

Political update: March 2025

Briefings



18 February 2025

CIOT, ATT and LITRG work with politicians from all parties in pursuit of better informed tax policy making.

Finance Bill 2024-25 passed through the Public Bill Committee in four sessions on 28 AND 30 January. CIOT provided five briefings and ATT three to support the work of the MPs scrutinising the Bill at this stage. This was in addition to the four briefings CIOT provided for committee of whole house stage.

These briefings contain a mixture of explanation (what the clauses mean and the impact they will have) and representation (suggestions of ways in which the legislation might be improved). It was good to hear so many of our points being raised during the debate and perhaps even more so to see a couple of amendments tabled by the government in apparent response to our concerns.

Government amendments passed at this stage included an expansion of the scope of acquisition costs in relation to employee-ownership trusts that can benefit from CGT relief, which the minister told the committee had been done in response to CIOT

concerns (albeit the Institute would have liked to see the scope expanded still further).

Among the legislation passed in committee was the abolition of the separate non-dom tax regime. The minister promised to respond in writing to CIOT concerns about retrospective application of the IHT exit charge for trusts and changes to the definition of 'remittance'. The government also amended the non-dom legislation to remove a drafting error which CIOT had pointed out.

ATT representations to the committee were drawn on during discussion of the extension of the first year allowance for electric vehicle charging points, and increases to company car tax rates.

Responding to CIOT concerns on the transitional safe-harbour anti-arbitrage rule (part of the Pillar Two legislation) the minister acknowledged the rule is flawed and told the committee that, if the opportunity arises, it is the government's intention to seek agreement to improve it.

A number of CIOT points were raised during discussion of the abolition of the furnished holiday lettings regime. The shadow minister closed his remarks by apologising for not being able to raise all of the Institute's points. He encouraged the minister to speak directly to CIOT on this area. The Exchequer Secretary responded by putting on record his thanks to CIOT: 'It was a great support to me in opposition and continues to be an important stakeholder for us in government.'

More on the Bill at: tax.org.uk/finance-bill-2024-25.