



House of Commons

Tuesday 27 April 2021

PUBLIC BILL COMMITTEE PROCEEDINGS

FINANCE (No. 2) BILL

(Except Clauses 1 to 5; Clauses 6 to 14 and Schedule 1; Clauses 24 to 26; Clause 28; Clause 30 and Schedule 6; Clauses 31 to 33; Clause 36 and Schedule 7; Clause 40; Clause 41; Clause 86; Clauses 87 to 89 and Schedules 16 and 17; Clauses 90 and 91; Clauses 92 to 96 and Schedule 18; Clause 97 and Schedule 19; Clauses 109 to 111 and Schedules 21 and 22; Clause 115 and Schedule 27; Clauses 117 to 121 and Schedules 29 to 32; Clauses 128 to 130; any new Clauses or new Schedules relating to: the impact of any provision on the financial resources of families or to the subject matter of Clauses 1 to 5, 24 to 26, 28, 31 to 33, 40 and 86; the subject matter of Clauses 6 to 14 and Schedule 1; the impact of any provision on regional economic development; tax avoidance or evasion; the subject matter of Clauses 87 to 89 and Schedules 16 and 17 and Clauses 90 and 91; the subject matter of Clauses 92 to 96 and Schedule 18, Clause 97 and Schedule 19 and Clauses 128 to 130)

[FIRST TO FOURTH SITTINGS]

GLOSSARY

This document shows the fate of each clause, schedule, amendment and new clause.

The following terms are used:

Added: New Clause agreed without a vote and added to the Bill.

Agreed to: agreed without a vote.

Agreed to on division: agreed following a vote.

Negatived: rejected without a vote.

Negatived on division: rejected following a vote.

Not called: debated in a group of amendments, but not put to a decision.

Not moved: not debated or put to a decision.

Question proposed: debate underway but not concluded.

Withdrawn after debate: moved and debated but then withdrawn, so not put to a decision.

Not selected: not chosen for debate by the Chair.

Finance (No. 2) Bill, continued*FIRST AND SECOND SITTINGS*

Jesse Norman

Agreed to

That—

- (1) the Committee shall (in addition to its first meeting at 11.30 am on Thursday 22 April) meet—
 - (a) at 2.00 pm on Thursday 22 April;
 - (b) at 9.25 am and 2.00 pm on Tuesday 27 April;
 - (c) at 11.30 am and 2.00 pm on Thursday 29 April;
 - (d) at 4.30 pm and 7.00 pm on Tuesday 4 May;
 - (e) at 11.30 am and 2.00 pm on Thursday 6 May;
- (2) the proceedings shall be taken in the following order: Clauses 15 to 18; Schedule 2; Clause 19; Schedules 3 and 4; Clauses 20 to 23; Clause 27; Clause 29; Schedule 5; Clauses 34 and 35; Clause 37; Schedule 8; Clauses 38 to 39; Clauses 42 to 59; Schedule 9; Clauses 60 and 61; Schedule 10; Clause 62; Schedule 11; Clauses 63 and 64; Schedule 12; Clauses 65 to 71; Schedule 13; Clauses 72 to 80; Schedule 14; Clauses 81 and 82; Schedule 15; Clauses 83 to 85; Clause 98; Schedule 20; Clauses 99 to 108; Clause 112; Schedules 23 and 24; Clause 113; Schedule 25; Clause 114; Schedule 26; Clause 116; Schedule 28; Clauses 122 to 124; Schedule 33; Clauses 125 to 127; Clauses 131 and 132; new Clauses; new Schedules; remaining proceedings on the Bill;
- (3) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Thursday 6 May.

Jesse Norman

To move, That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.

Agreed to

Finance (No. 2) Bill, *continued*

Alison Thewliss
Peter Grant
Owen Thompson

Withdrawn after debate 15

Clause 15, page 9, line 16, at end insert—

“(3) In paragraph 2(3) of Schedule 13 of that Act—

- (a) after “second straddling period is” insert “the greater of (a)” and
- (b) after “of that sub-paragraph” add “and (b) the amount (if any) by which the maximum allowance under section 51A of CAA 2001 had there been no temporary increase in the allowance exceeds the annual investment allowance qualifying expenditure incurred before 1 January 2022.”

Clause agreed to.

Clauses 16 to 18 agreed to.

Jesse Norman

Agreed to 16

Schedule 2, page 101, line 34, leave out sub-paragraph (5)

Alison Thewliss
Peter Grant
Owen Thompson

Not called 2

Schedule 2, page 101, line 36, at end insert—

“(5A) Insert after Section 127(3A) of ITA 2007:

- “(3B) Sub-section (3A) does not apply to losses incurred in a UK furnished holiday lettings business in the tax years 2020/21 and 2021/22.”

Schedule, as amended, agreed to.

Clause 19 agreed to.

Schedule 3 agreed to.

Schedule 4 agreed to.

Finance (No. 2) Bill, continued

James Murray
Abena Oppong-Asare
Jeff Smith

Clause 20, page 13, line 20, leave out “6 April 2023” and insert “6 April 2026” *Withdrawn after debate* 23

Clause agreed to.

Clause 21 agreed to.

Alison Thewliss
Peter Grant
Owen Thompson

Clause 22, page 17, line 17, after “then” and before “ – ” insert “where it is to the benefit of the employee the following calculation may be used” *Withdrawn after debate* 1

Clause agreed to.

Clause 23 agreed to.

Clause 27 agreed to.

Clause 29 agreed to.

Jesse Norman

Schedule 5, page 116, line 25, after “36(7)(b)” insert “or 87(7)(b)” *Agreed to* 17

Jesse Norman

Schedule 5, page 116, line 32, after “36(7)(b)” insert “or 87(7)(b)” *Agreed to* 18

Schedule, as amended, agreed to.

Clauses 34 and 35 agreed to.

Clause 37 agreed to.

Schedule 8 agreed to.

Clauses 38 and 39 agreed to.

Clauses 42 to 46 agreed to.

Finance (No. 2) Bill, *continued*

James Murray
Abena Oppong-Asare
Jeff Smith

Withdrawn after debate 20

Clause 47, page 26, line 4, at end insert—

- “(6) Before making regulations under subsection (5), the Commissioners must consult—
- (a) industry representatives,
 - (b) environmental NGOs, and
 - (c) any other relevant individuals or organisations.

Clause agreed to.

Clauses 48 to 59 agreed to.

Schedule 9 agreed to.

Clauses 60 and 61 agreed to.

Schedule 10 agreed to.

Clause 62 agreed to.

Schedule 11 agreed to.

Clauses 63 and 64 agreed to.

Schedule 12 agreed to.

Clauses 65 to 71 agreed to.

Schedule 13 agreed to.

Clauses 72 to 80 agreed to.

Schedule 14 agreed to.

Clauses 81 and 82 agreed to.

Schedule 15 agreed to.

Clause 83 agreed to.

James Murray
Abena Oppong-Asare
Jeff Smith

Not called 22

Clause 84, page 47, line 20, leave out subsections (5) to (11) and insert—

- “(4A) Any statutory instrument containing regulations under this Part may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.”

Finance (No. 2) Bill, continued

James Murray
Abena Oppong-Asare
Jeff Smith

Not called 21

Clause 84, page 48, line 3, at end insert—

- “(12) Before making regulations under this Part the Commissioners must consult with—
- (a) industry representatives,
 - (b) environmental NGOs, and
 - (c) any other relevant individuals or organisations.
- (13) Regulations made under this Part must pay regard to the principles of waste hierarchy and circular economy.”

Clause agreed to.

Clause 85 agreed to.

THIRD AND FOURTH SITTINGS

Clause 98 agreed to.

Schedule 20 agreed to.

Clauses 99 to 108 agreed to.

Clause 112 agreed to.

Alison Thewliss
Peter Grant
Richard Thomson
Owen Thompson

Not called 24

Schedule 23, page 247, line 35, leave out “2 years” and insert “3 months”

Schedule agreed to.

Schedule 24 agreed to.

Clause 113 agreed to.

Alison Thewliss
Peter Grant
Owen Thompson

Not called 3

Schedule 25, page 264, line 9, leave out “15” and insert “30”

Finance (No. 2) Bill, *continued*

Alison Thewliss
Peter Grant
Owen Thompson

Schedule 25, page 264, line 11, leave out “15” and insert “30” *Not called* 4

Alison Thewliss
Peter Grant
Owen Thompson

Schedule 25, page 264, line 12, leave out “15” and insert “30” *Not called* 5

Alison Thewliss
Peter Grant
Owen Thompson

Schedule 25, page 264, line 15, leave out paragraph 5 *Not called* 6

Alison Thewliss
Peter Grant
Owen Thompson

Schedule 25, page 264, line 31, leave out paragraph 6 *Not called* 7

Alison Thewliss
Peter Grant
Owen Thompson

Schedule 25, page 264, line 40, leave out paragraph 7 *Not called* 8

Alison Thewliss
Peter Grant
Owen Thompson

Schedule 25, page 265, line 8, leave out “Second” *Not called* 9

Alison Thewliss
Peter Grant
Owen Thompson

Schedule 25, page 265, line 26, leave out “Second” *Not called* 10

Alison Thewliss
Peter Grant
Richard Thomson
Owen Thompson

Schedule 25, page 265, line 35, leave out sub-paragraph (2) and insert— *Not called* 25

“(2) If HMRC gives the person notice that a penalty is payable under paragraph 5, the penalty is confined to Amount B.”

Finance (No. 2) Bill, continued

Alison Thewliss
Peter Grant
Owen Thompson

Schedule 25, page 265, line 36, leave out sub-paragraph (2) *Not called* 11

Alison Thewliss
Peter Grant
Owen Thompson

Schedule 25, page 266, line 16, leave out sub-sub-paragraph (a) *Not called* 12

Alison Thewliss
Peter Grant
Owen Thompson

Schedule 25, page 266, line 22, leave out sub-sub-paragraph (c) *Not called* 13

Alison Thewliss
Peter Grant
Owen Thompson

Schedule 25, page 266, line 23, leave out sub-sub-paragraph (d) *Not called* 14

Schedule agreed to.

Clause 114 agreed to.

James Murray
Abena Oppong-Asare
Jeff Smith

Schedule 26, page 275, line 14, leave out paragraph 36 *Not called* 26

Schedule agreed to.

Clause 116 agreed to.

Jesse Norman

Schedule 28, page 286, line 39, leave out from beginning to end of line 14 on page 287 *Agreed to* 19

Schedule, as amended, agreed to.

Clauses 122 to 124 agreed to.

Schedule 33 agreed to.

Finance (No. 2) Bill, continued

Clauses 125 to 127 agreed to.

Clauses 131 and 132 agreed to.

Alison Thewliss
Peter Grant
Richard Thomson
Owen Thompson

Withdrawn after debate NC1

To move the following Clause—

“Review of capital allowances and business reliefs

- (1) The Chancellor of the Exchequer must review the impact on investment in parts of the United Kingdom and regions of England of the changes made by sections 15 to 20 and lay a report of that review before the House of Commons within six months of the passing of this Act.
- (2) A review under this section must compare estimated GDP in each of the next five years under the follow scenarios—
 - (a) these provisions are enacted,
 - (b) these provisions are not enacted, and
 - (c) the UK fiscal stimulus package, as a percentage of GDP, mirrors that of the united States.
- (3) In this section— “parts of the United Kingdom” means—
 - (a) England,
 - (b) Scotland,
 - (c) Wales, and
 - (d) Northern Ireland; and “regions of England” has the same meaning as that used by the Office for National Statistics.”

Alison Thewliss
Peter Grant
Richard Thomson
Owen Thompson

Not called NC2

To move the following Clause—

“Optional remuneration arrangements: statutory parental bereavement pay (review)

- (1) The Secretary of State shall, before 1 April 2022, publish a report on the impact of section 27.
- (2) The report in subsection (1) shall include consideration of the impact on—
 - (a) the take-up of statutory parental bereavement pay,

Finance (No. 2) Bill, *continued*

- (b) revenues lost or gained due to tax avoidance, and
 - (c) productivity levels within the UK economy.”
-

Alison Thewliss
 Peter Grant
 Richard Thomson
 Owen Thompson

Not called NC3

To move the following Clause—

“Review of impact of section 98

- (1) The Chancellor of the Exchequer must review the impact on investment in parts of the United Kingdom and regions of England of the changes made by section 98 and lay a report of that review before the House of Commons within six months of the passing of this Act.
 - (2) A review under this section must consider the effects of the provisions on progress towards the Government’s climate emissions targets.
 - (3) In this section “parts of the United Kingdom” means—
 - (a) England,
 - (b) Scotland,
 - (c) Wales, and
 - (d) Northern Ireland; and “regions of England” has the same meaning as that used by the Office for National Statistics.”
-

Alison Thewliss
 Peter Grant
 Richard Thomson
 Owen Thompson

Not called NC4

To move the following Clause—

“Review of impact of section 104

- (1) The Chancellor of the Exchequer must review the impact on investment in parts of the United Kingdom and regions of England of the changes made by section 104 and lay a report of that review before the House of Commons within six months of the passing of this Act.
- (2) A review under this section must consider the effects of the provisions on the volume of gambling, including—
 - (a) the number of people who take part in gambling,
 - (b) the amount of money spent on gambling, and
 - (c) the gross gaming yield.
- (3) In this section “parts of the United Kingdom” means—
 - (a) England,
 - (b) Scotland,
 - (c) Wales, and

Finance (No. 2) Bill, continued

- (d) Northern Ireland; and “regions of England” has the same meaning as that used by the Office for National Statistics.”
-

Alison Thewliss
Peter Grant
Richard Thomson
Owen Thompson

Not called NC5

To move the following Clause—

“Review of impact of sections 105, 106 and 108

- (1) The Chancellor of the Exchequer must review the impact on investment in parts of the United Kingdom and regions of England of the changes made by sections 105, 106 and 108 and lay a report of that review before the House of Commons within six months of the passing of this Act.
 - (2) A review under this section must consider the effects of the provisions on progress towards the Government’s climate emissions targets.
 - (3) In this section—
 - “parts of the United Kingdom” means—
 - (a) England,
 - (b) Scotland,
 - (c) Wales, and
 - (d) Northern Ireland;and “regions of England” has the same meaning as that used by the Office for National Statistics.”
-

Alison Thewliss
Peter Grant
Richard Thomson
Owen Thompson

Not called NC6

To move the following Clause—

“Penalties: review of effect on tax revenues

- (1) The Chancellor of the Exchequer must review the effects on tax revenues of sections 112 to 114 and schedules 23 to 26 and schedule 28 of this Act, and lay a report of that review before the House of Commons within six months of the passing of this Act.
- (2) A review under this section must consider—
 - (a) the expected change in corporation and income tax paid attributable to the provisions, and
 - (b) an estimate of any change, attributable to the provisions, in the difference between the amount of tax required to be paid to the Commissioners and the amount paid.

Finance (No. 2) Bill, continued

- (3) The reference to tax required to be paid in subsection 2(b) includes taxes payable by the owners and employees of Scottish limited partnerships.”
-

Alison Thewliss
Peter Grant
Richard Thomson
Owen Thompson

Not moved NC7

To move the following Clause—

“HMRC powers: review of effect on tax revenues

- (1) The Chancellor of the Exchequer must review the effects on tax revenues of sections 122 to 127 of this Act, and lay a report of that review before the House of Commons within six months of the passing of this Act.
- (2) A review under this section must consider—
- (a) the expected change in corporation and income tax paid attributable to the provisions, and
 - (b) an estimate of any change, attributable to the provisions, in the difference between the amount of tax required to be paid to the Commissioners and the amount paid.
- (3) The reference to tax required to be paid in subsection 2(b) includes taxes payable by the owners and employees of Scottish limited partnerships.”
-

Alison Thewliss
Peter Grant
Richard Thomson
Owen Thompson

Not called NC8

To move the following Clause—

“Report on Part 2

- (1) The Secretary of State shall, before 1 April 2023, publish a report on the impact of the provisions in Part 2 of this Act.
- (2) The report in subsection (1) shall include consideration of the impact on—
- (a) the rate of plastic recycling in the UK generally,
 - (b) the rate of PET plastic recycling in the UK,
 - (c) the rate of Polypropylene plastic recycling in the UK, and
 - (d) the rate of HDPE plastic recycling in the UK.
- (3) The report in subsection (1) shall include consideration of the impact on—
- (a) the volume of plastic used in the UK,
 - (b) the volume of PET plastic used in the UK,
 - (c) the volume of Polypropylene plastic used in the UK, and
 - (d) the volume of HDPE plastic used in the UK.

Finance (No. 2) Bill, *continued*

- (4) The report in subsection (1) shall include consideration of the impact on—
- (a) the volume of plastic stockpiling in the UK,
 - (b) the volume of PET plastic stockpiling in the UK,
 - (c) the volume of Polypropylene plastic stockpiling in the UK, and
 - (d) the volume of HDPE plastic stockpiling in the UK.
- (5) The report in subsection (1) shall consider whether—
- (a) £200/tonne provides an economic incentive to change the content of packaging for those types of plastic specified in subsection (2),
 - (b) the economic incentive in subsection (5)(a) remains in the event of lower than average oil prices, and
 - (c) a tax escalator might be more efficacious.”

James Murray
Abena Oppong-Asare
Jeff Smith

Not called **NC9**

To move the following Clause—

“Collective money purchase benefits (review)

The Chancellor of the Exchequer must lay before the House of Commons within 24 months of the commencement of the first collective money purchase pension scheme a review of the impact of section 29 and schedule 5 of this Act, including its impact on the distribution of benefits within collective money purchase schemes according to the age of the members of the scheme.”

James Murray
Abena Oppong-Asare
Jeff Smith

Not called **NC10**

To move the following Clause—

“Review of effects of section 18 and schedule 2

- (1) The Chancellor of the Exchequer must review the impact of section 18 and schedule 2 of this Act and lay a report of that review before the House of Commons within six months of the passing of this Act.
 - (2) A review under this section must estimate the expected impact of the provisions of section 18 and schedule 2 on—
 - (a) levels of tax avoidance,
 - (b) levels of tax evasion, and
 - (c) tax revenues.
-

Finance (No. 2) Bill, *continued*

James Murray
Abena Oppong-Asare
Jeff Smith

Not called **NC11**

To move the following Clause—

“Rate review (plastic packaging tax)

- (1) The Chancellor of the Exchequer must review the impact of section 45 and lay a report of that review before the House of Commons within six months of the passing of this Act.
 - (2) A review under this section must estimate the expected impact of section 45 on—
 - (a) plastic packaging tax revenue,
 - (b) levels of recycled material (plastic and non-plastic) in packaging, and
 - (c) levels of reusability and recyclability of packaging material (plastic and non-plastic).
 - (3) A review under this section must also estimate the expected impact of increasing the rate set out in section 45 by £50 each year.
-

James Murray
Abena Oppong-Asare
Jeff Smith

Not called **NC12**

To move the following Clause—

“Plastic packaging components review

- (1) The Chancellor of the Exchequer must review the impact of section 47 and lay a report of that review before the House of Commons within six months of the passing of this Act.
 - (2) A review under this section must estimate the expected impact of section 47 on—
 - (a) plastic packaging tax revenue,
 - (b) levels of recycled material (plastic and non-plastic) in packaging, and
 - (c) levels of reusability and recyclability of packaging material (plastic and non-plastic).
 - (3) A review under this section must also estimate the expected impact of—
 - (a) raising the 30% threshold in section 47 by 5% each year, and
 - (b) introducing a power to vary the 30% threshold in section 47 depending on the type of plastic packaging.
-

Finance (No. 2) Bill, continued

James Murray
Abena Oppong-Asare
Jeff Smith

Not called NC13

To move the following Clause—

“Annual review (plastic packaging tax)

- (1) The Chancellor of the Exchequer must review the impact of sections 42 to 85 and schedules 9 to 15 of this Act and lay a report of that review before the House of Commons within six months of the passing of this Act and once a year thereafter.
- (2) A review under this section must estimate the expected impact of sections 42 to 85 and schedules 9 to 15 on—
 - (a) levels of recycled material (plastic and non-plastic) in packaging,
 - (b) levels of reusability and recyclability of packaging material (plastic and non-plastic),
 - (c) the waste hierarchy,
 - (d) levels of carbon emissions, and
 - (e) progress towards a circular economy.”

Alison Thewliss
Peter Grant
Richard Thomson
Owen Thompson

Not moved NC14

To move the following Clause—

“Review of changing threshold for a chargeable plastic packaging component

The Chancellor of the Exchequer must review the impact of increasing the threshold for the proportion of recycled plastic in the component from the threshold of less than 30% set out in section 47(1) and lay a report of that review before the House of Commons within six months of the passing of this Act.”

Alison Thewliss
Peter Grant
Richard Thomson
Owen Thompson

Not moved NC15

To move the following Clause—

“Review of the meaning of “plastic packaging component”

- (1) The Chancellor of the Exchequer must review the impact of changing the definition of “plastic packaging component” in section 48(3) to a definition that states that a plastic packaging component is a packaging component that contains plastic, and lay a report of the review before the House of Commons within six months of the passing of this Act.

Finance (No. 2) Bill, *continued*

- (2) The review in subsection (1) must consider the extent to which the existing definition of plastic packaging component encourages businesses to switch to composite materials not covered by the plastic packaging tax.”

Bill, as amended, to be reported.
