STATUTORY INSTRUMENTS

2022 No. 399

ANNUAL TAX ON ENVELOPED DWELLINGS

The Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2022

Made - - - - 28th March 2022

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 2022.

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 2022 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*
£3,800	More than £500,000 but not more than £1 million.
£7,700	More than £1 million but not more than £2 million.
£26,050	More than £2 million but not more than £5 million.
£60,900	More than £5 million but not more than £10 million.
£122,250	More than £10 million but not more than £20 million.
£244,750	More than £20 million.

Rebecca Harris
Michael Tomlinson
28th March 2022 Two of the Lords Commissioners of Her Majesty's Treasury

(**a**) 2013 c. 29.
(**b**) "Relevant day" and "taxable value" are defined by, respectively, sections 99(5) and 102 of the Finance Act 2013. Section 102 was amended by section 71 of the Finance Act 2015 (c. 11).

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 2022. 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 2021 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 in CPI, rounding down to the nearest multiple of £50. The CPI rose by 3.1% in the 12 months to September 2021 (https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2021). As a result, the annual chargeable amounts for chargeable periods beginning on or after 1st April 2022 have increased by comparison to the amounts for chargeable periods beginning on or after 1st April 2021, as set out in the Annual Tax on Enveloped Dwellings (Indexation of Annual Chargeable Amounts) Order 2021 (S.I. 2021/245).

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.

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