CHAPTER 10.

An Act to continue the Duty of Customs on Tea, to re-impose Income Tax and Super-Tax, with amendments and modifications, and to amend the Law relating to Death Duties and the National Debt, and for purposes incidental thereto. [31st July 1914.]

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.

Duty on tea. 3 & 4 Geo. 5. c. 30

1. The duty of Customs payable on tea until the first day of July, nineteen hundred and fourteen, under the Finance Act, 1913, shall continue to be charged, levied, and paid until the first day of July nineteen hundred and fifteen, on the importation thereof into Great Britain or Ireland (that is to say):—

Tea, the pound - - - - fivepence.

PART II.

INCOME TAX.

Income tax for 1914–15.

2.—(1) Income tax for the year beginning on the sixth day of April, nineteen hundred and fourteen, shall be charged at the rate of one shilling and threepence.

(2) All such enactments relating to income 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 thirteen, 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, for the year ending on the fifth day of April, nineteen hundred and fourteen, shall be taken as the annual value of such

16 & 17 Vict. c. 34.

property for the same purpose for 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

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

32 & 33 Vict. c. 67.

Super-tax for 1914-15.

3.—(1) In addition to the income tax charged at the rate of one shilling and threepence under this Act there shall be charged, levied, and paid for the year beginning on the sixth day of April, nineteen hundred and fourteen, in respect of the income of any individual, the total of which from all sources exceeds three thousand pounds, an additional duty of income tax (in this Act referred to as super-tax) at the following rates:—

In respect of the first two thousand five hundred pounds of the income - -	nil.
In respect of the excess over two thousand five hundred pounds—	
for every pound of the first five hundred pounds of the excess - -	fivepence
for every pound of the next one thousand pounds of the excess - -	sevenpence
for every pound of the next one thousand pounds of the excess - -	ninepence
for every pound of the next one thousand pounds of the excess - -	elevenpence
for every pound of the next one thousand pounds of the excess - -	one shilling and a penny
for every pound of the next one thousand pounds of the excess - -	one shilling and threepence
for every pound of the remainder of the excess - - - - - -	one shilling and fourpence.

(2) All such enactments relating to super-tax as were in force with respect to the super-tax granted for the year beginning on the sixth day of April, nineteen hundred and thirteen, shall have full force and effect with respect to the super-tax granted under this section:

Provided that in estimating total income for the purposes of super-tax for the year beginning the sixth day of April, nineteen hundred and fourteen, a deduction may be made (in addition to those authorised in paragraph (*a*) of subsection (2) of section sixty-six of the Finance (1909–10) Act, 1910) of any additional sum on which it is shown to the Commissioners of Inland Revenue that duty would have been repayable in respect of maintenance, repairs, insurance, and management if this Act had been in force during the year by reference to which the total income is estimated.

10 Edw. 7. c. 8.

Modification of relief given in respect of earned income. 7 Edw. 7. c. 13.

4.—(1) The following subsection shall be substituted for subsection (1) of section nineteen of the Finance Act, 1907 (which provides for the reduction of the income tax payable in respect of earned income), namely :—

"(1) Any individual who claims and proves in manner "provided by this section that his total income from all sources "does not exceed two thousand five hundred pounds, and that "any part of that income is earned income, shall be entitled, "subject to the provisions of this section, to such relief from "income tax as will reduce the amount payable on the earned "income to the amount which would be payable if the tax "were charged on that income at the rate of—

"ninepence if the total income does not exceed one thousand "pounds;

"tenpence halfpenny if the total income exceeds one thou- "sand pounds but does not exceed one thousand five "hundred pounds;

"one shilling if the total income exceeds one thousand five "hundred pounds but does not exceed two thousand "pounds;

"one shilling and twopence if the total income exceeds two "thousand pounds but does not exceed two thousand "five hundred pounds."

(2) Section sixty-seven of the Finance (1909–10) Act, 1910, shall cease to have effect.

Taxation of income in respect of foreign property. 5 & 6 Vict. c. 35.

5. Income tax in respect of income arising from securities, stocks, shares, or rents in any place out of the United Kingdom shall, notwithstanding anything in the rules under the fourth and fifth case in section one hundred of the Income Tax Act, 1842, be computed on the full amount of the income, whether the income has been or will be received in the United Kingdom or not, subject in the case of income not received in the United Kingdom to the same deductions and allowances as if it had been so received and to the deduction (where such a deduction cannot be made under any other provision of the Income Tax Acts) of any sum which shall have been paid in respect of income tax in the place where the income shall have arisen, and to a deduction on account of any annual interest or any annuity or other annual payment payable out of the income to a person not resident in the United Kingdom; and the provisions of the Income Tax Acts (including those relating to returns) shall apply accordingly, and nothing in those provisions as to the receipt of sums in the United Kingdom shall be construed so as to render liable under those rules to income tax for the current or any subsequent year any sums which represent—

(*a*) income from any such securities, stocks, shares, or rents, on which income tax has been paid under this section; or

(*b*) income from any such securities, stocks, shares, or rents which was paid or became due before the sixth day of April, nineteen hundred and fourteen :

Provided that this section shall not apply in the case of a person who satisfies the Commissioners of Inland Revenue that he is not domiciled in the United Kingdom, or that, being a British subject, he is not ordinarily resident in the United Kingdom.

Any person aggrieved by any decision of the Commisssioners of Inland Revenue, on a question of domicile or residence under this section, shall have the same right to require those Commissioners to state a case on the question as an appellant has to require the general or special Commissioners to state a case on a point of law, and section fifty-nine of the Taxes Management Act, 1880, and any rules made for the purposes of that section shall apply accordingly.

43 & 44 Vict. c. 19.

Relief of small incomes from increased tax.

6.—(1) If any individual who has been assessed or charged to income tax, or has paid income tax either by way of deduction or otherwise, claims and proves in manner prescribed by the Income Tax Acts that his total income from all sources does not exceed five hundred pounds, he shall be entitled to such relief from income tax as will reduce the amount of income tax on his income to the amount which would have been paid if the tax were charged on that income—

(*a*) at the rate of one shilling and twopence if his income exceeds three hundred pounds ; and

(*b*) at the rate of one shilling if his income does not exceed three hundred pounds.

(2) The relief given under this section shall be in addition to and not in derogation of any exemption, or other relief, or abatement under the Income Tax Acts, but where any such exemption, relief, or abatement is to be determined by reference to the amount of the income tax on any sum, the amount of the tax shall be calculated at the reduced rate.

(3) All the provisions of the Income Tax Acts which relate to claims for exemption, relief, or abatement, or the proof to be given with respect to those claims, shall apply to claims for relief under this section and the proof to be given with respect to those claims.

(4) An individual shall not be entitled to relief under this section in respect of any income the tax on which he is entitled to charge against any other person, or to deduct, retain, or satisfy out of any payment which he is liable to make to any other person.

Extension of relief in respect of children.

7. Section sixty-eight of the Finance (1909–10) Act, 1910 (which gives to individuals whose total income does not exceed five hundred pounds relief from income tax equal to the amount of tax on ten pounds in respect of every child under the age

of sixteen years), shall have effect as if twenty pounds were substituted for ten pounds.

Relief from income tax in respect of maintenance, &c. of land and houses.

8. The limit under section sixty-nine of the Finance (1909–10) Act, 1910, on the amount of duty which may be repaid on account of the maintenance, repairs, insurance, and management of land or houses shall be removed as respects income tax for the year beginning the sixth day of April, nineteen hundred and fourteen, and any subsequent year, and as respects that year and any subsequent year, twelve pounds shall be substituted for eight pounds in subsection (2) of the said section as the annual value limit for houses to which that section is applied.

Provisions with respect to income tax of married persons.

9.—(1) If an application is made for the purpose in such manner and form as may be prescribed by the Commissioners of Inland Revenue, either by a husband or wife, within six months before the sixth day of May in any income tax year—

(*a*) Income tax (including super-tax) for that year shall be assessed, charged, and recovered on the income of the husband and on the income of the wife as if they were not married, and all the provisions of the Income Tax Acts with respect to the assessment, charge, and recovery of income tax (including super-tax), and the penalties for failure to make a return, shall apply as if they were not married; and

(*b*) All the provisions of the Income Tax Acts which relate to claims for exemption, relief, or abatement, and the proof to be given with respect to those claims, shall also apply as if they were not married; and a claim under section five of the Finance Act, 1897 (which relates to the exemption of the income of a married woman in certain cases), may be made by the wife as well as by the husband; and

60 & 61 Vict. c. 24.

(*c*) The income of the husband and wife shall be treated as one in estimating the amount to be repaid or allowed in respect of any exemption, relief, or abatement which depends wholly or partially on total income, (except so far as otherwise required for the purpose of dealing with any claim for exemption, relief, or abatement under section five of the Finance Act, 1897), and the total amount of any exemption, relief, or abatement given in respect of the incomes of the husband and wife shall not exceed that which would have been given if an application had not been made under this section; and

(*d*) The benefit of any such exemption, relief, or abatement may be given either by way of reduction of assessment, or by repayment of any excess of tax which has been paid, or by both of those means, as the case requires, and shall, in the case of relief given

in respect of earned income (including any exemption, relief, or abatement given in respect of the profits of a wife from a business in pursuance of section five of the Finance Act, 1897), be given in proportion to the income earned respectively by the husband and the wife, in the case of relief given in respect of insurance premiums, be given to the husband or wife, as the case may be, by whom the premium is paid, and, in any other case, be given in proportion to the respective incomes of the husband and wife; and

(*e*) for the purpose of any exemption, relief, or abatement, a return may be made by the husband or the wife of the total income of the husband and wife, but if the Commissioners of Inland Revenue are not satisfied with such return they may obtain a return from the wife or husband, as the case may be; and

(*f*) the income of the husband and wife shall be treated as one in estimating total income for the purpose of super-tax, and the amount of super-tax payable in respect of the total income shall be divided between the husband and wife in proportion to their respective incomes, and the total amount payable shall not be less than it would have been if an application had not been made under this section.

(2) The Commissioners of Inland Revenue may require returns for the purposes of this section to be made at any time, and section fifty-five of the Income Tax Act, 1842, shall, with the necessary modifications, apply in the case of the refusal or neglect to make or wilful delay in making any such return.

5 & 6 Vict. c. 35

(3) Where income tax (including super-tax) is charged on the profits or income of a married woman, in pursuance of this section, the power to distrain in the case of non-payment of any income tax payable by the wife shall extend to the goods and chattels of the husband as well as to the goods and chattels of the wife:

Provided that no distraint shall be so made on the goods and chattels of the husband unless a written demand for payment shall first have been made on the husband or left for him at his usual place of residence, and he shall have failed to pay the amount of tax payable by his wife within seven days of such demand.

1 & 2 Geo. 5. c. 2.

(4) Section eleven of the Revenue Act, 1911 (which relates to the assessment and recovery of part of the super-tax from the wife in certain cases) shall cease to have effect.

Provision as to partnership businesses carried on abroad.

10.—(1) Where any trade or business is carried on by two or more persons in partnership, and the control and management of such trade or business is situate abroad, the said trade or business shall be deemed to be carried on by persons

resident outside the United Kingdom and the said partnership shall be deemed to reside outside the United Kingdom, notwithstanding the fact that some of the members of the said partnership are resident in the United Kingdom and that some of the trading operations of the said partnership are conducted within the United Kingdom.

(2) Where any part of the trade or business of a partnership firm whose management and control is situate abroad consists of trading operations within the United Kingdom, the said firm shall be assessable in respect of the profits of such trading operations within the United Kingdom to the same extent as, and no further than, a person resident abroad is assessable in respect of trading operations by him within the United Kingdom, notwithstanding the fact that one or more of the members of the said firm are resident in the United Kingdom, provided that, for the purpose of assessing any such firm in respect of the profits of the said trading operations within the United Kingdom, an assessment may be made on the said firm in respect of the said profits in the name of any partner resident in the United Kingdom.

Residents abroad owning securities of foreign state or British possession.

11. The time limit imposed by subsection (2) of section seventy-one of the Finance (1909–10) Act. 1910, which grants relief to persons not resident in the United Kingdom in respect of income tax on the interest or dividends of any securities of a foreign state or British possession, shall be extended from six months to three years.

Part III.

Death Duties.

Amended rates of estate duty.

12. The scale set out in the First Schedule to this Act shall, in the case of persons dying after the fifteenth day of August, nineteen hundred and fourteen, be substituted for the scale of rates of estate duty set out in the Second Schedule to the Finance (1909–10) Act, 1910, as the scale of rates of estate duty.

Reduction of full amount of duty where the margin above the limit of value is small.

13.—(1) The amount of estate duty payable on an estate at the rate applicable thereto under the scale of rates of duty shall, where necessary, be reduced so as not to exceed the highest amount of duty which would be payable at the next lower rate, with the addition of the amount by which the value of the estate exceeds the value on which the highest amount of duty would be so payable at the lower rate.

(2) Where the net value of the property real and personal in respect of which estate duty is payable on the death of the deceased, exclusive of property settled otherwise than by the will of the deceased, exceeds one thousand pounds, the amount of legacy and succession duty payable in respect of the property shall not exceed the amount by which the net value of the

property as estimated for the purposes of estate duty exceeds one thousand pounds.

Abolition of settlement estate duty and of relief in respect of settled property. 57 & 58 Vict. c. 30.

14. Any relief from the payment of estate duty given by subsection (2) of section five, or by subsection (1) of section twenty-one of the Finance Act, 1894 (which relate to settled property), or by subsection (16) of section twenty-three of that Act (which relates to entailed estates in Scotland) shall cease in the case of any person dying after the fifteenth day of August, nineteen hundred and fourteen, and settlement estate duty shall not be levied in the case of persons dying after the eleventh day of May, nineteen hundred and fourteen:

Provided that—

(*a*) nothing in this section shall affect the relief given by the above-mentioned provisions of the Finance Act, 1894, in cases where, before or after the passing of this Act, estate duty has been paid or any of the duties specified in subsection (1) of section twenty-one of that Act have, either before or after the passing of this Act, been paid or are payable upon the death of one of the parties to a marriage, so far as respects the payment of estate duty on the death of the other party to the marriage; and

(*b*) on the first occasion on which estate duty becomes payable in respect of any property which would not have been payable but for this section, the amount of settlement estate duty, if any, which has been paid in respect of that property, shall be allowed against the amount of estate duty payable on that occasion, and if it exceeds that amount, the excess shall be repaid to the estate, and in addition, a sum equal to simple interest on the said amount of settlement estate duty calculated at the rate of three per cent. per annum from the fifteenth day of August, nineteen hundred and fourteen, up to the date of the occasion shall be paid to the several persons or their representatives who would have been entitled to the income arising from that amount, if that amount had on the fifteenth day of August, nineteen hundred and fourteen, been added to the capital of the settled property and shall be divided amongst those persons or their representatives according to the several interests they would have had in that income; and

63 & 64 Vict. c. 7.

(*c*) Section eleven of the Finance Act, 1900, as amended by section fifty-nine of the Finance (1909–10) Act, 1910, shall not operate on any such surrender, assurance, divesting, or disposition as is mentioned in the said section eleven made by any person between the fifteenth day of August, nineteen hundred and fourteen, and the first day of April,

nineteen hundred and fifteen, so as to make any estate duty payable on the death of that person which would not have been payable but for this section.

Relief in respect of quick succession where property consists of land or a business.

15. Where the Commissioners of Inland Revenue are satisfied that estate duty has become payable on any property consisting of land or a business (not being a business carried on by a company), or any interest in land or such a business, passing upon the death of any person, and that subsequently within five years estate duty has again become payable on the same property or any part thereof passing on the death of the person to whom the property passed on the first death, the amount of estate duty payable on the second death (if that death occurs after the passing of this Act) in respect of the property so passing shall be reduced as follows :—

Where the second death occurs within one year of the first death, by fifty per cent. ;

Where the second death occurs within two years of the first death, by forty per cent. ;

Where the second death occurs within three years of the first death, by thirty per cent. ;

Where the second death occurs within four years of the first death, by twenty per cent. ;

Where the second death occurs within five years of the first death, by ten per cent. :

Provided that where the value, on which the duty is payable, of the property on the second death exceeds the value, on which the duty was payable, of the property on the first death, the latter value shall be substituted for the former for the purpose of calculating the amount of duty on which the reduction under this section is to be calculated.

Protection of purchasers and mortgagees of interests in expectancy. 57 & 58 Vict. c. 30.

16. Where an interest in expectancy within the meaning of Part I. of the Finance Act, 1894, in any property has, before the eleventh day of May, nineteen hundred and fourteen, been bonâ fide sold or mortgaged for full consideration in money or money's worth, then no other duty on that property shall be payable by the purchaser or mortgagee when the interest falls into possession than would have been payable if this Part of this Act had not passed, and in the case of a mortgage any higher duty payable by the mortgagor shall rank as a charge subsequent to that of the mortgagee.

PART IV.

NATIONAL DEBT.

Reduction of permanent annual charge for current year. 38 & 39 Vict. c. 45. 10 Edw 7. c. 35.

17. The amount of the permanent annual charge for the National Debt under section one of the Sinking Fund Act, 1875, shall, during the current year, be the sum of twenty-three and a half million pounds instead of twenty-four and a half million pounds ; and section four of the Finance Act, 1910, shall have effect accordingly.

PART V.

MISCELLANEOUS.

Repeal, construction, and short title.

18.—(1) The enactments specified in the Second Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Schedule.

39 & 40 Vict. c. 36.

(2) 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 any enactments amending that Act.

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

Part III. of this Act shall be construed together with the Finance Act, 1894.

(3) This Act may be cited as the Finance Act, 1914.

The SCHEDULES above referred to.

Section 12.

FIRST SCHEDULE.

SCALE OF RATES OF ESTATE DUTY.

Where the Principal Value of the Estate						Estate Duty shall be payable at the Rate per Cent. of
	£			£		
Exceeds	100	and does not exceed		500		1
„	500	„	„	1,000		2
„	1,000	„	„	5,000		3
„	5,000	„	„	10,000		4
„	10,000	„	„	20,000		5
„	20,000	„	„	40,000		6
„	40,000	„	„	60,000		7
„	60,000	„	„	80,000		8
„	80,000	„	„	100,000		9
„	100,000	„	„	150,000		10
„	150,000	„	„	200,000		11
„	200,000	„	„	250,000		12
„	250,000	„	„	300,000		13
„	300,000	„	„	350,000		14
„	350,000	„	„	400,000		15
„	400,000	„	„	500,000		16
„	500,000	„	„	600,000		17
„	600,000	„	„	800,000		18
„	800,000	„	„	1,000,000		19
„	1,000,000					20

SECOND SCHEDULE.

Section 18.

ENACTMENTS REPEALED.

Session and Chapter.	Short Title.	Statutes repealed.
57 & 58 Vict. c. 30.	The Finance Act, 1894 -	Subsections (1) and (4) of section five, in section seventeen the words "the rate of the settlement estate duty where the property is settled shall be two per cent.", subsection (4) of section twenty-one.
10 Edw. 7. c. 8.	The Finance (1909–10) Act, 1910.	Section fifty-four and the Second Schedule as respects persons dying after the fifteenth day of August, one thousand nine hundred and fourteen, section sixty-seven; in subsection (1) of section sixty-nine the words "not exceeding in the case of land one-eighth and in the case of houses one-twelfth part of the duty on an amount equal to the annual value."
1 Geo. 5. c. 2.	The Revenue Act, 1911	Section eleven.

CHAPTER 11.

An Act to authorise His Majesty by Proclamation to suspend temporarily the payment of Bills of Exchange and payments in pursuance of other obligations.

[3rd August 1914.]

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:

Power to postpone payments by Royal Proclamation.

1.—(1) His Majesty may by Proclamation authorise the postponement of the payment of any bill of exchange, or of any negotiable instrument, or any other payment in pursuance of any contract, to such extent, for such time, and subject to such conditions or other provisions as may be specified in the Proclamation.

(2) No additional stamp duty shall be payable in respect of any instrument as a consequence of any postponement of