



# House of Commons

Wednesday 9 April 2014

## COMMITTEE OF THE WHOLE HOUSE PROCEEDINGS

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### FINANCE (NO. 2) BILL

(Clauses 1, 5 to 7, 11, 72 to 74 and 112; Schedule 1; any new Clauses, and any new Schedules, relating to tax relief in connection with the costs of childcare, or income tax allowances for parties to a marriage or civil partnership, or air passenger duty, or the rate of the bank levy, or the subject matter of Clause 1, or the subject matter of Clauses 5 to 7 and Schedule 1.)

*[SECOND DAY]*

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#### *INCOME TAX ALLOWANCES FOR PARTIES TO A MARRIAGE OR CIVIL PARTNERSHIP*

Ed Balls  
Chris Leslie  
Shabana Mahmood  
Cathy Jamieson  
Catherine McKinnell

*Negated on division 3*

Clause 11, page 8, line 25, at end insert—

#### **‘55F Review**

- (1) Within six months of the passing of the Finance Act 2014, the Chancellor of the Exchequer must undertake a review of the impact of the tax relief for married couples and civil partners introduced under this Chapter.
- (2) The review must in particular include—
  - (a) a calculation of the proportion of married couples and civil partners who are eligible for the tax relief in the financial year 2015-16;
  - (b) an assessment of the impact of this tax relief on those who are neither married nor in civil partnerships;
  - (c) the cost to the Exchequer of this tax relief; and
  - (d) an assessment of alternative tax reliefs that would benefit a greater number of families.
- (3) The Chancellor of the Exchequer must publish the report of the review and lay the report before the House.’

*Clause agreed to on division.*

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Finance (No. 2) Bill, *continued*

NEW CLAUSES AND NEW SCHEDULES RELATING TO THE RATE OF THE BANK LEVY

*Bank payroll tax*

Ed Balls  
Chris Leslie  
Shabana Mahmood  
Cathy Jamieson  
Catherine McKinnell

*Negatived on division* NC5

To move the following Clause:—

- (1) The Chancellor of the Exchequer shall carry out a review of—
    - (a) the possible impact on the bank levy rate of incorporating a bank payroll tax within the bank levy; and
    - (b) how the additional revenue could be invested to help pay for the first year of a guaranteed jobs scheme for people in long-term unemployment.
  - (2) The Chancellor must within six months of the passing of this Act publish the report of the review and lay the report before the House.?
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Ed Balls  
Chris Leslie  
Shabana Mahmood  
Cathy Jamieson  
Catherine McKinnell

*Negatived on division* 1

Clause 112, page 94, line 1, at beginning insert—

- (1) Before bringing forward any further reform of the bank levy rates system, the Chancellor shall lay before Parliament a report considering the impact on the total receipts paid to the Exchequer since 2010 by—
  - (a) UK banking groups;
  - (b) building society groups;
  - (c) foreign banking groups; and
  - (d) relevant non-banking groups.
- (2) The report will pay particular attention to receipts from—
  - (a) corporation tax;
  - (b) the bank levy; and
  - (c) bank payroll tax.
- (3) A copy of the report in subsections (1) and (2) shall be laid before Parliament.?

*Clause agreed to.*

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**Finance (No. 2) Bill, continued**

*NEW CLAUSES AND NEW SCHEDULES RELATING TO AIR PASSENGER DUTY*

*Air passenger duty: Wales*

Jonathan Edwards

*Negated on division* NC2

To move the following Clause:—

- ‘(1) Schedule (Air Passenger Duty: Wales) has effect.’.
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*Air passenger duty: Scotland*

Mr Angus Brendan MacNeil  
Angus Robertson  
Mr Mike Weir  
Pete Wishart  
Dr Eilidh Whiteford  
Stewart Hosie

*Not moved* NC6

To move the following Clause:—

- ‘(1) The Scotland Act 1998, Schedule 5, section A1 (exceptions) is amended as follows.
- (2) After “rates)”, insert—
- “(1) Air Passenger Duty on all flights that are—
- (a) originating from an airport or aerodrome in Scotland; and
- (b) not part of a connecting flight from—
- (i) a domestic UK airport or aerodrome; or
- (ii) a territory specified in Part 1 of Schedule 5A of the Finance Act 1994.”.’.
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*Rates of air passenger duty (Scotland)*

Mr Angus Brendan MacNeil  
Angus Robertson  
Mr Mike Weir  
Pete Wishart  
Dr Eilidh Whiteford  
Stewart Hosie

*Not called* NC7

To move the following Clause:—

- ‘After section 30A of the Finance Act 1994 there is inserted—

Finance (No. 2) Bill, *continued*

“30B Scotland rates of duty

- (1) This section applies to the carriage of a chargeable passenger if—
  - (a) the carriage begins on or after the relevant day; and
  - (b) the only flight, or the first flight, of the passenger’s journey begins at an airport or aerodrome in Scotland.
- (2) Air passenger duty is chargeable on the carriage of the chargeable passenger at the rate set by an Act of the Scottish Parliament for the purposes of this paragraph.
- (3) The rate of £0 may be set for the purposes of paragraph (2).
- (4) Any rate set must not exceed the rate which would apply if this section were not in force.
- (5) “The relevant day” means the day appointed as such by an order.
- (6) Section 42(4) and (5) does not apply to any order under subsection (5).
- (7) An “Act of the Scottish Parliament” means an Act passed under section 28 of the Scotland Act 1998.”.

Jonathan Edwards

*Not called* NS1

To move the following Schedule:—

‘AIR PASSENGER DUTY: WALES

PART 1

RATES OF DUTY FROM 1 APRIL 2014

- 1 Section 30 of FA 1994 (air passenger duty: rates of duty) is amended as follows.
 

After subsection (4D) insert—

“(4DA) Subsection (4D) applies if—

  - (a) the passenger’s journey is a relevant Wales journey; and
  - (b) apart from subsection (4DB), subsection (2) would not apply to the journey.

(4DB) The applicable rate in subsection (2) applies to the journey instead of the applicable rate in subsection (3), (4) or (4A) (as the case may be).

(4DC) A passenger’s journey is a “relevant Wales journey”—

  - (a) in the case of a journey which has only one flight, if the flight begins in Wales; and
  - (b) in any other case, if the first flight of the journey—
    - (i) begins in Wales; and
    - (ii) is not followed by a connected flight beginning at a place in the United Kingdom or a territory specified in Part 1 of Schedule 5A.”.

**Finance (No. 2) Bill, *continued***

The amendments made by this Part of this Schedule have effect in relation to the carriage of passengers beginning on or after 1 April 2014.

PART 2

DEVOLUTION OF WALES LONG HAUL RATES OF DUTY

- 2 Chapter 4 of Part 1 of FA 1994 (air passenger duty) is amended as follows.
- 3 (1) Section 30 (rates of duty) is amended as follows.
- (2) After subsection (1) insert—
- “(1B) Subsection (1) does not apply to the carriage of a chargeable passenger to which section 30B below (Wales long haul rates of duty) applies.”.
- (3) Omit subsections (4DA) to (4DC) (as inserted by paragraph 1 above).
- (4) The amendments made by this paragraph have effect in relation to the carriage of passengers beginning on or after the relevant day as defined in section 30B of FA 1994 (as inserted by paragraph 4 below).
- 4 After section 30A insert—
- “30B Wales long haul rates of duty
- (1) This section applies to the carriage of a chargeable passenger if—
- (a) the carriage begins on or after the relevant day;
- (b) the only flight, or the first flight, of the passenger’s journey begins at a place in Wales;
- (c) the passenger’s journey does not end at a place in the United Kingdom or a territory specified in Part 1 of Schedule 5A; and
- (d) if the passenger’s journey has more than one flight, the first flight is not followed by a connected flight beginning at a place in the United Kingdom or a territory specified in Part 1 of Schedule 5A.
- (2) Air passenger duty is chargeable on the carriage of the chargeable passenger at the rate determined as follows.
- (3) If the passenger’s journey ends at a place in a territory specified in Part 2 of Schedule 5A—
- (a) if the passenger’s agreement for carriage provides for standard class travel in relation to every flight on the passenger’s journey, the rate is the rate set by an Act of the National Assembly for Wales for the purposes of this paragraph; and
- (b) in any other case, the rate is the rate set by an Act of the National Assembly for Wales for the purposes of this paragraph.
- (4) If the passenger’s journey ends at a place in a territory specified in Part 3 of Schedule 5A—
- (a) if the passenger’s agreement for carriage provides for standard class travel in relation to every flight on the passenger’s journey, the rate is the rate set by an Act of the National Assembly for Wales for the purposes of this paragraph; and

**Finance (No. 2) Bill, *continued***

- (b) in any other case, the rate is the rate set by an Act of the National Assembly for Wales for the purposes of this paragraph.
  - (5) If the passenger's journey ends at any other place—
    - (a) if the passenger's agreement for carriage provides for standard class travel in relation to every flight on the passenger's journey, the rate is the rate set by an Act of the National Assembly for Wales for the purposes of this paragraph; and
    - (b) in any other case, the rate is the rate set by an Act of the National Assembly for Wales for the purposes of this paragraph.
  - (6) The rate of £0 may be set for the purposes of any paragraph.
  - (7) The same rate may be set for the purposes of two or more paragraphs.
  - (8) Subsections (5) to (7) and (10) to (12) of section 30 apply for the purposes of this section as they apply for the purposes of that section.
  - (9) "The relevant day" means the day appointed as such by an order.
  - (10) Section 42(4) and (5) do not apply to an order under subsection (9).
  - (11) A Bill containing provision authorised by this section may not be passed by the National Assembly for Wales except in pursuance of a recommendation which—
    - (a) is made by the Minister of Finance; and
    - (b) is signified to the Assembly by the Minister or on the Minister's behalf.
  - (12) "Passed", in relation to a Bill, means passed at the final stage (at which the Bill can be passed or rejected but not amended).
  - (13) Duty paid to the Commissioners in respect of the carriage of chargeable passengers to which this section applies must be paid by the Commissioners into the Consolidated Fund of Wales."
- 5 (1) Section 33 (registration of aircraft operators) is amended as follows.
- (2) After subsection (2A) insert—
- “(2B) If the Commissioners decide to keep a register under section 33B below, an operator of a chargeable aircraft does not become liable to be registered under this section just because the aircraft is used for the carriage of chargeable passengers to which section 30B above applies.”.
- (3) In subsection (3)(b) after “applies”, insert “or, if the Commissioners have decided to keep a register under section 33B below, that no chargeable aircraft which he operates will be used for the carriage of chargeable passengers apart from the carriage of chargeable passengers to which section 30B above applies.
- (4) In subsection (7) after “section 33A”, insert “or section 33B below”.
- 6 After section 33A insert—
- “33B Registration of Wales long haul aircraft operators

**Finance (No. 2) Bill, continued**

- (1) The Commissioners may under this section keep a register of aircraft operators.
- (2) If the Commissioners decided to keep a register under this section, the operator of a chargeable aircraft becomes liable to be registered under this section if the aircraft is used for the carriage of chargeable passengers to which section 30B above applies.
- (3) A person who has become liable to be registered under this section ceases to be so liable if the Commissioners are satisfied at any time—
  - (a) that he no longer operates any chargeable aircraft; or
  - (b) that no chargeable aircraft which he operates will be used for the carriage of chargeable passengers to which section 30B above applies.
- (4) A person who is not registered under this section and has not given notice under this subsection shall, if he becomes liable to be registered under this section at any time, give written notice of that fact to the Commissioners not later than the end of the prescribed period beginning with that time.
- (5) Notice under subsection (4) above shall be in such form, be given in such manner and contain such information as the Commissioners may direct.”.

7 In section 34 (fiscal representatives) in subsection (5)—

- (a) in paragraph (a) after “33A”, insert “or 33B”.

8 After section 41B insert—

“41C Wales long haul rates of duty: disclosure of information

- (1) An officer of Revenue and Customs may disclose to the Secretary of State, the Treasury or the Department of Finance in Wales any information for purposes connected with the setting of rates under section 30B above, including (in particular) to enable the setting of rates under that section to be taken into account for the purposes of section 118 of the Government of Wales Act 2006 (payments by Secretary of State into Welsh Consolidated Fund).
- (2) Information disclosed under subsection (1) above may not be further disclosed without the consent of the Commissioners (which may be general or specific).
- (3) In section 19 of the Commissioners for Revenue and Customs Act 2005 (wrongful disclosure) references to section 18(1) of that Act are to be read as including a reference to subsection (2) above.”.

9 In section 44 of CRCA 2005 (payment into Consolidated Fund) after subsection (2)(cb) insert—

- “(cc) sums required by section 30A(15) of the Finance Act 1994 (air passenger duty: Wales long haul rates of duty) to be paid into the Consolidated Fund of Wales,”.

10 In column 2 of the Table in paragraph 1 of Schedule 41 to FA 2008 (penalties for failure to notify), in the entry relating to air passenger duty, after “33A(4)”, insert “or 33B(4)”.

11 The amendments made by this Part of this Schedule have effect in relation to the carriage of passengers beginning on or after 1 April 2014.

**Finance (No. 2) Bill, *continued***

- 12 The rate of duty in force under section (30B) shall not be greater than the rate which would be in force if the section had not been enacted.’

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*Clauses 72 to 74 agreed to.*

*Bill, as amended, to be reported.*

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