

2017 No. 1246

ANNUAL TAX ON ENVELOPED DWELLINGS

The Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2017

Made - - - - *11th December 2017*

The Treasury, in discharge of the duty imposed by section 101(5) of the Finance Act 2013(a), make the following Order:

Citation

1. This Order may be cited as the Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2017.

Chargeable amounts

2. The amounts that by virtue of section 101 (indexation of annual chargeable amounts) of the Finance Act 2013 are to be the annual chargeable amounts for the chargeable period beginning on 1st April 2018 are determined in accordance with the following table, by reference to the taxable value of the interest on the relevant day(b).

<i>Annual chargeable amount</i>	<i>Taxable value of the interest on the relevant day</i>
£3,600	More than £500,000 but not more than £1 million.
£7,250	More than £1 million but not more than £2 million.
£24,250	More than £2 million but not more than £5 million.
£56,550	More than £5 million but not more than £10 million.
£113,400	More than £10 million but not more than £20 million.
£226,950	More than £20 million.

11th December 2017

Andrew Griffiths
David Evennett
Two of the Lord Commissioners of Her Majesty's Treasury

(a) 2013 c. 29.

(b) "Relevant day" is defined in section 99(5) of the Finance Act 2013 (c. 29).

EXPLANATORY NOTE

(This note is not part of the Order)

This Order states the annual chargeable amounts of the Annual Tax on Enveloped Dwellings. Section 99(4) of the Finance Act 2013 (c. 29) sets out the annual amounts of tax chargeable.

Section 101(5) of the Act provides for the indexation of the annual chargeable amounts. This Order gives effect to the indexation of the annual chargeable amounts for the chargeable period 1 April 2018 to 31 March 2019.

Article 2 states the annual chargeable amounts by reference to the taxable value of the interest.

The amounts of tax charged for each chargeable period beginning on or after 1 April are determined by reference to the “all items” Consumer Prices Index (CPI) as published by the Office of National Statistics. Where the September CPI (in this case the September 2017 CPI) is higher than it was for the previous September, the amounts of tax for the next chargeable period are increased by the same percentage increase, rounding down to the nearest multiple of £50. The September 2017 “all items” CPI as published by the Office of National Statistics was 3.0% (<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2017>) meaning that the annual chargeable amounts for the chargeable period beginning 1 April 2018 have increased by comparison to the amounts for the chargeable period beginning 1 April 2017, as set out by the Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) (No. 2) Order 2016 (S.I. 2016/1244).

A Tax Information and Impact Note covering this instrument was published on 22 November 2017 alongside the Autumn Budget 2017 and is available on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>. It remains an accurate summary of the impacts that apply to this instrument.

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