



House of Commons

Tuesday 17 June 2014

PUBLIC BILL COMMITTEE PROCEEDINGS

FINANCE BILL

(Except Clauses 1, 5 to 7, 11, 72 to 74 and 112; Schedule 1; and certain new Clauses and new Schedules.)

[THIRTEENTH AND FOURTEENTH SITTINGS]

Clauses 192 to 202 agreed to.

Schedule 26 agreed to.

Clauses 203 to 208 agreed to.

Schedule 27 agreed to.

Clauses 209 to 211 agreed to.

Mr David Gauke

Agreed to 32

Clause 212, page 141, line 3, leave out “tax”

Mr David Gauke

Agreed to 33

Clause 212, page 141, line 9, leave out “resulting from the same tax arrangements” and insert “and the chosen arrangements;”

Mr David Gauke

Agreed to 34

Clause 212, page 141, line 13, after “it” insert “and the chosen arrangements”

Teresa Pearce

Not called 56

Clause 212, page 141, line 35, at end insert—

“(8) The Chancellor of the Exchequer shall, within six months of this Act receiving Royal Assent, publish a post implementation review.

(9) The Review referred to in subsection (8) above must in particular examine—

(a) the total number of accelerated payment notices issued;

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- (b) the number of accelerated payment notices issued to cases involving a disclosure made under DOTAS prior to the Act receiving Royal Assent,
 - (c) the total revenue collected through accelerated payment notices;
 - (d) the total revenue collected through penalties arising as a result of accelerated payment notices;
 - (e) the number of representations made to Her Majesty's Revenue and Customs following the issuing of an accelerated payment notice;
 - (f) the number of accelerated payment notices that have been subsequently withdrawn;
 - (g) the financial consequences resulting from the issuance of accelerated payment notices for the businesses and taxpayers involved.
- (10) The Chancellor of the Exchequer must publish the report of the review and lay the report before the House."

Clause, as amended, agreed to.

Clauses 213 to 221 agreed to.

Mr David Gauke

Schedule 28, page 536, line 6, leave out "tax"

Agreed to 36

Mr David Gauke

Schedule 28, page 536, line 15, leave out "resulting from the same tax arrangements" and insert "and the chosen arrangements;"

Agreed to 37

Mr David Gauke

Schedule 28, page 536, line 21, after "it" insert "and the chosen arrangements"

Agreed to 38

Schedule, as amended, agreed to.

Mr David Gauke

Clause 222, page 151, leave out line 18

Agreed to 35

Clause, as amended, agreed to.

Clauses 223 to 226 agreed to.

Schedule 29 agreed to.

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Charlie Elphicke

Withdrawn 53

Clause 227, page 154, line 34, at end insert—

- “(5) “Tax abuse” means any arrangement that, having regard to all the circumstances, it would be reasonable to conclude is an arrangement that has no business, social or other purpose other than the obtaining of a tax advantage.”

Clause agreed to.

Charlie Elphicke*Not called 54*

Clause 228, page 155, line 35, at end insert—

- “(8) It shall be a summary offence to promote a relevant proposal or relevant arrangement which meets the definition of “tax abuse”.
- (9) A promoter found guilty of an offence under subsection (8) shall be liable to a fine not exceeding level 1 on the standard scale.”

*Clause agreed to.**Clause 229 agreed to.**Schedule 30 agreed to.**Clauses 231 to 241 agreed to.*

Mr David Gauke*Agreed to 39*

Clause 242, page 163, line 19, after “subsection (3)” insert “or (10)”

*Clause, as amended, agreed to.**Clause 243 agreed to.*

Mr David Gauke*Agreed to 40*

Clause 244, page 165, line 17, at end insert “, and

- (d) any person who the monitored promoter could reasonably be expected to know is a relevant intermediary in relation to a relevant proposal of the monitored promoter.”

Mr David Gauke

Agreed to 41

Clause 244, page 165, line 34, at end insert—

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- “() A person is a relevant intermediary in relation to a relevant proposal of a monitored promoter if the person meets the conditions in section 229(a) to (c) (meaning of “intermediary”) at any time while the monitoring notice in relation to the monitored promoter has effect.”

Mr David Gauke

Agreed to 42

Clause 244, page 165, line 36, leave out “or (2)(c)”

Mr David Gauke

Agreed to 43

Clause 244, page 165, line 41, at end insert—

- “() in the case of a person falling within subsection (2)(c), the period of 30 days beginning with the later of the day of the notification mentioned in subsection (1) and the first day on which the monitored promoter could reasonably be expected to know that the person fell within subsection (4), and
- () in the case of a person falling within subsection (2)(d), the period of 30 days beginning with the later of the day of the notification mentioned in subsection (1) and the first day on which the monitored promoter could reasonably be expected to know that the person was a relevant intermediary in relation to a relevant proposal of the monitored promoter.”

Clause, as amended, agreed to.

Clauses 245 to 250 agreed to.

Mr David Gauke

Agreed to 44

Clause 251, page 170, line 39, leave out paragraph (b) and insert—

- “() requires the person to provide the information.”

Mr David Gauke

Agreed to 45

Clause 251, page 171, line 11, leave out paragraph (b) and insert—

- “() requires the person to provide the information.”

Mr David Gauke

Agreed to 46

Clause 251, page 171, line 19, leave out paragraph (b) and insert—

- “() requires the person to provide the information.”

Clause, as amended, agreed to.

Clauses 251 to 263 agreed to.

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Charlie Elphicke

Not selected 55

Clause 264, page 178, line 9, leave out subsection (1) and insert—

“(1) In carrying out its functions under this Part, HMRC may require any person to disclose any privileged information.”

*Clause agreed to.**Clause 265 agreed to.*

Mr David Gauke

Agreed to 47

Clause 266, page 179, line 4, after “information” insert “or documents”

*Clause, as amended, agreed to.**Clause 267 agreed to.*

Mr David Gauke

Agreed to 50

Schedule 31, page 546, line 34, leave out “client” and insert “clients and intermediaries”

*Schedule, as amended, agreed to.**Clauses 268 and 269 agreed to.*

Mr David Gauke

Agreed to 48

Clause 270, page 180, line 45, at end insert—

“() In section 240 of IHTA 1984 (underpayments)—

- (a) in subsection (3) for “and (5)” substitute “to (5A)”,
- (b) in subsection (5), for “those dates” substitute “the dates in subsection (2)(a) and (b)”,
- (c) after subsection (5) insert—

“(5A) Proceedings in a case involving a loss of tax attributable to arrangements which were expected to give rise to a tax advantage in respect of which a person liable for the tax was under an obligation to make a report under section 246 of the Finance Act 2014 (duty to notify Commissioners of promoter reference number) but failed to do so, may be brought at any time not more than 20 years after the later of the dates in subsection (2)(a) and (b).”, and

- (d) in subsection (8), for “, (5) and (6)” substitute “to (6)”.

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Clause, as amended, agreed to.

Clause 271 agreed to.

Mr David Gauke

Agreed to 49

Clause 272, page 182, line 13, leave out paragraph (b) and insert—

“() the officer of Revenue and Customs intends to seek the approval of the tribunal to the giving of the notice.”

Clause, as amended, agreed to.

Clauses 273 and 274 agreed to.

Mr David Gauke

Agreed to 51

Schedule 32, page 552, line 9, leave out sub-paragraph (2) and insert—

“() But in this Part of this Act “partnership” does not include a body of persons forming a legal person that is distinct from themselves (and paragraphs 2 to 21 may accordingly be disregarded in applying this Part of this Act to such a body of persons).”

Schedule, as amended, agreed to.

Clauses 275 to 277 agreed to.

Ed Balls
Chris Leslie
Cathy Jamieson
Catherine McKinnell
Shabana Mahmood

Negatived on division 57

Clause 278, page 187, line 28, at end insert—

“(1) Before bringing forward any further reform of The Code of Practice on Taxation of Banks, 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

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(c) bank payroll tax.”

Clause agreed to.

Clauses 279 to 283 agreed to.

Schedule 33 agreed to.

Clauses 285 to 290 agreed to.

Schedule 34 agreed to.

Clauses 291 to 295 agreed to.

NEW CLAUSES

Ed Balls
Chris Leslie
Cathy Jamieson
Catherine McKinnell
Shabana Mahmood

Negatived on division NC1

To move the following Clause—

“Lower rate of tax

- (3) The Chancellor of the Exchequer shall, within six months of Royal Assent, lay before Parliament a report containing proposals for an income tax rate of 10 per cent on a band of income above the personal allowance.
- (4) The report mentioned in subsection (1) above shall provide for the full benefit of the 10 per cent. rate not being available to taxpayers paying the higher or additional rates of tax.”

Ed Balls
Chris Leslie
Cathy Jamieson
Catherine McKinnell
Shabana Mahmood

Negatived on division NC2

To move the following Clause—

“Higher rate of tax

- (1) The Chancellor of the Exchequer shall, within three months of the passing of this Act, undertake a review of the number of people paying the 40 per cent rate of income tax in the years—
 - (a) 2010-2011;
 - (b) 2011-2012;
 - (c) 2012-2013; and

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- (d) 2013-2014.
- (2) The Chancellor of the Exchequer must publish the report of the review and lay the report before the House.”
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Ed Balls
Chris Leslie
Cathy Jamieson
Catherine McKinnell
Shabana Mahmood

Negated on division NC3

To move the following Clause—

“Personal allowance for those born after 5 April 1948

The Chancellor of the Exchequer shall, within three months of the passing of this Act, undertake a review of the impact of the removal of the age-related personal allowance on anyone who reached the age of 65 on or after April 2013 and place a copy in the Library.”

Ed Balls
Chris Leslie
Cathy Jamieson
Catherine McKinnell
Shabana Mahmood

Negated on division NC4

To move the following Clause—

“Capital gains tax and employee shareholders

- (1) The Chancellor of the Exchequer shall, within three months of the passing of this Act, undertake a review of the impact on tax revenues of employee shareholder status as defined by section 205A of the Employment Rights Act 1996, and set out the conclusion of the review in a report.
- (2) The report referred to in subsection (1) above must in particular set out—
- (a) the impact on total capital gains tax receipts paid to the Exchequer arising from the capital gains exemptions under section 236B of the Taxation of Chargeable Gains Act 1992;
 - (b) the estimated value of shares owned by employees working in employee shareholder jobs and the number of such employees.
- (3) The Chancellor of the Exchequer must publish the report of the review and lay the report before the House.
- (4) Subsequent reviews must be completed before the end of each period of 12 months beginning with the date on which the previous review was completed.”
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Ed Balls
Chris Leslie
Cathy Jamieson
Catherine McKinnell
Shabana Mahmood

Negated on division NC5

To move the following Clause—

“Review of reform to the annual investment allowance

- (1) The Chancellor of the Exchequer shall, within three months of the passing of this Act, undertake a review of the impact on business investment of changes to section 51A of the Capital Allowance Act 2001 made by the Finance Act 2011.
 - (2) The Chancellor of the Exchequer must publish the report of the review and lay the report before the House.”
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Ed Balls
Chris Leslie
Cathy Jamieson
Catherine McKinnell
Shabana Mahmood

Not selected NC6

To move the following Clause—

“Report on the additional rate of income tax

- (1) The Chancellor of the Exchequer shall, within three months of the passing of this Act, publish a report on the additional rate of income tax.
 - (2) This report shall review the impact upon Exchequer receipts of setting the additional rate to 50 per cent in the tax year 2014-15.
 - (3) The report shall review what impact reducing the additional rate for 2013-14 had on the amount of income tax currently paid by those with taxable incomes of—
 - (a) over £150,000 per year; and
 - (b) over £1,000,000 per year.
 - (4) The report shall review what impact the reduction in the additional rate for 2013-14 had on the level of bonuses awarded in the financial sector in April 2013.”
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Cathy Jamieson
Catherine McKinnell
Shabana Mahmood

Negated on division NC7

To move the following Clause—

“False self-employment in the construction sector

- (1) The Chancellor of the Exchequer shall, within three months of Royal Assent, undertake a review of disguised self-employment in the construction sector.

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- (2) The report referred to in subsection (1) above must in particular examine the setting of criteria for automatically deeming people to be employed for tax purposes if they meet those criteria.
 - (3) The Chancellor of the Exchequer must 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 NC8

To move the following Clause—

Pension flexibility: Treasury analysis

- (1) The Chancellor of the Exchequer shall, within six months of this Act receiving Royal Assent, publish and lay before the House of Commons any analysis prepared by the Treasury prior to the publication of Budget 2014 relating to the impact of changes made by sections 39 to 43 of this Act to Schedules 28 and 29 to the Finance Act 2004.
- (2) The information published under subsection (1) must include—
 - (a) any assessment made of the impact of the provision for independent face to face guidance on the 2004 Act;
 - (b) the distributional impact, by income decile of the population, of changes made by sections 39 to 43 of this Act;
 - (c) a behavioural analysis; and
 - (d) the financial risk assessment.”

Bill, as amended, to be reported.
