STATUTORY INSTRUMENTS

2019 No. 401

ANNUAL TAX ON ENVELOPED DWELLINGS

The Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2019

Made - - - - 28th February 2019

The Treasury, in discharge of the duty imposed by section 101(5) of the Finance Act 2013**(a)**, make the following Order:

Citation

1. This Order may be cited as the Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2019.

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 chargeable period beginning on or after 1st April 2019 are determined in accordance with the following table, by reference to the taxable value of the interest on the relevant day**(b)**.

Annual chargeable amount	*Taxable value of the interest on the relevant day*
£3,650	More than £500,000 but not more than £1 million.
£7,400	More than £1 million but not more than £2 million.
£24,800	More than £2 million but not more than £5 million.
£57,900	More than £5 million but not more than £10 million.
£116,100	More than £10 million but not more than £20 million.
£232,350	More than £20 million.

Rebecca Harris
Jeremy Quin
28th February 2019 Two of the Lords Commissioners of Her Majesty's Treasury

(**a**) 2013 c. 29.
(**b**) "Relevant day" is defined in section 99(5) of the Finance Act 2013.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order states 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 chargeable amounts of tax. Section 101(5) of that Act provides for the indexation of those amounts. This Order states the indexed amounts for chargeable period beginning on or after 1 April 2019. Article 2 states the annual chargeable amounts by reference to the taxable value of the interest. The annual chargeable amounts 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. Where the September CPI (in this case the September 2018 CPI) is higher than it was for the previous September, the amounts of tax for the next chargeable period are increased by the same percentage increase as the percentage increase in CPI, rounding down to the nearest multiple of £50. The September 2018 CPI was 2.4% (https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2018) meaning that the annual chargeable amounts for chargeable periods beginning on or after 1st April 2019 have increased by comparison to the amounts for the chargeable period beginning on 1st April 2018, as set out by the Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) (No. 2) Order 2017 (S.I. 2017/1246).

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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£4.90

UK201902281030 03/2019 19585

http://www.legislation.gov.uk/id/uksi/2019/401

ISBN 978-0-11-118251-2

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