STATUTORY INSTRUMENTS

2011 No. 1023

CLIMATE CHANGE LEVY

The Climate Change Levy (Suspension of Recycling Exemption) Order 2011

Made - - - -	*31st March 2011*
Laid before the House of Commons	*31st March 2011*
Coming into force - -	*1st April 2011*

The Treasury make the following Order pursuant to section 1(1) and (2) of the Provisional Collection of Taxes Act 1968(**a**) and a resolution passed by the House of Commons on 29th March 2011(**b**).

Citation and commencement

1. This Order may be cited as the Climate Change Levy (Suspension of Recycling Exemption) Order 2011 and comes into force on 1st April 2011 immediately after the coming into force of the Climate Change Levy (Fuel Use and Recycling Processes) (Amendment) Regulations 2011(**c**).

Suspension of exemption for supplies used in recycling processes

2. Schedule 6 to the Finance Act 2000(**d**) (climate change levy) has effect in relation to any supply of a taxable commodity(**e**) made on or after 1st April 2011 as if—

(a) paragraph 18A (exemption: supply for use in recycling processes), and

(b) any reference to that paragraph,

were omitted.

3. The reference in article 2 to the time at which a supply of a taxable commodity is made is to be read as a reference to the time at which the taxable commodity is actually supplied.

(**a**) 1968 c. 2. Section 1 applies to climate change levy by virtue of an amendment made by paragraph 1 of Schedule 7 to the Finance Act 2000 (c. 17).

(**b**) Budget resolution number 48, recorded in the House of Commons Votes and Proceedings for 29th March 2011. The resolution contains a declaration that it is expedient in the public interest that the resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. Section 1(3) to (5) of that Act sets out the circumstances in which the resolution will cease to have statutory effect. By virtue of section 1(5), the resolution will cease to have effect once provisions corresponding to those in the resolution are enacted in the Finance Act 2011. The resolution will in any case cease to have effect on 5th August 2011 by virtue of section 1(3). Relevant amendments to section 1(3) to (5) were made by section 60 of the Finance Act 1968 (c. 44), section 205(5) of the Finance Act 1993 (c. 34), section 50(1) of the Finance (No. 2) Act 1997 (c. 58), and section 112(1) of the Finance Act 2007 (c. 11).

(**c**) S.I. 2011/616.

(**d**) 2000 c. 17.

(**e**) Defined in paragraph 3 of Schedule 6 to the Finance Act 2000.

Michael Fabricant
Angela Watkinson
31st March 2011 Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

The Order suspends the exemption from climate change levy provided for in paragraph 18A(1) of Schedule 6 to the Finance Act 2000 (exemption if commodity supplied for use in a recycling process for which there is a relevant competing process), with effect from 1st April 2011.

The Order is made in exercise of a power contained in resolution number 48, passed by the House of Commons on 29th March 2011 following the Budget held on 23rd March. The resolution has temporary statutory effect by virtue of section 1 of the Provisional Collection of Taxes Act 1968. It provides that the Treasury may by order provide that Schedule 6 to the Finance Act 2000 is to have effect in relation to any supply of a taxable commodity made on or after 1st April 2011 as if paragraph 18A, and any reference to that paragraph, were omitted. It also provides that such an order may apply generally, or only in relation to supplies of a description specified in the order.

The provisions of the resolution correspond to provisions contained in clause 80 of Finance (No. 3) Bill 2011, as published by the House of Commons on 31st March 2011. Assuming that the clause is not rejected during the passage of the Bill through Parliament, those provisions will come into force when the Bill receives Royal Assent, and the Order made under the resolution will continue to have statutory effect by virtue of those provisions of the Act arising from the Bill.

A Tax Information and Impact Note covering this instrument was published at Budget on 23rd March 2011 and is available on the HMRC website at www.hmrc.gov.uk/budget2011/tiin6845.

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