



HOUSE OF COMMONS

Tuesday 9 March 2021

Votes and Proceedings

The House met at 11.30 am

Prayers

- 1 Questions to the Chancellor of the Exchequer**
- 2 Urgent Question: Recent court order regarding the Government's publication of contracts during the COVID-19 pandemic (Edward Argar)**
- 3 Contingencies Fund (No. 2) Bill: Presentation (Standing Orders No. 50 and No. 57)**

The Chancellor of the Exchequer, supported by the Prime Minister, Steve Barclay, Jesse Norman, John Glen and Kemi Badenoch, presented a Bill to make provision increasing the maximum capital of the Contingencies Fund for a temporary period.

Bill read the first time; to be read a second time tomorrow, and to be printed (Bill 267) with Explanatory Notes (Bill 267–EN).

4 Police, Crime, Sentencing and Courts Bill: Presentation (Standing Order No. 57)

Secretary Robert Buckland, supported by the Prime Minister, the Chancellor of the Exchequer, Secretary Priti Patel, Secretary Grant Shapps, Secretary Oliver Dowden, the Attorney General, Victoria Atkins and Chris Philp, presented a Bill to make provision about the police and other emergency workers; to make provision about collaboration between authorities to prevent and reduce serious violence; to make provision about offensive weapons homicide reviews; to make provision for new offences and for the modification of existing offences; to make provision about the powers of the police and other authorities for the purposes of preventing, detecting, investigating or prosecuting crime or investigating other matters; to make provision about the maintenance of public order; to make provision about the removal, storage and disposal of vehicles; to make provision in connection with driving

offences; to make provision about cautions; to make provision about bail and remand; to make provision about sentencing, detention, release, management and rehabilitation of offenders; to make provision about secure 16 to 19 Academies; to make provision for and in connection with procedures before courts and tribunals; and for connected purposes.

Bill read the first time; to be read a second time tomorrow, and to be printed (Bill 268) with Explanatory Notes (Bill 268–EN).

5 Landfill Sites (Odorous Emissions): Motion for leave to bring in a Bill (Standing Order No. 23)

Ordered, That leave be given to bring in a Bill to introduce a presumption against planning applications for new landfill sites liable to cause odorous emissions in built-up areas; to set limits for odorous emissions from landfill sites; to make provision for the payment of compensation by site operators to local residents when emissions exceed those limits; and for connected purposes;

That Aaron Bell, Simon Baynes, Jack Brereton, Sir William Cash, Jo Gideon, James

Gray, Jonathan Gullis, Robert Halfon, Darren Jones, Marco Longhi, Alexander Stafford and Liz Twist present the Bill.

Aaron Bell accordingly presented the Bill.

Bill read the first time; to be read a second time tomorrow, and to be printed (Bill 269).

**6 Ways and Means: Income tax (charge):
Adjourned debate on the Question
proposed on 3 March**

Debate resumed (Order, 8 March).

Question again proposed, That income tax is charged for the tax year 2021-22.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

The Deputy Speaker announced a time limit on backbench speeches (Standing Order No. 47(1)).

Question put and agreed to.

Resolved, That income tax is charged for the tax year 2021-22.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

7 Ways and Means: further Budget Resolutions

The Deputy Speaker then put forthwith the Questions necessary to dispose of the further Motions which were made by the Chancellor of the Exchequer (Standing Order No. 51(3)).

2. Income tax (main rates)

Resolved, That for the tax year 2021–22 the main rates of income tax are as follows—

- (a) the basic rate is 20%,
- (b) the higher rate is 40%, and
- (c) the additional rate is 45%.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

3. Income tax (default and savings rates)

Resolved, That—

(1) For the tax year 2021–22 the default rates of income tax are as follows—

- (a) the default basic rate is 20%,
- (b) the default higher rate is 40%, and
- (c) the default additional rate is 45%.

(2) For the tax year 2021–22 the savings rates of income tax are as follows—

- (a) the savings basic rate is 20%,
- (b) the savings higher rate is 40%, and
- (c) the savings additional rate is 45%.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

4. Income tax (starting rate limit for savings)

Resolved, That—

(1) For the tax year 2021–22, the amount specified in section 12(3) of the Income Tax Act 2007 (the starting rate limit for savings) is “£5,000”.

(2) Accordingly, section 21 of that Act (indexation) does not apply in relation to the starting rate limit for savings for that tax year.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

5. Basic rate limit and personal allowance (future years)

Question put, That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made taking effect in a future year for each of the following amounts to remain at the amount specified for the tax year 2021–22—

(a) the amount specified in section 10(5) of the Income Tax Act 2007 (basic rate limit), and

(b) the amount specified in section 35(1) of that Act (personal allowance).

The House divided.

Division No. 236

Ayes: 360 (Tellers: Maria Caulfield, David Rutley)

Noes: 274 (Tellers: Jeff Smith, Bambos Charalambous)

Question accordingly agreed to.

Resolved, That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made taking effect in a future year for each of the following amounts to remain at the amount specified for the tax year 2021–22—

(a) the amount specified in section 10(5) of the Income Tax Act 2007 (basic rate limit), and

(b) the amount specified in section 35(1) of that Act (personal allowance).

6. Corporation tax (charge and main rate for financial years 2022 and 2023)

Resolved, That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made for the charging of corporation tax, and for

setting the main rate of corporation tax, for the financial years 2022 and 2023.

7. Corporation tax (small companies rate)

Resolved, That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made taking effect in a future year—

(a) charging corporation tax at a rate lower than the main rate on profits not exceeding a specified amount,

(b) reducing the amount of corporation tax chargeable in cases where profits exceed that amount but do not exceed a higher specified amount, and

(c) amending Chapter 3A of Part 8 of the Corporation Tax Act 2010 (corporation tax rates on ring fence profits).

8. Rate of diverted profits tax

Resolved, That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in

a future year may be made increasing the percentage specified in section 79(2)(a) of the Finance Act 2015.

9. Capital allowances (super-deduction etc)

Resolved, That provision may be made for temporary first-year allowances in respect of expenditure incurred on plant or machinery by companies within the charge to corporation tax, including provision for the amount of expenditure qualifying for an allowance to be treated as being greater than the actual amount of the expenditure.

10. Extension of temporary increase in annual investment allowance

Resolved, That provision may be made extending the temporary increase in the maximum amount of annual investment allowance under section 51A of the Capital Allowances Act 2001 from two years to three years.

11. Capital allowances (oil and gas)

Resolved, That provision may be made about expenditure incurred in relation to

the decommissioning of offshore plant or machinery for the purposes of sections 164 and 165 of the Capital Allowances Act 2001.

12. Capital allowances (extensions of leases for reasons related to coronavirus)

Resolved, That provision (including provision having retrospective effect) may be made disapplying sections 70YB and 70YC of the Capital Allowances Act 2001 in cases involving the extension of long funding operating leases, or plant or machinery leases that are not long funding leases, for reasons related to coronavirus.

13. Temporary extension of periods to which trade losses etc may be carried back

Resolved, That provision may be made for a temporary extension of the periods to which losses made in a trade, profession or vocation may be carried back.

14. Corporation tax (R&D tax credits)

Resolved, That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made for

limiting the amount of R&D tax credit to which a small or medium-sized enterprise may be entitled.

15. Extension of social investment tax relief

Resolved, That provision may be made substituting a later date for the date mentioned in—

(a) section 257K(1)(a)(iii) of the Income Tax Act 2007 (date by which investment must be made to qualify for social investment tax relief), and

(b) paragraphs 1(3)(b) and 2(2)(b) of Schedule 8B to the Taxation of Chargeable Gains Act 1992 (date by which gains re-invested in social enterprises must accrue to qualify for hold-over relief).

16. Income tax (workers' services provided through intermediaries)

Resolved, That—

(1) Chapter 10 of Part 2 of the Income Tax (Earnings and Pensions) Act 2003 (workers' services provided through intermediaries

to public authorities or medium or large clients) is amended as follows.

(2) In section 61N (worker treated as receiving earnings from employment)—

(a) in subsection (3), for “and 61V” substitute “, 61V and 61WA”;

(b) in subsection (5), for “section 61V” substitute “sections 61V and 61WA”;

(c) in subsection (5A), in the words before paragraph (a), for “and 61V” substitute “, 61V and 61WA”.

(3) In section 61O (conditions where intermediary is a company)—

(a) in subsection (1), for paragraph (b) substitute—

“(b) subsection (1A) or (1B) is satisfied.”;

(b) after subsection (1) insert—

“(1A) This subsection is satisfied where the worker has a material interest in the intermediary.

(1B) This subsection is satisfied where—

(a) the worker has a non-material

interest in the intermediary,

(b) the worker—

(i) has received,

(ii) has rights which entitle, or which in any circumstances would entitle, the worker to receive, or

(iii) expects to receive,

a chain payment from the intermediary, and

(c) the chain payment does not, or will not, wholly constitute employment income of the worker (apart from as a result of this Chapter).";

(c) after subsection (4) insert—

"(4A) The worker is treated as having a non-material interest in the intermediary if—

(a) the worker, alone or with one or more associates of the worker, or

(b) an associate of the worker, with or without other associates of the worker,

has a non-material interest in the intermediary.

(4B) For this purpose a non-material interest means—

(a) beneficial ownership of, or the ability to control, directly or through the medium of other companies or by any other indirect means, 5% or less of the ordinary share capital of the company,

(b) possession of, or entitlement to acquire, rights entitling the holder to receive 5% or less of any distributions that may be made by the company, or

(c) where the company is a close company, possession of, or entitlement to acquire, rights that would in the event of the winding up of the company, or in any other circumstances, entitle the holder to receive 5% or less of the assets that would then be available for distribution among the participators.

(4C) In subsection (4B)(c) “participator” has the meaning given by section 454 of CTA 2010.”

(4) In section 61S(4) (deductions from chain payments), for “services-provider” substitute “relevant person”.

(5) In section 61T(3) (client-led status disagreement process), for “section 61V” substitute “sections 61V and 61WA”.

(6) In section 61U (information to be provided by worker and consequences of failure)—

(a) in the heading, after “worker” insert “or intermediary”;

(b) in subsection (1), for “the worker” substitute “the relevant person”;

(c) in subsection (2), for “the worker” substitute “the relevant person”;

(d) in subsection (3), after “In this section” insert “—

“relevant person” means the worker or, in a case where the worker has not complied with subsection (1), the intermediary;”.

(7) In section 61V (consequences of providing fraudulent information)—

(a) in subsection (2), in the words before

paragraph (a), for “services-provider” substitute “relevant person (or if more than one, the first relevant person) in relation to whom the fraudulent documentation condition is met”;

(b) in subsection (3), for “involves the services-provider” substitute “may involve a services-provider”;

(c) in subsection (5), after paragraph (c) insert—

“(d) a person in the chain who is resident in the United Kingdom or has a place of business in the United Kingdom.”

(8) After section 61W insert—

“61WA Anti-avoidance

(1) This section applies if in any case at least one relevant person in a chain participates in a relevant avoidance arrangement.

(2) An arrangement is a “relevant avoidance arrangement” if its main purpose, or one of its main purposes, is to secure a tax advantage by securing that at least one of the conditions mentioned in

section 61O or 61P is not met in relation to an intermediary.

(3) Section 61N(3) has effect as if the reference to the fee-payer were a reference to the participating person, but—

(a) section 61N(4) continues to have effect as if the reference to the fee-payer were a reference to the deemed employer, and

(b) Step 1 of section 61Q(1) continues to have effect as referring to the chain payment made by the deemed employer.

(4) The participating person is—

(a) in a case where only one relevant person participates in the arrangement, that person;

(b) in any other case the highest relevant person in the chain who participated in the arrangement and from whom HMRC considers there is a realistic prospect of recovering, within a reasonable period, the amount of tax that would have been paid (or

not repaid) in the absence of the arrangement.

(5) Subsection (3) has effect even though that may involve a participating person being treated as both employer and employee in relation to the deemed employment under section 61N(3).

(6) In this section—

“arrangement” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable);

“deemed employer” means a person who would, but for this section, be treated by section 61N(3) as making a payment to the worker;

“relevant person” means—

(a) the worker;

(b) a person who is resident in the United Kingdom or who has a place of business in the United Kingdom;

“tax” means income tax (and “tax advantage” is to be construed accordingly”);

“tax advantage” includes—

- (a) avoidance or reduction of a charge to tax or an assessment to tax,
- (b) repayment or increased repayment of tax,
- (c) avoidance of a possible assessment to tax, and
- (d) deferral of a payment of tax or advancement of a repayment of tax.”

(9) In section 688AA(2)(a) (workers’ services provided through intermediaries: recovery of PAYE), after “to a worker” insert “(other than by virtue of section 61WA)”.

(10) The amendments made by this Resolution have effect in relation to deemed direct payments treated as made on or after 6 April 2021.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

17. Income tax (payments on termination of employment)

Resolved, That—

(1) Section 27 of the Income Tax (Earnings and Pensions) Act 2003 (UK-based earnings for year when employee not resident in UK) is amended in accordance with paragraphs (2) to (5).

(2) In subsection (1)—

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

(b) at the end of paragraph (b) insert “, or

(c) general earnings to which section 402B (termination payments, and other benefits, that cannot benefit from the section 403 threshold, to be treated as earnings) applies.”

(3) In subsection (2), for “(1)” substitute “(1) (a) or (b)”.

(4) After subsection (2) insert—

“(2A) The percentage of the general earnings within subsection (1)(c) that are an amount of “taxable earnings” from the employment in the tax year in which

they are received is given by—

$$\frac{A}{B} \times 100$$

where—

B is the total amount of general earnings from the employment that it is reasonable to assume the employee would have received in respect of the post-employment notice period (within the meaning given by section 402E(5)) if the employee's employment had not been terminated until the end of that period, and

A is the total amount of those general earnings that it is reasonable to assume would have been taxable earnings by virtue of subsection (1)(a) or (b)."

(5) In subsection (3), for "Subsection (2) applies" substitute "Subsections (2) and (2A) apply".

(6) In section 402B of the Income Tax (Earnings and Pensions) Act 2003 (termination payments, and other benefits, that cannot benefit from the section 403

threshold, to be treated as earnings), in subsection (1)—

(a) the words from “is treated” to the end become paragraph (a), and

(b) after that paragraph insert “, but

(b) is not capable of being an amount to which section 27 applies by virtue of subsection 1(a) or (b) of that section (UK-based taxable earnings for year when employee not resident in UK).”

(7) In section 402D of the Income Tax (Earnings and Pensions) Act 2003 (post-employment notice pay)—

(a) in subsection (3), for “and (6)” substitute “, (6) and (6A)”;

(b) in subsection (6), after “month, ” insert “the employee’s basic pay is paid in equal monthly instalments,”;

(c) after subsection (6) insert—

“(6A) In any other case where the last pay period of the employee to end before the trigger date is a month and the employee’s basic pay is paid in equal monthly instalments, then—

BP is the employee's basic pay from the employment in respect of the last pay period of the employee to end before the trigger date,

P is 30.42, and

D is the number of days in the post-employment notice period."

(8) The amendments made by this Resolution have effect in relation to general earnings to which section 402B of the Income Tax (Earnings and Pensions) Act 2003 applies that are paid—

(a) on or after 6 April 2021, and

(b) in connection with a termination of employment that takes place on or after that date.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

18. Income tax (cash equivalent benefit of a zero emissions van)

Resolved, That—

(1) Section 155 of the Income Tax (Earnings and Pensions) Act 2003 (cash equivalent of the benefit of a van) is amended in accordance with this Resolution.

(2) In subsection (1B)—

(a) in paragraph (a), for “2021–22” substitute “2020–21”;

(b) omit the “and” at the end of that paragraph;

(c) after that paragraph insert—

“(aa) if the van cannot in any circumstances emit CO₂ by being driven and the tax year is 2021–22 or a subsequent tax year, the cash equivalent is nil, and”.

(3) In subsection (1C) omit paragraph (g).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

19. Income tax (enterprise management incentives)

Resolved, That provision (including provision having retrospective effect) may be made modifying requirements relating to enterprise management incentives in relation to persons who are not required to work for reasons connected with coronavirus disease.

20. Income tax (cycle to work)

Resolved, That provision may be made for Condition B in section 244(3) of the Income Tax (Earnings and Pensions) Act 2003 (requirement that cycle or cyclist's safety equipment is used mainly for commuting etc) to be treated as met for the period commencing with 16 March 2020 and ending with 5 April 2022 in relation to the provision for an employee of a cycle or cyclist's safety equipment that was first provided before 21 December 2020.

21. Income tax (coronavirus tests in 2021–22)

Resolved, That—

(1) For the tax year 2021–22, no liability to income tax arises in respect of—

(a) the provision to an employee of a coronavirus test, or

(b) the payment or reimbursement, to or in respect of an employee, of the cost of such a test.

(2) In this Resolution “coronavirus test” means a test which detects the presence of a viral antigen or viral ribonucleic acid (RNA) specific to severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

(3) This Resolution has effect as if it were contained in Part 4 of the Income Tax (Earnings and Pensions) Act 2003 (employment income: exceptions).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

22. Income tax (coronavirus tests in other years)

Resolved, That—

(a) provision may be made that, for the tax year 2020–21, no liability to income tax arises on the provision of coronavirus tests to employees, or on the payment or reimbursement of the costs of such tests, and

(b) (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be made to the same effect.

23. Income tax (statutory parental bereavement pay)

Resolved, That provision (including provision having retrospective effect) may be made that the reference to variation in paragraph 62(6) of Schedule 2 to the Finance Act 2017 (optional remuneration arrangements) does not include any variation which occurs in connection with a person's entitlement to statutory parental bereavement pay.

24. Standard lifetime allowance (2021–22)

Resolved, That section 218(2C) and (2D) of the Finance Act 2004 (indexation of standard lifetime allowance) do not apply in relation to the standard lifetime allowance for the tax year 2021–22 (so that the amount of the standard lifetime allowance for that tax year remains at the amount for the tax year 2020–21, namely £1,073,100).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

25. Standard lifetime allowance (future years)

Resolved, That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be made for the amount of the standard lifetime allowance to remain at the amount for the tax year 2020–21.

26. Pension schemes (collective money purchase benefits)

Resolved, That provision may be made about the treatment under Part 4 of the Finance Act 2004 of collective money purchase benefits.

27. Construction industry scheme

Resolved, That—

Introductory

(1) Chapter 3 of Part 3 of the Finance Act 2004 (construction industry scheme) is amended as follows (and, in the following

provisions, that Act is referred to as “FA 2004”).

Contractors

(2) Section 59 of FA 2004 (contractors) is amended in accordance with paragraphs (3) and (4).

(3) In subsection (1), for paragraph (l) substitute—

“(l) a person carrying on a business at any time if, in the period of one year ending with that time, the person’s expenditure on construction operations exceeds £3,000,000.”

(4) For subsections (2) and (3) substitute—

“(2) But this section only applies to a body or person falling within any of paragraphs (b) to (fa) or (h) to (k) of subsection (1) at any time if, in the period of one year ending with that time, the body or person’s expenditure on construction operations exceeds £3,000,000.

(3) Where the condition in subsection (1) (l) or (2) is met in relation to a body or person at any time, the body or person may elect for the condition to be treated

as no longer being met if, at that time, the body or person is not expected to make any further expenditure on construction operations.

(3A) Where the condition in subsection (1)(l) or (2) ceases to be met in relation to a body or person at any time, the body or person may elect for the condition to be treated as continuing to be met until the body or person is not expected to make any further expenditure on construction operations.

(3B) Subsections (3) and (3A) do not prevent the condition in subsection (1)(l) or (2) from being met again in relation to the body or person."

(5) Paragraph (6) applies where—

(a) the condition in section 59(1)(l) or (2) of FA 2004 was met in relation to a body or person immediately before the amendments made by paragraphs (3) and (4) come into force, and

(b) on the coming into force of those amendments, that condition would (but for paragraph (6)) cease to be met in relation to the body or person.

(6) The condition in section 59(1)(l) or (2) of FA 2004 (as the case may be) is treated as continuing to be met in relation to the body or person until the body or person is not expected to make any further expenditure on construction operations (within the meaning given by section 74 of FA 2004).

Deductions for materials

(7) In section 61(1) of FA 2004 (deductions on account of tax from contract payments), for "any other person" substitute "the sub-contractor".

Grace period

(8) In section 61 of FA 2004 (deductions on account of tax from contract payments), after subsection (3) insert—

"(4) Subsection (5) applies where the contractor is a person falling within section 59(1)(l).

(5) An officer of Revenue and Customs may, if the officer considers it appropriate to do so, by notice in writing—

(a) exempt the contractor from the requirement to deduct sums from contract payments under subsection (1)

for a specified period;

(b) treat the contractor as if such an exemption had applied in relation to—

(i) specified contract payments made before the date of the notice, or

(ii) contract payments made during a specified period before the date of the notice.

(6) The period referred to in subsection (5)

(a)—

(a) must not exceed 90 days, but

(b) may be extended by one or more further notices under subsection (5).

(7) In subsection (5) “specified” means specified in the notice.”

Restrictions on set-off

(9) Section 62 of FA 2004 (treatment of sums deducted) is amended as follows.

(10) After subsection (3) insert—

“(3A) Regulations under subsection (3) may include provision authorising an officer of Revenue and Customs to—

(a) correct an error or omission relating to a set-off claim;

(b) remove a set-off claim;

(c) prohibit a person from making a further set-off claim, for a specified period or indefinitely.

(3B) Regulations under subsection (3) that include provision of the kind mentioned in subsection (3A) may, for example, include provision—

(a) allowing the things mentioned in subsection (3A)(a) to (c) to be done by amending a return (including a return not made under the regulations) or otherwise;

(b) allowing a set-off claim to be removed where the claimant is not eligible to make the claim (including where the claimant is not a company, not a sub-contractor, or is registered for gross payment);

(c) requiring information to be given to the Commissioners of Revenue and Customs, at such times as may be

specified in the regulations.

(3C) In subsections (3A) and (3B), “set-off claim” means a claim for treating a sum deducted under section 61 as paid on account of any relevant liabilities.”

(11) In subsection (4), for “subsection (3)” substitute “this section”.

Penalties

(12) For section 72 of FA 2004 (penalties) substitute—

“72 Penalties

(1) This section applies in a case within subsection (2), (3) or (4).

(2) A case is within this subsection if a person (“A”)—

(a) makes a statement, or furnishes a document, which A knows to be false in a material particular, or

(b) recklessly makes a statement, or furnishes a document, which is false in a material particular,

for the purpose of becoming registered for gross payment or for payment under

deduction.

(3) A case is within this subsection if a person ("A") who exercises influence or control over another person ("B") or is in a position to do so—

(a) makes a statement, or furnishes a document, which A knows to be false in a material particular, or

(b) recklessly makes a statement, or furnishes a document, which is false in a material particular,

for the purpose of enabling or facilitating B to become registered for gross payment or for payment under deduction.

(4) A case is within this subsection if a person ("A") who exercises influence or control over another person ("B") or is in a position to do so—

(a) encourages B to make a statement, or furnish a document, which A knows to be false in a material particular, or

(b) encourages B to make a statement or furnish a document—

(i) which is false in a material

particular, and

(ii) where A is reckless as to whether the statement or document is false in a material particular,

for the purpose of enabling or facilitating B to become registered for gross payment or for payment under deduction.

(5) In a case where this section applies, A is liable to a penalty not exceeding £3,000."

Commencement

(13) The amendments made by this Resolution have effect for the tax year 2021–22 and subsequent tax years.

(14) But the amendment made by paragraph (12) has no effect in relation to a statement made, or document furnished, before 6 April 2021.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

28. COVID-19 support scheme (working households receiving tax credits)

Resolved, That—

(1) This Resolution applies to a payment which—

(a) is made by Her Majesty's Revenue and Customs in the exercise of a function which they have as a result of a direction given by the Treasury under section 76 of the Coronavirus Act 2020, and

(b) is made to a person by reason of the person's receipt of any tax credit specified in the direction on a date so specified.

(2) No liability to income tax arises in respect of a payment to which this Resolution applies.

(3) But paragraph (2) does not prevent the application of paragraph 8 of Schedule 16 to the Finance Act 2020 (charge to income tax where person not entitled to coronavirus support payment) in relation to a payment to which this Resolution applies.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

29. Self-employment income support scheme

Resolved, That provision may be made—

(a) for payments made under the self-employment income support scheme, other than a payment in respect of a partner of a firm where the payment is distributed amongst the partners, to be treated as receipts of a revenue nature of the tax year in which they are received, and

(b) amending section 106(3) of, and paragraph 8 of Schedule 16 to, the Finance Act 2020 in relation to the self-employment income support scheme.

30. Deductions for voluntary repayments

Resolved, That provision (including provision having retrospective effect) may be made for a payment made to a public authority in respect of a charge to be deductible for income tax or corporation tax purposes in circumstances where that charge has been waived or reduced for purposes connected with the provision of support to businesses in connection with coronavirus.

31. Repeal of provisions relating to the Interest and Royalties Directive

Resolved, That—

(1) The following provisions are repealed—

(a) sections 757 to 767 of the Income Tax (Trading and Other Income) Act 2005 (exemption from income tax for certain interest and royalty payments) and the italic heading before those sections, and

(b) sections 914 to 917 of the Income Tax Act 2007 (discretion to make royalty payments gross) and the italic heading before those sections;

and the remainder of this Resolution makes amendments consequential on the repeal of those provisions.

(2) In section 98 of the Taxes Management Act 1970 (special returns, etc)—

(a) in subsection (4A)(b) omit “, (4DA)”, and

(b) omit subsection (4DA).

(3) In section 42(9) of the Finance Act 2016 (section 758 of the Income Tax (Trading and

Other Income) Act 2005 not to apply to certain royalty payments)—

- (a) in paragraph (b), at the end insert “under arrangements (within the meaning of section 917A of Income Tax Act 2007) entered into before that day”,
- (b) omit paragraph (c) (but not the “and” at the end of it), and
- (c) for the words after paragraph (d) substitute “the arrangements are to be regarded as DTA tax avoidance arrangements for the purposes of section 917A of ITA 2007”.

(4) In consequence of the repeal of section 762 of the Income Tax (Trading and Other Income) Act 2005 made by paragraph (1), the Exemption From Tax For Certain Interest Payments Regulations 2004 (SI, 2004, No. 2622) are revoked (and, accordingly, exemption notices issued in accordance with those regulations are cancelled).

(5) The amendments made by this Resolution have effect in relation to—

- (a) payments made on or after 1 June 2021, and

(b) payments made in disqualifying circumstances on or after 3 March 2021 but before 1 June 2021.

(6) A payment is made in “disqualifying circumstances” if it is made directly or indirectly in consequence of, or otherwise in connection with, any arrangements the main purpose, or one of the main purposes, of which is to secure that the provisions mentioned in paragraph (1)(a) or (b) continue to have effect in relation to it.

(7) For this purpose “arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

32. Payments made to victims of modern slavery etc

Resolved, That provision may be made (including provision having retrospective effect) exempting from income tax any payments made by or on behalf of a public authority for the purpose of providing

assistance and support to persons reasonably regarded as victims of slavery or human trafficking.

33. Hybrid and other mismatches

Resolved, That provision may be made (including provision having retrospective effect) amending Part 6A of the Taxation (International and Other Provisions) Act 2010.

34. Corporation tax (relief for losses and other amounts)

Resolved, That provision (including provision having retrospective effect) may be made—

(a) amending Part 7ZA of the Corporation Tax Act 2010 (restrictions on deductions for carried-forward losses and other amounts), and

(b) amending sections 137 (deductions from total profits for in-year group relief), 188BE (restriction on surrendering carried-forward losses for group relief), 188DD (claimant company's relevant maximum for overlapping period), and 719 and 721 (which concern changes in the ownership of a company) of that Act.

35. Corporate interest restriction (minor amendments)

Resolved, That provision (including provision having retrospective effect) may be made amending—

(a) section 452 of the Taxation (International and Other Provisions) Act 2010 (Real Estate Investment Trusts), and

(b) Schedule 7A to that Act in relation to penalties under paragraph 29 of that Schedule.

36. Northern Ireland Housing Executive

Resolved, That provision (including provision having retrospective effect) may be made exempting the Northern Ireland Housing Executive from corporation tax.

37. Capital gains tax (annual exempt amount for 2021–22)

Resolved, That section 1L of the Taxation of Chargeable Gains Act 1992 (which provides for an increase in the annual exempt amount to reflect increases in CPI) does not apply for the tax year 2021–22 (so that the annual exempt amount for that tax year

remains at the amount for the tax year 2020–21, namely £12,300).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

38. Capital gains tax (annual exempt amount for future years)

Resolved, That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be made for the annual exempt amount to remain at the amount for the tax year 2020–21.

39. Capital gains tax (hold-over relief for foreign-controlled companies)

Resolved, That provision may be made amending section 167(2) of the Taxation of Chargeable Gains Act 1992.

40. Plastic packaging tax

Resolved, That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a

future year may be made for a new tax to be charged on plastic packaging components produced in, or imported into, the United Kingdom.

41. Inheritance tax (nil rate band etc)

Resolved, That provision may be made for inheritance tax purposes for the amount of the nil rate band, the residential enhancement and the taper threshold to remain at their current amounts, including provision (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) taking effect in a future year.

42. Stamp duty land tax (reduced rates on residential property for temporary period)

Resolved, That—

(1) The Stamp Duty Land Tax (Temporary Relief) Act 2020 is amended as follows.

(2) In section 1 (reduced rates of SDLT on residential property for a temporary period)—

(a) in subsection (1)(b) (which specifies the end of that temporary period), for “31

March 2021" substitute "30 June 2021",

(b) in subsections (1) and (6)(a),
for "temporary" substitute "initial
temporary", and

(c) in the heading, for "a temporary"
substitute "an initial temporary".

(3) After that section insert—

**"1A Further period for reduced rates of
SDLT on residential property**

(1) This section makes modifications of
Part 4 of the Finance Act 2003 in relation
to any land transaction the effective date
of which falls in the period ("the further
temporary relief period")—

(a) beginning with 1 July 2021, and

(b) ending with 30 September 2021.

(2) Section 55(1B) (amount of stamp duty
land tax chargeable: general) has effect as
if for Table A there were substituted—

"TABLE A: RESIDENTIAL

<i>Part of relevant consideration</i>	<i>Percentage</i>
So much as does not exceed £250,000	0%
So much as exceeds £250,000 but does not exceed £925,000	5%
So much as exceeds £925,000 but does not exceed £1,500,000	10%
The remainder (if any)	12%".

(3) Schedule 4ZA (higher rates of stamp duty land tax for additional dwellings etc) has effect as if for the Table A in section 55(1B) mentioned in paragraph 1(2) there were substituted—

"TABLE A: RESIDENTIAL

<i>Part of relevant consideration</i>	<i>Percentage</i>
So much as does not exceed £250,000	3%
So much as exceeds £250,000 but does not exceed £925,000	8%

<i>Part of relevant consideration</i>	<i>Percentage</i>
So much as exceeds £925,000 but does not exceed £1,500,000	13%
The remainder (if any)	15%".

(4) Paragraph 2(3) of Schedule 5 (amount of SDLT chargeable in respect of rent) has effect as if for Table A there were substituted—

"TABLE A: RESIDENTIAL

<i>Rate bands</i>	<i>Percentage</i>
£0 to £250,000	0%
Over £250,000	1%".

(5) In a case where—

(a) as a result of section 44(4) of the Finance Act 2003 the effective date of a land transaction falls in the further temporary relief period, and

(b) the contract concerned is completed by a conveyance after that period ends, section 44(8) of that Act is not to apply in relation to that conveyance if the sole reason that (but for this subsection) it would have applied is that the modifications made by this section have no effect in relation to that conveyance.

(6) Section 44(10) of the Finance Act 2003 applies for the purposes of subsection (5)."

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

43. Stamp duty land tax (increased rates for non-resident transactions)

Resolved, That—

(1) In the Finance Act 2003, Part 4 (stamp duty land tax) is amended in accordance with paragraphs (2) to (5).

(2) After section 75 insert—

"Increased rates for non-resident transactions

75ZA Increased rates for non-resident

transactions

- (1) In its application for the purpose of determining the amount of tax chargeable in respect of a chargeable transaction that is a non-resident transaction, this Part has effect as if 2% were added to each rate specified in the rate-specifying provisions.
- (2) The “rate-specifying provisions” are—
- (a) in section 55(1B), Table A;
 - (b) in Schedule 4ZA, in paragraph 1(2), Table A;
 - (c) in Schedule 4A, paragraph 3(1)(a);
 - (d) in Schedule 5, in paragraph 2(3), Table A;
 - (e) in Schedule 6ZA, in paragraph 4, Table A;
 - (f) in section 74(1A), Step 4.
- (3) Schedule 9A defines “non-resident transaction” and makes further provision in connection with this section.

Anti-avoidance”.

(3) In section 101 (unit trust schemes), in subsection (7), at the end insert “, or

Schedule 9A (increased rates for non-resident transactions).”

(4) In section 122 (index of defined expressions), in the table, at the appropriate place insert—

“non-resident
transaction

Schedule 9A,
paragraph 2”

(5) After Schedule 9 insert—

"SCHEDULE 9A

INCREASED RATES FOR NON-RESIDENT
TRANSACTIONS

PART 1

INTRODUCTION

1 This Schedule is arranged as follows—

(a) Part 2 explains how to determine for the purposes of this Part of this Act whether a chargeable transaction is a “non-resident

transaction”;

(b) Part 3 explains how to determine for the purposes of this Schedule whether an individual is “non-resident” in relation to a chargeable transaction;

(c) Part 4 explains how to determine for the purposes of this Schedule whether a company is “non-resident” in relation to a chargeable transaction;

(d) Part 5 contains special rules applying in relation to particular purchasers and transactions;

(e) Part 6 contains supplementary provision.

PART 2

MEANING OF “NON-RESIDENT TRANSACTION”

Meaning of “non-resident transaction”

2 (1) A chargeable transaction is a “non-resident transaction” for the purposes of this Part of this Act if—

(a) the purchaser is, or (if there

is more than one) the purchasers include, a person who is non-resident in relation to the transaction,

(b) the main subject-matter of the transaction consists of—

(i) a major interest in one or more dwellings, or

(ii) a major interest in one or more dwellings and other property,

(c) that major interest, at the beginning of the effective date of the transaction, is not a term of years absolute or leasehold estate that has 7 years or less to run, and

(d) the de minimis threshold is exceeded.

(2) A reference in sub-paragraph (1)(b) or (c) to a major interest in a dwelling includes an undivided share in a major interest in a dwelling.

(3) For the purposes of sub-paragraph (1)(d), the de minimis threshold is exceeded if—

(a) in a case in which the chargeable consideration for the transaction does not consist of or include rent, the chargeable consideration for the transaction is £40,000 or more;

(b) in a case in which the chargeable consideration for the transaction consists of or includes rent—

(i) the chargeable consideration other than rent is £40,000 or more, or

(ii) the annual rent is £1,000 or more.

(4) In sub-paragraph (3) “annual rent” in relation to a transaction, means the average annual rent over the term of the lease to which the transaction relates or, if—

(a) different amounts of rents are payable for different parts of the term, and

(b) those amounts (or any of them) are ascertainable at the effective date of the transaction,

the average annual rent over

the period for which the highest ascertainable rent is payable.

(5) For provision modifying sub-paragraph (1)(a) in its application to chargeable transactions of particular descriptions, see—

paragraph 13 (bare trust acquiring new lease);

paragraph 14 (purchases by certain settlements).

(6) Sub-paragraph (1) is subject to paragraph 17 (completion of contract previously substantially performed).

PART 3

“NON-RESIDENT” IN RELATION TO A CHARGEABLE TRANSACTION: INDIVIDUALS

Whether individual “non-resident” in relation to a chargeable transaction

3 For the purposes of this Schedule, an individual is “non-resident” in relation to a chargeable transaction if the individual is not UK resident in relation

to the transaction (see paragraphs 4 and 5).

Whether individual “UK resident” in relation to a chargeable transaction: basic rule

4 (1) For the purposes of this Schedule, an individual is “UK resident” in relation to a chargeable transaction if the individual is present in the United Kingdom on at least 183 days during any continuous period of 365 days that falls within the relevant period.

(2) “The relevant period” means the period that—

(a) begins with the day 364 days before the effective date of the chargeable transaction, and

(b) ends with the day 365 days after the effective date of the chargeable transaction.

(3) This paragraph does not apply in relation to a chargeable transaction to which paragraph 5 applies.

(4) References in this paragraph to an individual being present in the United

Kingdom on a day are to the individual being present in the United Kingdom at the end of that day.

(5) This paragraph is subject to paragraph 12 (spouses and civil partners of UK residents).

Whether individual “UK resident” in relation to a chargeable transaction: special cases

5 (1) For the purposes of this Schedule, an individual is “UK resident” in relation to a chargeable transaction to which this paragraph applies if the individual is present in the United Kingdom on at least 183 days during the period that—

(a) begins with the day 364 days before the effective date of the chargeable transaction, and

(b) ends with the effective date of the chargeable transaction.

(2) This paragraph applies to a chargeable transaction if any of conditions A to C is met in relation to the transaction.

(3) Condition A is that the purchaser is, or (if there is more than one) the purchasers include—

(a) a company, or

(b) a person acting as a trustee of a unit trust scheme.

(4) Condition B is that the purchaser is, or (if there is more than one) the purchasers include, an individual who is treated as entering into the transaction by virtue of paragraph 2 of Schedule 15 (transaction entered into for the purposes of a partnership treated as entered into by partners).

(5) Condition C is that—

(a) the purchaser is, or (if there is more than one) the purchasers include, an individual who is acting as a trustee of a settlement, and

(b) under the terms of the settlement no beneficiary is entitled—

(i) to occupy the dwelling or dwellings for life, or

(ii) to income earned in respect of the dwelling or dwellings.

(6) References in this paragraph to an individual being present in the United Kingdom on a day are to the individual being present in the United Kingdom at the end of that day.

(7) This paragraph is subject to paragraph 12 (spouses and civil partners of UK residents).

Crown employment

6 (1) For the purposes of paragraphs 4 and 5, an individual is (subject to subparagraph (3)) treated as present in the United Kingdom at the end of a day if at that time the individual—

(a) is in Crown employment, and

(b) is present in a country or territory outside the United Kingdom for the purpose of performing activities in the course of that employment.

(2) For the purposes of paragraphs 4 and 5, an individual is (subject to subparagraph (3)) treated as present in the

United Kingdom at the end of a day if at that time the individual—

(a) is the spouse or civil partner of an individual who is treated as present in the United Kingdom at the end of that day under sub-paragraph (1), and

(b) is living with that spouse or civil partner.

(3) Sub-paragraph (1) or (2) applies in relation to an individual only if a claim that it should so apply is included in a land transaction return or an amendment of such a return.

(4) “Crown employment” means employment under the Crown—

(a) which is of a public nature, and

(b) the earnings from which are payable out of the public revenue of the United Kingdom or of Northern Ireland.

(5) Section 1011 of the Income Tax Act 2007 (references to married persons, or civil partners, living together) applies for the purposes of this paragraph.