EXPLANATORY MEMORANDUM TO

THE AGGREGATES LEVY (GENERAL) (AMENDMENT) REGULATIONS 2010

2010 No. 642

1. This explanatory memorandum has been prepared by HM Revenue and Customs and is laid before the House of Commons by Command of Her Majesty.

This memorandum contains information for the Select Committee on Statutory Instruments.

2. Purpose of the instrument

2.1 The time limits that apply to Aggregates Levy (AGL) claims and assessments are changed by Schedule 51 to Finance Act 2009. A separate instrument makes those changes from 1 April 2010.

2.2 This instrument makes changes to AGL regulations (SI 2002/761) that are consequential upon changes made by Schedule 51.

3. Matters of special interest to the Select Committee on Statutory Instruments

None.

4. Legislative Context

4.1 The time limits applying to assessments and claims for taxes administered by HMRC are being aligned. The AGL time limits are in Part 2 of Finance Act 2001. Where that Part contains the normal 3 year time limit for AGL that is changed to 4 years by Schedule 51 to Finance Act 2009, effective from 1 April 2010.

4.2 There are references to the 3 year time limit in the Aggregates Levy (General) Regulations 2002. This instrument changes those references to refer to the new 4 year time limit.

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- ***What is being done and why***

7.1 The HMRC Review of Powers, Deterrents and Safeguards began in 2005, following the merger of the Inland Revenue and HM Customs and Excise, to provide a framework of law and practice for HMRC that supports the Government's objectives of a tax system that is fair and better adapted to the needs of customers. One outcome of that Review is alignment of time limits across taxes.

7.2 The change of the normal AGL time limit of 3 years to 4 years is made in Schedule 51 to Finance Act 2009. This instrument amends the supporting AGL regulations to reflect that change.

- ***Consolidation***

7.3 This instrument makes minor amendments to the existing AGL regulations. HMRC has no plan to consolidate these regulations.

8. Consultation outcome

The primary law aligning time limits for all taxes was fully consulted on and supported.

9. Guidance

Revision of current guidance is underway.

10. Impact

10.1 The impact on business, charities or voluntary bodies is negligible.

10.2 The impact on the public sector is negligible.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation applies to small business.

11.2 To minimise the impact of the requirements on firms employing up to 20 people, the approach taken is a general tax provision and the same for all firms.

11.3 The basis for the final decision on what action to take to assist small business is described in paragraphs 7.1 and 7.2, so no such action is taken for this general tax provision.

12. Monitoring & review

It is not considered that the changes made by this instrument will need to be kept under review.

13. Contact

Richard Davey at HM Revenue and Customs Tel: 0207 147 2391 or email: richard.c.davey@hmrc.gsi.gov.uk can answer any queries regarding the instrument.