Tolley's Taxwise 2014-15

Part I

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Income Tax (including International issues)
National Insurance Contributions
Corporation Tax
Capital Gains Tax
Value Added Tax

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Tolley's Taxwise I
2014/15

Income Tax (including International issues)
National Insurance
Corporation Tax
Capital Gains Tax
Stamp Duty
VAT

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About this book

For over 30 years Tolley's Taxwise I has provided practitioners with a practical means of keeping up to date with changing legislation by way of worked examples. The publication is updated annually to show the changes introduced by the Finance Acts.

The publication is useful as a manual for staff and practitioners giving guidance as to the layout of computations and notes explaining both the law and practice relating to taxation issues. In addition, the worked examples provide a comprehensive study aid to students of taxation, allowing the testing of theoretical knowledge on practical examples of a style that could well form the basis of an examination question for professional qualifications.

COVERAGE

A selection of taxation examples based on the legislation current for 2014/15, complete with annotated solutions.

The examples are preceded by a summary commencing on page (xix) of the main provisions of Finance Act 2014, which received Royal Assent on 17 July 2014. Where appropriate, the examples also reflect announcements or include comments about future changes which will be included in subsequent Finance Bills.

The book is not an exhaustive work of reference but it shows the treatment of all the points that are most likely to be encountered.

The contents list starting on page (v) shows the broad coverage of each example. In addition, there is a general index at the back of the book to assist in the location of specific points.

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THE AUTHORS

Rebecca Benneyworth MBE FCA BSc is a lecturer and writer on a variety of taxes. Rebecca is former editor of Tax Adviser magazine and consultant editor for a number of tax publications. She is Chair of the Tax Faculty of the ICAEW, and a prolific lecturer on the CPD circuit. Winner of the HMRC External Engagement awards in 2011, she is involved in all aspects of tax affecting small businesses, their owners and their advisers. She is also a volunteer for charities advising the elderly on their tax affairs, and educating young people on financial literacy and the tax system;

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COMPANION PUBLICATION

Tolley's Taxwise II 2014-15 (covering Inheritance Tax and Taxation of Trusts and Estates).

Abbreviations

AMV	actual market value
art	Article
ATCA	Advance Thin Capitalisation Agreement
CAA 2001	Capital Allowances Act 2001
Cf.	compare
CFC	Controlled foreign company
CGT	Capital gains tax
CGTA 1979	Capital Gains Tax Act 1979
CIR	Commissioners of Inland Revenue ('the Board')
CIS	Construction Industry Scheme
CRCA	Commissioners for Revenue and Customs Act
CT	Corporation tax
CTA 2009	Corporation tax Act 2009
CTA 2010	Corporation tax Act 2010
CTSA	Corporation tax self-assessment
CTT	Capital transfer tax
CUP	Comparable uncontrolled price
EC	European Communities
ECJ	European Court of Justice
EEC	European Economic Community
EFRBS	Employer-financed Retirement Benefits Scheme
EU	European Union
Ex D	Exchequer Division
FA	Finance Act
F (No 2) A	Finance (No 2) Act
FII	Franked investment income
FOIA 2000	Freedom of Information Act 2000
FY	Financial year
HC(I)	High Court (Ireland)
HL	House of Lords
HMRC	Her Majesty's Revenue and Customs
ICTA	Income and Corporation Taxes Act 1988
IHT	Inheritance tax
IHTA 1984	Inheritance Tax Act 1984
ISAs	individual savings accounts

ITA 2007	Income Tax Act 2007
ITEPA 2003	Income Tax (Earnings and Pensions) Act 2003
ITTOIA 2005	Income Tax (Trading and Other Income) Act 2005
IUMV	initial unrestricted market value
LIVR	Limited information value report
MSCs	managed service companies
MSCP	managed service company provider
NIC	National insurance contribution
NMW	National minimum wage
pa	per annum
PEPs	personal equity plans
PIDs	property income distributions
pm	per month
POA	Payments on account
POCA 2002	Proceeds of Crime Act 2002
QCBs	qualifying corporate bonds
RBPA	Renovation of Business Premises in disadvantaged Area
s	Section
SA	Self-assessment
Sch	Schedule
SE	Societas Europaea
SED	Seafarers' earnings deduction
SI	Statutory instrument
SIPPs	self-invested personal pensions
SSCBA 1992	Social Security Contributions and Benefits Act 1992
SP	Revenue Statement of Practice
Sp C	Special Commissioners
TCGA 1992	Taxation of Chargeable Gains Act 1992
TIOPA 2010	Taxation (International and Other Provisions) Act 2010
TMA 1970	Taxes Management Act 1970
UAP	Upper accruals point
UEL	Upper earnings limit
VAT	Value added tax
VATA 1994	Value Added Tax Act 1994

Rates and allowances

PERSONAL TAX RATES

(1) Income tax is chargeable on taxable income, ie that part of income which remains after all allowable deductions, including personal allowances, have been made.

The rates of tax for 2014/15 and 2013/14 are:

	Rate	*On*	*Tax on full band*	*Rate*	*On*	*Tax on full band*
		£	£		£	£
Savings income:						
Starting savings rate*	10%	2,880		10%	2,790	
Non-savings income:						
Basic rate	20%	31,865	6,373.00	20%	32,010	6,402.00
Higher rate	40%	118,135	47,254.00	40%	117,990	47,196.00
Additional rate on excess over higher rate limit	50%			50%		

* The starting rate for savings is 10% for both 2014/15 and 2013/14, but as savings income ranks above non-savings income (ie it is treated as the highest slice of income after dividend income), it applies only to the extent that net income from non-savings sources does not exceed the starting rate band of £2,880/2,790.

If the starting rate for savings is applicable, it forms part of the basic rate band, not an addition to it.

Dividends are taxed as shown below in both 2014/15 and 2013/14.

Tax-credit inclusive dividends	10% (dividend ordinary rate) up to basic rate limit,† 32.5% (dividend upper rate) thereafter.† 37.5% (dividend additional rate) limit thereafter.

† Non-UK source dividends

Dividends from non-UK companies in which the recipient has a minority interest (less than 10%) or which are based in a territory with which the UK has a double taxation agreement that includes a non-discrimination clause attract a non-repayable tax credit of 1/9.

(2) Discretionary and accumulation and maintenance trusts are charged on non-dividend income at a single rate, called 'the rate applicable to trusts', which is 45% for both 2014/15 and 2013/14. A standard rate band of £1,000 applies to the first slice of income chargeable at the rate applicable to trusts. Trustees of other trusts are generally liable at the basic rate of 20%, though the rate applicable to trusts applies to specified types of income.

The rate of tax for discretionary and accumulation and maintenance trusts on dividend income, called 'the dividend trust rate', is 37.5% for both 2014/15 and 2013/14. Trustees of other trusts generally pay tax on dividend income at 10%.

Trusts for vulnerable people can elect to be taxable as if the income of the trust were the income of the beneficiary.

(3) Personal allowances for 2014/15 and 2013/14 are:

	2014/15	*2013/14*
	£	£
Personal allowance:	10,000	9,440
Reduced by £1 for every £2 by which income exceeds	100,000	100,000
Born before 6 April 1948	10,500	10,500
Born before 6 April 1938	10,660	10,660
Excess allowance over basic amount of	10,000	9,440
reduced by £1 for every £2 by which income exceeds	27,000	26,100
Married couple's allowance (tax saving thereon 10%)†		
Elder born before 6 April 1935	7,165	7,915
Excess allowance over basic amount of	3,140	3,040
reduced by £1 for every £2 by which income exceeds	27,000	26,100

† Reduced in tax year of marriage by 1/12th for each complete month (running from 6th day of one month to 5th day of next) in that year prior to the date of marriage

	2014/15	*2013/14*
	£	£
Blind person's allowance	2,230	2,160

(4) Tax credits for 2014/15 and 2013/14 are:

Credit element	***Annual amount***	
	2014/15	*2013/14*
	£	£
Family element of CTC	545	545
Child element of CTC	2,750	2,720
Disability element of CTC[1.]	3,100	3,015
Severe disability element of CTC[1.]	1,255	1,220
Basic element of WTC	1,940	1,920
Couple's or lone parent element of WTC	1,990	1,970
30 hour element of WTC	800	790
Disability element of WTC[2.]	2,935	2,855
Severe disability element of WTC[2.]	1,225	1,220
For both working credit and child tax credit		
– income threshold	6,420	6,420
– withdrawal rate	41%	41%
– first threshold (those entitled to child tax credit only)	15,910	16,010
Income disregard – increases	5,000	10,000
Income disregard – decreases	2,500	2,500
Childcare element		
Percentage of eligible costs	70%	70%
Maximum eligible costs (weekly)		
– one child	175	175
– two or more children	300	300

Footnotes

1. The disability element of CTC is paid for each child for whom a Disability Living Allowance (DLA) is due or if the child is registered blind. If the higher care component of DLA is due then the severe disability element is paid.

2. If both claimants in a joint claim are disabled or entitled to the 50-plus element then the award will include two elements per couple.

TAXATION OF DIRECTORS AND OTHERS IN RESPECT OF CARS

INCOME TAX CAR BENEFITS CHARGES

Car benefits charge is based on CO_2 emissions and ranges from 10% to 35% of list price (for details see **Example 11**). The taxable benefit for cars registered after 31 December 1997 with no CO_2 emissions figures is 15%, 25% or 35% of list price depending on engine size. List prices are increased by 3% for diesel cars, but not so as to exceed the 35% maximum. The taxable benefit for pre-1 January 1998 cars is 15%, 22% or 32% of list price depending on engine size. The taxable benefit for cars with no cylinder capacity is 35% of list price (32% for pre-1 January 1998 cars), except for electric cars, for which the charge is 0%.

The list price is reduced by up to £5,000 in respect of a capital contribution from the employee.

For cars 15 years old or more at end of tax year with a market value of £15,000 or more, market value is substituted for list price if higher.

The benefit is reduced proportionately if the car is not available for part of the year.

CAR FUEL BENEFIT SCALES

Car fuel benefit is calculated using the same CO_2-based percentage rates as are used for calculating car benefits, and applying those percentage rates to the following set of figures:

	2014/15	2013/14	2011/12
Basis figure	£21,700	£21,100	£18,800

VAN BENEFITS

Benefits for vans weighing up to 3,500 kg are as follows:

	2014/15	2013/14
Van and fuel benefit with restricted private use	£3,090	£3,000
Additional fuel scale charge for unrestricted private use	£581	£564

TAX-FREE HMRC APPROVED MILEAGE RATES FOR BUSINESS USE OF OWN TRANSPORT

Approved rates for 2014/15 and 2013/14 for income tax are as follows:

	First 10,000 business miles	*Additional business miles*
Cars and vans	45p	25p
Motor cycles	24p	24p

Bicycles	20p	20p
Passenger payments, car or van only, per passenger	5p	5p

NATIONAL INSURANCE CONTRIBUTIONS

National insurance contribution rates for 2014/15 are as follows (with 2013/14 figures in brackets where different):

Class 1 contributions		
Lower earnings limit:	£111 (£109)	a week
Earnings threshold (employers):	£153 (£148)	a week
Earnings threshold (employees)	£153 (£149)	
Upper earnings limit (employees only):	£805 (£797)	a week
Employees		
12% of weekly earnings between	£153 (£149) and £805 (£797)	
Reduced rate for married women and widows with valid certificate of election	5.85% on weekly earnings as above	
For both categories of employees an additional 2% is chargeable on the balance of earnings over £805 per week.		
Employers	13.8% on all earnings over £148 (£144) per week	

CONTRACTED OUT EMPLOYEE

Reduction in 'not contracted out' contributions, applicable to weekly earnings from £153 (£149) to £770:

	Salary related schemes
Employees	1.4%*(1.4%*)
Employers	3.4%* (3.4%*)

* Employees also receive these rebates on earnings between £111 (£109) and £153 (£149) a week, on which they do not pay contributions. Employers receive these rebates on earnings between £111 (£109) and £153 (£148).

Employers' Class 1A and Class 1B contributions	13.8%	
Class 2 contributions		
Self-employed flat rate	£2.75 (£2.70)	a week
Small earnings exception	£5,885 (£5,725)	a year
Class 3 contributions		
Voluntary contributions	£13.90 (£13.55)	a week
Class 4 contributions		
9% of profits between		£7,956 (£7,755) and £41,865 (£41,450)

and 2% (1%) of all profits above £41,865 (£41,450).

CAPITAL GAINS TAX

2014/15 and 2013/14

Total net gains of individuals for 2014/15 not exceeding £11,000 (2013/14 £10,900) are exempt. On any remaining gains, higher and additional rate taxpayers pay CGT at 28%. Basic rate taxpayers pay 18% on that part of their net gains falling within the unused amount of their income tax basic rate band and 28% on the balance (if any). Losses and the annual exempt amount can be set off against gains in the manner most favourable.

All gains to which entrepreneurs' relief applies are taxed at 10%.

Personal representatives are entitled to the same annual exemption as individuals for the year of death and the next two years. Gains not covered by the exemption are taxed at 28%.

Gains of trusts in which the settlor retains an interest are taxed as the settlor's gains. For other trusts, the trustees are entitled to an annual exemption for 2014/15 of £5,500 (2013/14 £5,450), divided equally between trusts created by the same settlor, subject to a minimum exemption of £1,100 (2013/14 £1,090) for each trust. Gains in excess of the exemption are charged at 28% for both discretionary trusts (including accumulation and maintenance trusts) and other trusts.

Entrepreneurs' relief limit – lifetime qualifying gains

2014/15 & 2013/14 £10 million

CAPITAL GAINS TAX ACTUARIAL TABLE FOR LEASES (TCGA 1992 SCH 8)

Years	*Percentage*	*Years*	*Percentage*
50 (or more)	100.000	24	79.622
49	99.657	23	78.055
48	99.289	22	76.399
47	98.902	21	74.635
46	98.490	20	72.770
45	98.059	19	70.791
44	97.595	18	68.697
43	97.107	17	66.470
42	96.593	16	64.116
41	96.041	15	61.617
40	95.457	14	58.971
39	94.842	13	56.167
38	94.189	12	53.191
37	93.497	11	50.038
36	92.761	10	46.695
35	91.981	9	43.154
34	91.156	8	39.399
33	90.280	7	35.414
32	89.354	6	31.195
31	88.371	5	26.722
30	87.330	4	21.983
29	86.226	3	16.959
28	85.053	2	11.629
27	83.816	1	5.983
26	82.496	0	0
25	81.100		

If the duration of the lease is not an exact number of years, find the percentage for the number of whole years and add to it for each extra month one-twelfth of the difference between that percentage and the next higher percentage (counting an odd 14 days or more as one month).

CORPORATION TAX RATES

Financial years *(ie beginning 1 April)*			*2012*	*2013*	*2014*
Corporation tax full rate (%)			24	23	21
Small profits rate (%)			20	20	20
	Marginal relief limits (£000's)				
		lower	300	300	300
		higher	1,500	1,500	1,500
	Marginal relief calculation				
		(M – P) × I/P × fraction	1/100	3/400	1/400
	Effective marginal rate		25%	23.75%	21.25%
Ring fence profits – full rate			30%	30%	30%
Ring fence profits – small profits rate			19%	19%	19%
Ring fence fraction			11/400	11/400	11/400

The full rate for corporation tax for the financial year commencing 1 April 2015 will be 20%.

FINANCE ACT 2014 MEASURES RELEVANT TO THIS PUBLICATION

Section in FA 2014	*Description of measures*	*Example*
1	Income tax rates unchanged for 2014–15; basic-rate limit set at £31,865. Standard personal allowance set at £10,000.	*1, 2, 4*
2	Basic-rate limit for 2015–16 set at £31,785. Standard personal allowance set at £10,500, and extended to individuals born after 5 April 1938. Special age allowance for those born between 6 April 1938 and 5 April 1948 abolished. No change to higher age allowance for those born before 6 April 1938.	*1, 2, 3, 4*
3	The starting rate for savings set at £0 and the starting-rate limit set at £5,000 as from 2015–16.	
4	Indexation of bands and limits (where applied) to be by reference to the Consumer Prices Index rather than the Retail Prices Index as from 2015–16.	
5	Corporation tax is charged for the financial year 2015.	
6	For the financial year 2014, the corporation tax small-profits rate is 19% for ring-fence profits and 20% for all other profits. The standard fraction is 1/400 for all profits other than ring-fence profits, for which it is 11/400.	*50*
7 and Sch 1	As from the financial year 2015, the small-profits rate is abolished for all but ring-fence profits. Ring-fence profits are to be charged at 30%, except where 'augmented profits' (as defined) for a 'stand-alone company' do not exceed the lower limit of £300,000, when they will be charged at 19%. For profits between £300,001 and £1.5 million, the rate will increase progressively. These limits are reduced pro rata for companies that are not 'stand-alone'.	
8	The annual exempt amount for CGT is set at £11,000 for 2014–15.	*73–75*
9	The annual exempt amount for CGT is set at £11,100 for 2015–16.	
10 and Sch 2	The annual investment allowance is increased to £500,000 per annum for the period 1 April 2014 to 31 December 2015 (for income tax, for the period from 6 April 2014 to 31 December 2015). Provision is made for straddling periods at the beginning and end of the period.	*21*
11	As from 2015–16, a tax reduction is to be available to spouses and civil partners upon an election by the other party to reduce his or her personal allowance. The maximum by which the personal allowance may be reduced is to be £1,050 in 2015–16 and is to be 10% of the standard personal allowance in subsequent years. The tax benefit to the other party is to be the basic-rate percentage times the reduction in the personal allowance.	
12	There is to be no liability to income tax under ITEPA 2003 for an employee in receipt of 'recommended medical treatment', up to a maximum of £500.	
13	The relief under ITA 2007 s 392 for interest on a loan to buy an interest in a close company is extended from 2014–15 to include companies resident in another EEA state which would be close if they were UK-resident, with the exception of close investment-holding companies.	
14	The relief under ITA 2007 s 397 for interest on a loan to buy an interest in an employee-controlled company is similarly extended also as from 2014–15.	
15 and Sch 3	Restrictions are placed on the remittance basis to counter the use by non-UK domiciled individuals of so-called 'dual contracts' to convert taxable UK earnings to overseas earnings which are non-taxable if not remitted to the UK. The measures apply from 2014–15.	
16	Changes are made to the treatment of agency workers and offshore intermediaries under ITEPA 2003 s 44 and a new ITEPA 2003 s 46A to counter avoidance. They apply from 6 April 2014.	*89*
17	The PAYE Regulations (SI 2003/2682) are amended to allow for directors of companies (including, for this purpose, limited-liability partnerships) to be served with personal-liability notices where fraudulent documents have been presented purporting to avoid liability under ITEPA 2003 s 44.	
18	HMRC are to be given new information powers with respect to employment intermediaries.	*89*

Section in FA 2014	Description of measures	Example
19	A minor change is made to the start date of the 90-day period under ITEPA 2003 s 222 for the employee to make good to the employer the tax in respect of payments from which a PAYE deduction cannot be made.	88
20	Amendments are made to extend the PAYE obligations of a UK intermediary acting for a non-UK employer.	
21	An obligation to deduct and account for PAYE in similar circumstances to those in s 20 is imposed on a person outside the UK for whom an oil and gas worker is working on the UK Continental Shelf.	
22	As from 2014–15, the threshold for the benefit charge on beneficial loans under ITEPA 2003 s 180 is increased from £5,000 to £10,000.	10
23	As from 2014–15, the charge under ITEPA 2003 Part 3 Chapter 6 to car and van benefits is no longer to be excluded where the amount constitutes earnings under any other provision.	
24	Changes are made as from 2016–17 to the appropriate percentages for car and van benefits.	
25	The deduction from the benefit charge for employees who pay towards private use of their company vehicle is now available only where paid in the same tax year.	11
27–29	Anti-avoidance amendments are made to the loan-relationships and derivative-contracts legislation in CTA 2009 Parts 5–7 dealing with holdings treated as rights under loan relationships (s 27), the degrouping charge (s 28) and disguised distribution arrangements involving derivative contracts (s 29).	
30	This is a further anti-avoidance measure targeting schemes involving the transfer of corporate profits which are not caught by the measures in s 29.	
31	The amount of the research and development tax credit for a small or medium-sized enterprise is increased from 11% to 14.5% of the surrenderable loss, with effect for expenditure incurred after 31 March 2014.	54
32	The minimum percentage for core expenditure on a film to be 'UK expenditure' in order to qualify for film tax relief is to be reduced from 25% to 10%. The tax credit in respect of surrenderable losses is in future to be 25% for the first £20 million of the surrendered loss and 20% for the remainder. The amendments are subject to State Aid approval and will take effect from a date or dates to be appointed.	56
33	A minor amendment is made to the tax relief for television production given under CTA 2009 Pt 15A.	
34	A number of amendments are made to the provisions for tax relief for video game development under CTA 2009 Pt 15B, principally in order to obtain State Aid approval.	
35	There is to be a new tax relief for qualifying corporate donations to community amateur sports clubs (CASCs), but the relief is accompanied by related anti-abuse provisions. Subject to transitional provisions, the relief applies to payments made after 31 March 2014.	
36 and Sch 4	There is to be a new tax relief for theatrical production, along the lines of the existing reliefs for video-game production and television production. The relief applies in respect of accounting periods beginning after 31 August 2014. Provision is made for straddling periods.	
37, 38	Three relieving provisions are made in CTA 2010 Pt 14, which has effect to restrict the use of losses, loan relationship debits and certain non-trading deficits in certain circumstances where there is a change in ownership of a company.	
39	Amendments are made to clarify the meaning of 'UK group company' and 'relevant group company' in the worldwide debt-cap provisions in TIOPA 2010 Part 7 Chapter 10.	

Section in FA 2014	*Description of measures*	*Example*
41	The maximum total drawdown pension payable in each drawdown pension year, where there is no flexible drawdown, is increased from 120% to 150% of the basis amount. The maximum total dependants' drawdown pension payable to a dependant in each drawdown pension year in respect of a money-purchase arrangement, where there is no flexible drawdown, is also increased from 120% to 150% of the basic amount. The minimum income requirement under FA 2004 Sch 28 para 14A(2) for flexible drawdown to be available to a member is reduced from £20,000 to £12,000. The minimum income requirement under FA 2004 Sch 28 para 24C(2) for flexible drawdown to be available to a dependant is similarly reduced from £20,000 to £12,000. These amendments have effect for drawdown years beginning after or declarations made after 26 March 2014, respectively.	6
42	The maximum value of an individual's pension rights from all pension schemes of which the individual is a member while still entitled to take a lump sum extinguishing all entitlements under the scheme(s) is increased from £18,000 to £30,000. The maximum additional sum that can be a trivial-commutation lump sum when paid in certain circumstances in connection with a tax-free pension-commencement lump sum is increased from £2,000 to £10,000. The monetary limit on certain authorised payments that may be made under the Registered Pension Schemes (Authorised Payments) Regulations 2009 (SI 2009/1171) is also increased from £2,000 to £10,000. The number of small lump sums that an individual may receive from a scheme – that is neither a public-service pension scheme, nor an occupational pension scheme – which extinguish the individual's rights under the scheme is increased from two to three. These provisions generally have effect for commutation periods beginning after 26 March 2014 or lump sums paid after that date.	6
43 and Sch 5	Amendments are made to pension flexibility, to enable individuals to take a tax-free lump sum from their pension scheme but wait until April 2015 to decide how to gain access to the remainder of their pension savings, overriding the six-month limit before the charges in respect of unauthorised payments take effect.	
44 and Sch 6	Transitional provisions are made in connection with the reduction in the new standard lifetime allowance for pensions from £1.5 million to £1.25 million, which took place on 6 April 2014. Specifically, a new protection regime – Individual Protection 2014 or 'IP14' in short, is introduced.	6
45	An anomaly resulting from the interaction of the tax on employment income and the treatment of the employer's contributions to a non-UK pension scheme is removed.	
46 and Sch 7	Amendments are made to the pensions legislation (FA 2004 Pt 4) in order to counter the spread of 'pension liberation schemes'. These are schemes that allow individuals to obtain access to their pension funds before the appropriate time but at the cost of incurring charges to tax.	
48	The Treasury is given general regulation-making powers to confer exemption from income tax and/or corporation tax to non-residents participating in major sporting events, thus obviating the need to make special provisions (such as s 47) in primary legislation.	
49–52 and Schs 8 and 9	The maximum annual award under share incentive plans of free shares is increased from £3,000 to £3,600 and the maximum deduction in any tax year from an employee's salary under a partnership share agreement is increased from £1,500 to £1,800, both with effect from 6 April 2014. The Treasury is given the power to vary the maxima in respect of awards of free shares, salary deductions in respect of partnership share agreements and the ratio of matching shares to partnership shares by order, with effect from 17 July 2014. Numerous amendments are made to all tax-privileged employee share schemes in order to implement recommendations made by the Office of Tax Simplification.	*88*
53 and Sch 10	Amendments are made to venture capital trust relief. The general thrust of the amendments is towards closer targeting of the relief.	*96*

Section in FA 2014	*Description of measures*	*Example*
54 and 55	The life of the seed-enterprise investment relief and the corresponding CGT reinvestment relief is extended indefinitely.	*96*
56	The subsidised generation of heat and the subsidised generation of gas or fuel are added to the types of activity that are excluded activities for the purpose of the EIS, SEIS and VCT reliefs.	
57 and Schs 11 and 12	A new tax relief for 'social investment' is introduced. Schedule 11 contains the relevant income tax legislation and Sch 12 the relevant CGT legislation. The legislation is modelled on existing reliefs such as the business enterprise investment relief and SEIS relief.	*96*
58	For disposals of a private residence made after 5 April 2014, it is only the last 18 months (and not 36 months, as previously) of the period of ownership during which the property need not be the individual's only or main residence for the CGT exemption not to be lost. The 36-month period is retained, subject to conditions, where the individual making the disposal has a spouse or civil partner who is disabled, or a long-term resident in a care home, or is himself disabled or a long-term resident in a care home.	*81*
59	Foreign gains accruing after 5 April 2013 to a non-domiciled individual in that part of a split year in which the individual is non-resident are not chargeable to tax under the remittance basis even where remitted in that part of the split year in which the individual is resident.	
60	For deaths occurring after 4 December 2013, the CGT uplift on death applying to property held on trust for the benefit of a vulnerable beneficiary is extended to apply to disabled trusts where the beneficiary has no absolute entitlement to the income of the trust	
61	Payment entitlements under the farmers' basic payment scheme (Regulation (EU) No 1307/13) are added to the classes of asset qualifying for CGT rollover relief.	
62	The possible availability of CGT rollover relief on a reinvestment in intangible fixed assets to which the regime under CTA 2009 Pt 8 applies is definitively removed.	
63	Amendments are made to tighten up the anti-avoidance rule in TCGA 1992 s 184G, which is intended to counter avoidance involving the use of capital losses to shelter income profits.	
64	The life of the 100% first-year allowance under CAA 2001 s 45K for plant and machinery for use in designated assisted areas is extended to 31 March 2020 and may be further extended by Treasury order. Orders may also be made to extend the life of certain other first-year allowances.	
65 and Sch 13	The provisions on capital allowances under CAA 2001 s 45K for plant and machinery for use in designated assisted areas and CAA 2001 s 45DA for zero-emission goods vehicles are amended so as to ensure that they remain compliant with the new EU State aid rules as restated in the new 'General Block-Exemption Regulation' (Regulation (EU) No 651/2014).	
66	Anti-avoidance amendments are made to the business premises renovation allowances under CAA 2001 Part 3A.	
67, 68	Amendments are made in connection with mineral extraction allowances under CAA 2001 Part 5.	
69 and Sch 14	The availability of the ring-fence expenditure supplement is extended to include onshore activities, such as fracking.	
70 and Sch 15	A new 'onshore allowance', replacing the field allowance for the onshore activities of ring-fence companies, is introduced. The allowance reduces the company's adjusted ring-fence profits subject to the 32% supplementary charge.	
71	Reinvestment relief for investment in qualifying ring-fence assets is extended to companies carrying on exploration and appraisal activities preparatory to carrying on a ring-fence trade.	
72	Substantial-shareholding relief under TCGA 1992 Sch 7AC is extended to companies carrying on exploration and appraisal activities preparatory to carrying on a ring-fence trade.	