force.

(3) In Schedule 11 to F(No.3)A 2010 (which prospectively amends Schedule 56 to FA 2009 (penalties for failure to make payments)) in paragraph 5(3), in the substituted text of paragraph 3(1)(a) of Schedule 56 to FA 2009, for "11" substitute "11ZA".

68 Isle of Man

(1) In section 1(1) of the Isle of Man Act 1979 (common duties), at the end insert—

"(f) soft drinks industry levy chargeable under the law of the United Kingdom or the Isle of Man."

(2) Part 2 of FA 2017 (soft drinks industry levy) is amended in accordance with subsections (3) and (4).

(3) After section 58 insert—

"**58A Isle of Man: import and export of chargeable soft drinks**

(1) Subsections (2) and (3) apply if—

(a) chargeable soft drinks are imported into the United Kingdom from the Isle of Man, and

(b) a charge to soft drinks industry levy (the "corresponding charge") arises in relation to the soft drinks under the law of the Isle of Man.

(2) If the corresponding charge arises at a rate equal to, or greater than, the UK rate, the soft drinks are not to be treated as being imported into the United Kingdom for the purposes of section 33 (chargeable events: imported soft drinks).

(3) If the corresponding charge arises at a rate lower than the UK rate, the amount of soft drinks industry levy charged under this Part in relation to the soft drinks is to be reduced by an amount equal to the corresponding charge.

(4) In this section "the UK rate", in relation to chargeable soft drinks, is the rate of soft drinks industry levy that would (apart from this section) be chargeable in relation to the soft drinks under this Part.

(5) For the purposes of section 39(1)(a) (tax credits: exported soft drinks) or regulations made under that provision, chargeable soft drinks are not to be treated as being exported from the United Kingdom if the soft drinks are exported to the Isle of Man."

(4) At the end of section 33, insert—

"(10) This section is subject to section 58A (Isle of Man: import and export of chargeable soft drinks)."

(5) In section 39, after subsection (5) insert—

"(5A) This section is subject to section 58A (Isle of Man: import and export of chargeable soft drinks)."

(6) This section comes into force on 1 April 2019.