
Report Stage: Tuesday 13 June 2023

Finance (No. 2) Bill, As Amended (Amendment Paper)

This document lists all amendments tabled to the Finance (No. 2) Bill. Any withdrawn amendments are listed at the end of the document. The amendments are arranged in the order in which it is expected they will be decided.

★ New Amendments.

New Amendments: 9 to 19 and NC3 to NC5

The Chancellor of the Exchequer

Gov NC4

★ To move the following Clause—

“Domestic top-up tax to apply from 31 December 2023

This Part has effect in relation to accounting periods commencing on or after 31 December 2023.”

Member's explanatory statement

This new clause makes it clear that the domestic top-up tax imposed by Part 4 of the bill commences at the same time as the multinational top-up tax imposed by Part 3 of the bill.

The Chancellor of the Exchequer

Gov NC5

★ To move the following Clause—

“Communications data

- (1) Section 12(2) of the Investigatory Powers Act 2016 (restriction of powers to obtain communications data) does not apply to a power falling within subsection (2).
- (2) A power falls within this subsection if it is conferred (whether before, on or after the passing of this Act) by or under—
 - (a) any Finance Act of any year (including this Act and any other numbered Finance Act);

- (b) the Taxes Acts (within the meaning of TMA 1970);
 - (c) the customs and excise Acts (within the meaning of CEMA 1979);
 - (d) any enactment relating to value added tax;
 - (e) any enactment, not falling within paragraphs (a) to (d), that relates to tax.
- (3) But subsection (1) does not apply in relation to the exercise of such a power by a public authority in the course of a criminal investigation by the authority.
- (4) In section 12 of the Investigatory Powers Act 2016, after subsection (2) insert—
- “(2A) Subsection (2) is subject to section (*Communications data*)(1) of the Finance (No. 2) Act 2023 (no restriction on tax related powers).”
- (5) In Schedule 36 to FA 2008 (information and inspection powers), in paragraph 19, omit sub-paragraphs (4) and (5).
- (6) In consequence of the repeal made by subsection (5), omit paragraph 10 of Schedule 2 to the Investigatory Powers Act 2016.
- (7) The modification and amendments made by subsections (1) to (6) are to be treated as having always had effect.
- (8) Subsections (9) and (10) apply where—
- (a) before the day on which this Act is passed, a public authority imposed a requirement on a person under a power falling within subsection (2), and
 - (b) as a result of section 12(2) of the Investigatory Powers Act 2016 the public authority did not, ignoring this section, have the power to impose it.
- (9) The requirement is to be treated as having been imposed on the day on which this Act is passed (and accordingly the period in which it must be complied with is to be treated as starting on that day) unless—
- (a) the requirement was withdrawn by the public authority before that day, or
 - (b) the person complied with the requirement before that day.
- (10) Where, before the day on which this Act is passed, the public authority imposed a penalty on the person for contravening the requirement—
- (a) the penalty is of no effect, and
 - (b) if already paid, the authority is liable to repay it.”

Member's explanatory statement

This new clause removes a restriction on the exercise of civil information powers (for example, Schedule 36 of the Finance Act 2008 which HMRC use to obtain information from, and about, taxpayers) which otherwise might prevent their use in certain cases (for example, where online banks or other financial institutions are regarded as telecommunications or postal operators).

James Murray

Abena Oppong-Asare

NC1

To move the following Clause—

“Review of alternatives to the abolition of the lifetime allowance charge

- (1) The Chancellor of the Exchequer must, within six months of this Act being passed—
 - (a) conduct a review of the impact of the abolition of the lifetime allowance charge introduced by section 18 of this Act and other changes to tax-free pension allowances introduced by sections 19 to 23 of this Act, and
 - (b) lay before the House of Commons a report setting out recommendations arising from the review.
- (2) The review must make recommendations on how the policies referred to in subsection (1)(a) could be replaced with an alternative approach that provided equivalent benefits only for NHS doctors.”

Member's explanatory statement

This new clause requires the Chancellor to review the impact of the tax free pension allowance changes and to recommend an alternative approach targeted at NHS doctors.

Harriett Baldwin

NC2

Dame Angela Eagle
 Andrea Leadsom
 Douglas Chapman
 Rushanara Ali
 Anne Marie Morris

Emma Hardy
 Danny Kruger

Siobhain McDonagh
 Nigel Mills

Mr John Baron

To move the following Clause—

“Reports to Treasury Committee on measures to simplify tax system

- (1) The Treasury must report to the Treasury Committee of the House of Commons on steps taken by the Treasury and HMRC to simplify the tax system in the absence of the Office of Tax Simplification.
- (2) Reports under this section must include information on steps to—
 - (a) simplify existing taxes, tax reliefs and allowances,
 - (b) simplify new taxes, tax reliefs and allowances,
 - (c) engage with stakeholders to understand needs for tax simplification,
 - (d) develop metrics to measure performance on tax simplification, and performance against those metrics.
- (3) A report under this section must be sent to the Committee before the end of each calendar year after the year in which section 346 (abolition of the Office of Tax Simplification) comes into force.”

Member's explanatory statement

This new clause would require the Treasury to report annually to the Treasury Committee on tax simplification if the Office of Tax Simplification is abolished.

Debbie Abrahams

NC3

★ To move the following Clause—

“Review of public health and poverty effects of Act

- (1) The Chancellor of the Exchequer must review the public health and poverty effects of the provisions 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) The review must consider—
 - (a) the effects of the provisions of this Act on the levels of relative and absolute poverty across the UK including devolved nations and regions,
 - (b) the effects of the provisions of this Act on socioeconomic inequalities and on population groups with protected characteristics as defined by the 2010 Equality Act across the UK, including by devolved nations and regions,
 - (c) the effects of the provisions of this Act on life expectancy and healthy life expectancy across the UK, including by devolved nations and regions, and
 - (d) the implications for the public finances of the public health effects of the provisions of this Act.”

The Chancellor of the Exchequer

Gov 9

★ Clause 7, page 4, line 25, leave out from “that” to end of line 26 and insert “has been the subject of that or any other first-year allowance or has been allocated to a pool for that or any other accounting period”

Member's explanatory statement

This amendment ensures that the rules for determining the amount of a balancing charge work as originally intended in all scenarios.

The Chancellor of the Exchequer

Gov 10

★ Clause 7, page 5, line 8, leave out from “that” to end of line 9 and insert “has been the subject of that or any other first-year allowance or has been allocated to a pool for that or any other accounting period”

Member's explanatory statement

This amendment ensures that the rules for determining the amount of a balancing charge work as originally intended in all scenarios.

The Chancellor of the Exchequer

Gov 11

★ Clause 12, page 8, line 37, leave out “a subsea” and insert “an”

Member's explanatory statement

This amendment ensures that the relief works as intended for onshore activities.

The Chancellor of the Exchequer

Gov 12

- ★ Clause 12, page 8, line 41, leave out “infrastructure” to end of line 42 and insert “means any upstream petroleum pipeline, oil processing facility or gas processing facility (as those expressions are defined by section 90 of the Energy Act 2011 but as if that section also applied (with the appropriate modifications) to Northern Ireland).”

Member's explanatory statement

This amendment ensures that the relief works as intended for onshore activities and Northern Ireland.

The Chancellor of the Exchequer

Gov 13

- ★ Clause 12, page 9, line 1, leave out subsection (7) and insert—

“(7) The amendments made by subsections (2) to (4) have effect in relation to expenditure incurred on or after 1 January 2023 and the amendments made by subsections (5) and (6) have effect in relation to expenditure incurred on or after 26 May 2022.”

Member's explanatory statement

This amendment ensures that the relief for operating expenditure works as intended for onshore activities and Northern Ireland from the time when the charge to energy (oil and gas) profits levy was imposed (26 May 2022).

James Murray

1

Abena Oppong-Asare

Page 12, line 30, leave out Clause 18

James Murray

2

Abena Oppong-Asare

Page 12, line 37, leave out Clause 19

James Murray

3

Abena Oppong-Asare

Page 13, line 31, leave out Clause 20

James Murray

4

Abena Oppong-Asare

Page 14, line 1, leave out Clause 21

James Murray

5

Abena Oppong-Asare

Page 14, line 11, leave out Clause 22

James Murray

6

Abena Oppong-Asare

Page 14, line 20, leave out Clause 23

The Chancellor of the Exchequer

Gov 14

★ Clause 23, page 15, line 2, leave out from “(S.I. 2006/572),” to end of line 12 and insert “in article 25C (payment of stand-alone lump sums: tax consequences), for paragraph (3) substitute—

“(3A) Section 636A of ITEPA 2003 (exemptions and liabilities for certain lump sums under registered pension schemes) is to be read as if, after subsection (1C), there were inserted—

“(1D) In the case of a stand-alone lump sum paid under a registered pension scheme—

- (a) no liability to income tax arises on so much of the sum as does not exceed the 5 April 2023 maximum, and
- (b) section 579A applies in relation to the remainder (if any) of the sum as that section applies to any pension under a registered pension scheme.

(1E) In subsection (1D) and this subsection—

- (a) “stand-alone lump sum” has the meaning given by paragraph (3) of article 25 of the Taxation of Pension Schemes (Transitional Provisions) Order 2006 (S.I. 2006/572);
- (b) “the 5 April 2023 maximum” means the maximum amount that, on 5 April 2023, could have been paid to the member under the registered pension scheme by way of a stand-alone lump sum.

(1F) For the purposes of determining the maximum amount mentioned in paragraph (b) of subsection (1E), condition C in article 25A of the order mentioned in paragraph (a) of that subsection (condition that

member has reached normal minimum pension age etc) is treated as met.””

Member's explanatory statement

This amendment provides that any amount of a stand-alone lump sum in excess of the maximum amount that could have been paid to the relevant pension scheme member free of tax on 5 April 2023 is subject to income tax at the member’s marginal rate.

The Chancellor of the Exchequer

Gov 15

★ Clause 51, page 41, line 1, after “produced” insert “in the United Kingdom”

Member's explanatory statement

This amendment ensures that overseas producers (who cannot be approved under clause 82) can access the relief.

The Chancellor of the Exchequer

Gov 16

★ Clause 58, page 45, line 5, after “produced” insert “in the United Kingdom”

Member's explanatory statement

This amendment ensures that overseas producers (who cannot be approved under clause 82) can access the relief.

Daisy Cooper

8

Clause 115, page 74, line 10, at end insert—

“(1A) Wine which—

- (a) is obtained from the alcoholic fermentation of fresh grapes or the must of fresh grapes and fortified with spirits,
- (b) is included in one or more of the United Kingdom Geographical Indication Scheme registers, and
- (c) is of an alcoholic strength of at least 15.5% but not exceeding 20%, is treated, for the purposes of the charge to alcohol duty, as if it were of an alcoholic strength of 17.5%.”

Member's explanatory statement

This amendment requires the Chancellor to provide comparable transitional relief to fortified wine made from fresh grapes, such as port and sherry, as has been made available to other forms of table wine.

The Chancellor of the Exchequer

Gov 17

★ Clause 292, page 213, line 22, at end insert—

“(8) Where the appropriate proportion of the non-chargeable amount is required to be added to the result of Step 4 in section 278(5) for a generating undertaking that is not “qualifying” (see section 278(3)) in the qualifying period in which it is to be added, that undertaking is to be treated as qualifying for that period.”

Member's explanatory statement

This amendment corrects a technical error to secure that the appropriate proportion of the “non-chargeable amount” is charged in all cases.

The Chancellor of the Exchequer

Gov 18

★ Clause 314, page 236, line 10, leave out “VAT that would, apart from section 55C(3),” and insert “the VAT in respect of the deposit amount that, on the applicable assumption, would”

Member's explanatory statement

This amendment introduces an assumption that is intended to clarify how, in the case of deposit amounts that are not repaid, the liability to account for VAT works.

The Chancellor of the Exchequer

Gov 19

★ Clause 314, page 236, line 14, at end insert—

“(2A) The applicable assumption is that, in the case of those goods, section 55C(3) is ignored and the deposit amount and the price payable for the goods are regarded instead as indistinguishable parts of the consideration for the supply of the goods.”

Member's explanatory statement

This amendment makes it clear that, in calculating the VAT liability, unreturned deposit amounts and the price payable for the goods are treated in exactly the same way.

Harriett Baldwin

7

Dame Angela Eagle
 Andrea Leadsom
 Douglas Chapman
 Rushanara Ali
 Anne Marie Morris

Emma Hardy
 Danny Kruger

Siobhain McDonagh
 Nigel Mills

Mr John Baron

Member's explanatory statement

This amendment would leave out Clause 346, which abolishes the Office of Tax Simplification.

Order of the House

[29 March 2023]

That the following provisions shall apply to the Finance (No. 2) Bill:

Committal

1. The following shall be committed to a Committee of the whole House—
 - (a) Clauses 5 and 6 (corporation tax charge and rates);
 - (b) Clauses 7 to 9 (capital allowances);
 - (c) Clauses 10 to 15 and Schedule 1 (other reliefs relating to businesses);
 - (d) Clauses 18 to 25 (pensions);
 - (e) Clause 27 (power to clarify tax treatment of devolved social security benefits);
 - (f) Clauses 47, 48 and 50 to 60 and Schedules 7 to 9 (alcohol duty: charge, rates and reliefs);
 - (g) Clauses 121 to 264 and Schedules 14 to 17 (multinational top-up tax);
 - (h) Clauses 265 to 277 and Schedule 18 (domestic top-up tax);
 - (i) Clauses 278 to 312 (electricity generator levy);
 - (j) any new Clauses or new Schedules relating to the subject matter of the Clauses and Schedules mentioned in paragraphs (a) to (i).
2. The remainder of the Bill shall be committed to a Public Bill Committee.

Proceedings in Committee of the whole House

3. Proceedings in Committee of the whole House shall be completed in two days.
4. The proceedings—
 - (a) shall be taken on each of those days in the order shown in the first column of the following Table, and
 - (b) shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

Proceedings	Time for conclusion of proceedings
First day	
Clauses 5 and 6; Clauses 7 to 9; Clause 10 and Schedule 1; Clauses 11 to 15;	six hours after the commencement of proceedings on the Bill on the first day.

Clauses 121 to 125 and Schedule 14;
 Clauses 126 and 127 and Schedule 15;
 Clauses 128 to 260 and Schedule 16;
 Clause 261 and Schedule 17; Clauses
 262 to 264; Clauses 265 to 275 and
 Schedule 18; Clauses 276 and 277; any
 new Clauses or new Schedules relating
 to the subject matter of those Clauses
 and those Schedules

Second day

Clauses 18 to 25; any new Clauses or new Schedules relating to the subject matter of those Clauses	two hours after the commencement of proceedings on the Bill on the second day.
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Clauses 278 to 312; any new Clauses or new Schedules relating to the subject matter of those Clauses	four hours after the commencement of proceedings on the Bill on the second day.
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Clause 27; Clauses 47 and 48 and Schedule 7; Clause 50 and Schedule 8; Clauses 51 to 54 and Schedule 9; Clauses 55 to 60; any new Clauses or new Schedules relating to the subject matter of those Clauses and those Schedules	six hours after the commencement of proceedings on the Bill on the second day.
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Proceedings in Public Bill Committee etc

5. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 23 May.
6. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.
7. When the provisions of the Bill considered, respectively, by the Committee of the whole House and by the Public Bill Committee have been reported to the House, the Bill shall be proceeded with as if it had been reported as a whole to the House from the Public Bill Committee.
8. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.
9. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

Programming committee

10. Standing Order No. 83B (Programming committees) shall not apply to proceedings in Committee of the whole House, to proceedings on Consideration or to proceedings on Third Reading.