CHAPTER 8.

An Act to grant certain duties of Customs and Inland Revenue, to alter other duties, and to amend the Law relating to Customs and Inland Revenue (including Excise) and the National Debt, and to make other provisions for the financial arrangements of the year.

[7th August 1912.]

Most Gracious Sovereign,

WE, Your Majesty's most dutiful and loyal subjects the Commons of the United Kingdom of Great Britain and Ireland in Parliament assembled, towards raising the necessary supplies to defray Your Majesty's public expenses, and making an addition to the public revenue, have freely and voluntarily resolved to give and grant unto Your Majesty the several duties hereinafter mentioned; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

PART I.

CUSTOMS AND EXCISE.

Duty on tea. 1 & 2 Geo. 5. c. 48.

1. The duty of Customs payable on tea until the first day of July nineteen hundred and twelve, under the Finance Act, 1911, shall be deemed to have been continued as from that date and shall continue to be charged, levied, and paid until the first day of July nineteen hundred and thirteen, on the importation thereof into Great Britain or Ireland (that is to say):—

Tea, the pound - - - - fivepence.

Distribution of payments on account of licence duties in certain cases. 10 Edw. 7. c. 8.

2. Where the licensed premises are held under a lease or agreement for lease made before the passing of the Finance (1909–10) Act, 1910, which does not contain or import any covenant, agreement, or undertaking on the part of the lessee under such lease or agreement for lease to obtain a supply of intoxicating liquor from the grantor of the lease or agreement for lease, the lessee under such lease or agreement for lease shall be entitled, notwithstanding any agreement to the contrary, to recover as a debt due from, or deduct from any sum due to, the grantor of such lease or agreement for lease so much of any increase of the duty payable in respect of the licence under the provisions of the Finance (1909–10) Act, 1910, as may be agreed upon as proportionate to any increased rent or premium payable in respect of the premises being let as licensed premises, and, in default of agreement, the amount proportionate to such increased rent or premium shall be determined in manner directed by

rules of court by a county court in England or Ireland, and by a sheriff court in Scotland.

The words "lease," "leased," "agreement for lease," and "lessee" in this section include sub-lease, sub-leased, agreement for sub-lease, and sub-lessee, respectively.

Reduction of duty in case of Sunday and early closing licences.

3. The following paragraph shall be added to provision three of the provisions applicable to retailers' on-licences in the First Schedule to the Finance (1909–10) Act, 1910—

"The power to obtain a licence on payment of a reduced amount of duty in the case of a six-day licence or an early closing licence shall apply to any case in which the minimum duty is payable under this provision, but the reduction shall not operate so as to make the duty payable less than one-third of the annual licence value of the premises."

Tobacco for agricultural purposes.

4. The Commissioners of Customs and Excise may authorise responsible persons duly licensed to grow tobacco within the United Kingdom, to grow tobacco for the sole purpose of obtaining an extract therefrom to be used, without payment of duty, in the manufacture of insecticides or sheepwash or for other purely agricultural or horticultural purposes. The authority shall be granted subject to such security and the observance of such regulations and conditions as the Commissioners may prescribe, and, if any person so authorised acts in contravention of or fails to comply with any of those regulations or conditions, the article in respect of which the offence is committed shall be forfeited, and the person committing the offence shall be liable in respect of each offence to an Excise penalty of fifty pounds.

Part II.

Income Tax.

Income tax for 1912–13.

5.—(1) Income tax for the year beginning on the sixth day of April nineteen hundred and twelve shall be charged at the rate of one shilling and twopence, and the same super-tax shall be charged, levied, and paid for that year as was charged for the year beginning on the sixth day of April nineteen hundred and eleven.

(2) All such enactments relating to income tax (including super-tax) as were in force with respect to duties of income tax granted for the year beginning on the sixth day of April nineteen hundred and eleven shall have full force and effect with respect to any duties of income tax hereby granted.

(3) The annual value of any property which has been adopted for the purpose either of income tax under Schedules A. and B. in the Income Tax Act, 1853, or of inhabited house duty, during the year ending on the fifth day of April nineteen hundred and twelve, shall be taken as the annual value of such

16 & 17 Vict. c. 34.

property for the same purpose during the next subsequent year; provided that this subsection—

(*a*) so far as respects the duty on inhabited houses in Scotland, shall be construed with the substitution of the twenty-fourth day of May for the fifth day of April; and

32 & 33 Vict. c. 67.

(*b*) shall not apply to the metropolis as defined by the Valuation (Metropolis) Act, 1869.

Charge of super-tax in case of death.

6. In the case of the death of a person liable to super-tax during any year for which super-tax is charged, a part only of the year's super-tax shall be payable proportionate to the part of the year which has elapsed before the date of the death.

Exemption from income tax of funds under the National Insurance Act, 1911.

1 & 2 Geo. 5. c. 55.

7.—(1) An approved society within the meaning of Part I. of the National Insurance Act, 1911, and any branch of such a society, shall be entitled to exemption from income tax in respect of the income derived from any funds or credits of the society under that Part of that Act, or any investment thereof, and the Insurance Commissioners, the Scottish Insurance Commissioners, the Irish Insurance Commissioners, and the Welsh Insurance Commissioners shall be entitled to a similar exemption in respect of any income derived from any funds held by them, or under their control or management, under or for the purposes of that Act.

(2) The exemption granted under this section shall be claimed and allowed in the same manner as in the case of income applicable and applied to charitable purposes, and shall be in addition to, and not in derogation of, any other exemption under any other Act.

PART III.

INLAND REVENUE (MISCELLANEOUS).

Stamping of policies of sea insurance which are subject to a contingent increase of premium.

54 & 55 Vict. c. 39.

8. Where the premium or consideration for a policy of sea insurance is expressed to be a sum not exceeding the rate of half-a-crown per cent. of the sum insured, and is subject to an increase (whether defined or not in the policy) in the event of the occurrence of a specified contingency, the premium or consideration shall, for the purpose of the Stamp Act, 1891, be treated as a premium or consideration not exceeding the rate of half-a-crown per cent. on the sum insured. But if, owing to the occurrence of the contingency which is the occasion for an increase of the premium or consideration, the premium or consideration is increased so as to exceed the rate of half-a-crown per cent. of the sum insured, the policy or a new policy to be thereupon issued shall be stamped with such an additional sum as is required to represent the additional duty payable, and may be so stamped without penalty at any time not exceeding thirty days after the date on which the increased premium or consideration becomes ascertained.

Estate duty on timber.

9. Where an estate, in respect of which estate duty is payable on the death of a person dying on or after the thirtieth day of April nineteen hundred and nine, comprises land on which timber, trees, wood, or underwood are growing, the value of such timber, trees, wood, or underwood shall not be taken into account in estimating the principal value of the estate or the rate of estate duty, and estate duty shall not be payable thereon, but shall, at the rate due to the principal value of the estate, be payable on the net moneys (if any), after deducting all necessary outgoings since the death of the deceased, which may from time to time be received from the sale of timber, trees, or wood when felled or cut during the period which may elapse until the land, on the death of some other person, again becomes liable or would, but for this subsection, have become liable to estate duty, and the owners or trustees of such land shall account for and pay the same accordingly as and when such moneys are received, with interest at the rate of three per cent. per annum from the date when such moneys are received.

This section shall take effect in substitution for the first paragraph of subsection five of section sixty-one of the Finance (1909–10) Act, 1910, and that paragraph and section nineteen of the Finance Act, 1911, are hereby repealed.

10 Edw. 7. c. 8. 1 & 2 Geo. 5. c. 48.

Amendment of s. 2 (3) of 10 Edw. 7. c. 8.

10. Subsection (3) of section two of the Finance (1909–10) Act, 1910, shall apply to the case of any transfer on sale of the fee simple of the land or of any interest in the land which took place between the twenty-ninth day of April nineteen hundred and nine and the date of the commencement of that Act, or took place after the commencement of that Act in pursuance of any contract made before the commencement of that Act, as it applies to the case of a transfer on sale which took place within twenty years before the thirtieth day of April nineteen hundred and nine.

In the cases where the original site value has been finally settled before the passing of this Act an application may be made, notwithstanding anything in subsection (3) of the said section, under that subsection for the purpose of giving effect to this provision within three months after the passing of this Act, and the Commissioners of Inland Revenue shall in such a case alter the original site value as finally settled, in such manner (if any) as may be necessary to give effect to the amendment made by this section, and in cases where any amount has been paid on account of duty the Commissioners shall make such repayment as may be necessary to adjust the amount paid to any alteration of value made in pursuance of this provision.

Allowance of rates paid by the proprietor in estimating rental value for purposes of mineral rights duty.

11.—(1) The amount of rent taken to be the rental value under sections twenty and twenty-one of the Finance (1909–10) Act, 1910, of a right to work minerals (where the right is the subject of a mining lease), or of a mineral wayleave shall, in cases where the lessor is liable under any Act to pay any sum on account of rates, be the sum which would be payable as rent if the lessee were liable instead of the lessor.

(2) Where, for the purpose of ascertaining the rental value of minerals which are being worked by the proprietor, it is necessary for the Commissioners to determine the sum which would have been received as rent by the proprietor if the right to work the minerals had been leased to a working lessee, that rent shall be determined on the basis of the lessee paying all rates in respect of the minerals, notwithstanding that the case may be one in which the proprietor would have been liable to pay the rates or some part thereof.

PART IV.

NATIONAL DEBT.

Suspension in part of issue of old sinking fund for 1911–12. 38 & 39 Vict. c. 45.

12. The obligation to issue the old sinking fund to the National Debt Commissioners under section five of the Sinking Fund Act, 1875, shall not apply to the old sinking fund for the year ending the thirty-first day of March nineteen hundred and twelve in so far as the amount of that fund exceeds five million pounds.

PART V.

GENERAL.

Construction and short title. 39 & 40 Vict. c. 36. 5 & 6 Vict. c. 35. 16 & 17 Vict. c. 34.

13.—(1) Part I. of this Act so far as it relates to duties of customs shall be construed together with the Customs Consolidation Act, 1876, and the Acts amending that Act, and so far as it relates to duties of excise shall be construed together with the Acts which relate to the duties of excise and the management of those duties.

Part II. of this Act shall be construed together with the Income Tax Acts, 1842 and 1853, and any other enactments relating to income tax.

(2) This Act may be cited as the Finance Act, 1912.

CHAPTER 9.

An Act to amend the Law with respect to Customs in the Isle of Man. [7th August 1912.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Continuance of additional duties on tea, tobacco, spirits, ale, and beer. 6 Edw. 7. c. 18. 63 & 64 Vict. c. 31.

1. The additional duty of Customs on tea removed or imported into the Isle of Man imposed by section one of the Isle of Man (Customs) Act, 1906, and the additional duties of Customs on tobacco and spirits removed or imported into the Isle of Man imposed by section one of the Isle of Man (Customs) Act, 1900, and the additional duty on ale and beer removed or