STATUTORY INSTRUMENTS

2020 No. 341

ANNUAL TAX ON ENVELOPED DWELLINGS

The Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2020

Made - - - - 23rd March 2020

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 2020.

Chargeable amounts

2. The amounts that by virtue of section 101 of the Finance Act 2013 (indexation of annual chargeable amounts) are to be the annual chargeable amounts for chargeable periods beginning on or after 1st April 2020 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*
£3,700	More than £500,000 but not more than £1 million.
£7,500	More than £1 million but not more than £2 million.
£25,200	More than £2 million but not more than £5 million.
£58,850	More than £5 million but not more than £10 million.
£118,050	More than £10 million but not more than £20 million.
£236,250	More than £20 million.

David Rutley
Iain Stewart
23rd March 2020 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 periods beginning on or after 1st April 2020. 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 1st 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 2019 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 2019 CPI was 1.7% (https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2019) meaning that the annual chargeable amounts for chargeable periods beginning on or after 1st April 2020 have increased by comparison to the amounts for the chargeable period beginning on 1st April 2019, as set out by the Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2019 (S.I. 2019/401).

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 following a predetermined indexation formula.

© Crown copyright 2020

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Jeff James, Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.

£4.90

UK202003241016 03/2020 19585

http://www.legislation.gov.uk/id/uksi/2020/341

ISBN 978-0-11-119477-5

9 780111 194775