STATUTORY INSTRUMENTS

2014 No. 854

ANNUAL TAX ON ENVELOPED DWELLINGS

The Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2014

Made - - - - 26th March 2014

The Treasury make the following Order in exercise of the powers conferred by section 101(5) of the Finance Act 2013(**a**).

Citation

1. This Order may be cited as the Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2014.

Chargeable amounts

2. The amounts that by virtue of section 101 (indexation of annual chargeable amounts) of the Finance Act 2013 are to be the annual chargeable amounts for the chargeable period beginning on 1st April 2014 are determined in accordance with the following table, by reference to the taxable value of the interest on the relevant day.

Annual chargeable amount	*Taxable value of the interest on the relevant day*
£15,400	More than £2 million but not more than £5 million.
£35,900	More than £5 million but not more than £10 million.
£71,850	More than £10 million but not more than £20 million.
£143,750	More than £20 million.

Sam Gyimah
Anne Milton
26th March 2014 Two of the Lords Commissioners of Her Majesty's Treasury

(**a**) 2013 c. 29.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order changes the annual chargeable amounts of the Annual Tax on Enveloped Dwellings. Section 99(4) of the Finance Act 2013 (c. 29) sets out the annual amounts of tax chargeable. Section 101(5) of that Act provides for the indexation of the annual chargeable amounts. This Order gives effect to the indexation increase of the annual chargeable amounts for the chargeable period 1st April 2014 to 31st March 2015.

The rates of tax charged for each chargeable period beginning on or after 1 April are determined by reference to the "all items" Consumer Prices Index (CPI) as published by the Office of National Statistics.

The revised rates of tax are found by increasing the previous amounts by the September 2013 CPI and rounding down to the nearest multiple of £50. The September 2013 "all items" Consumer Prices Index as published by the Office of National Statistics was 2.7%(**a**).

Regulation 2 sets out the revised amounts by reference to the taxable value of the interest.

A Tax Information and Impact Note has not been prepared for this instrument as it gives effect to previously announced policy and relates to routine changes to rates to a predetermined indexation formula.

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(**a**) http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/september-2013/index.htm1

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